

Ministry of Capacity Building
Civil Society Organizations' Capacity Building Program
Program Design: Zero Draft

**FEDERAL DEMOCRATIC REPUBLIC OF
ETHIOPIA**

MINISTRY OF CAPACITY BUILDING

**CIVIL SOCIETY ORGANIZATIONS' CAPACITY
BUILDING PROGRAM**

PROGRAM DESIGN

ZERO DRAFT FOR PUBLIC CONSULTATION

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Acronyms and translations

CB	Capacity building
CSO	Civil Society Organization
CSO- CBP	Civil Society Organizations' Capacity Building Program
DPPC/B	Disaster Prevention and Preparedness Commission/Bureau
equb	informal savings and credit arrangement
ESRDF	Ethiopian Social Rehabilitation and Development Fund
HAPCO	HIV/AIDS Prevention and Control Office
iddr	burial society
MCB	Ministry of Capacity Building
SDPRP	Sustainable Development and Poverty Reduction Program
VAT	Value-added tax
Woreda	the lowest level of government administration to which budget resources are devolved

Executive Summary

As required by the Ministry of Capacity Building, this Zero Draft program document sets out the first draft of a program design to build the capacity of civil society organizations to contribute to the achievement of SDPRP objectives in a closer partnership with government.

The program design is situated within an understanding of civil society organizations, which sees them as occupying an arena beyond the family and distinct from the public and private sectors. Following international practice, the program's conceptualisation of civil society includes formal and informal member-serving organizations and third-party serving organizations, including NGOs.

Government envisages enhanced roles for civil society in achieving SDPRP objectives in terms of strengthening democracy, service delivery and decentralization. The program design takes this as its point of departure in considering for what purposes CSO capacity needs to be built.

The program is organized around three sub-programs:

- Creating an enabling institutional environment (for CSO participation in the SDPRP)
- Building partnership between government and CSOs; this involves an innovatory approach in the Ethiopian context of creating an independent legal body, jointly governed by government and civil society to oversee the program as a whole and to promote capacity development within civil society.
- Building civil society capacity (for more effective participation in the SDPRP); civil society capacity is understood as including issues of governance, development performance and the ability to form coalitions and federations.

These sub-program address changes and reforms that are required respectively in: (i) the government system; (ii) between government and CSOs; and (iii) within the CSO community. Each sub-program contains a number of components and specific initiatives that address the changes and reforms that are required.

The program rests on four strategic priorities:

- Building mutual confidence between government and CSOs
- Generating new resources for CSOs to (i) build their capacity and (ii) scale-up their participation with government in the achievement of SDPRP objectives
- Recognising Regional diversity
- Addressing the question of scale

This last is the most difficult technical problem facing program design; since capacity building for civil society potentially encompasses the entire adult population of Ethiopia. It is impossible to envisage a program that could be rolled out across the country in a short period of time. In addition to what is proposed in this program design, therefore, new solutions to creating capacity to build civil society capacity will need to be found as the program is implemented.

Part I: Introduction

Background

1. In 2002, the Government of Ethiopia (GoE) completed its Sustainable Development and Poverty Reduction Program (SDPRP).¹ An operating principle of the SDPRP anticipates an evolution in the relationship between the state and society towards promoting and strengthening partnerships between government and other development actors.² This creates new opportunities for and new demands on all development actors, including those within civil society.

2. The SDPRP rests on four pillars or building blocks: Agricultural Development Led Industrialisation (ADLI) and food security; reform of the justice system and civil service; decentralization, governance and empowerment; and capacity building of the public and private sectors and civil society. To make this last pillar operational the government is formulating 14 medium-term programs, through the Ministry of Capacity Building (MCB), that will increase the nation's capability to realize the goals set out in the SDPRP.

3. One MCB program is intended to improve the capacity of the diverse organizations that form civil society. Designing and establishing this program is the responsibility of the Civil Society Organizations Capacity Building Program (CSO-CBP) within the MCB. The CSO-CBP will guide official capacity building initiatives directed at civil society organizations in the country.

4. This document is the first draft of the design of a program to achieve the MCB's objectives with respect to capacity building of civil society. It outlines the overall strategy, main sub-programs and components proposed for the program. It provides the basis for a public consultation exercise to be held in June 2004. After this, a final draft will be submitted to the government for approval. Once approval has been given, it will be possible to prepare a more detailed funding proposal.

5. The program design proposed in the following pages is based on more than two years of information collection and analysis. These tasks have involved: national surveys; directed enquiries by Task Forces; Regional consultations that involved a wide variety of stakeholders; workshops to identify and share Ethiopian and international practice in capacity building; workshops to propose priorities and methods to be incorporated into program design; Technical Notes on key components of the proposed program³; establishment of a multi-stakeholder Advisory Board to the MCB CSO-CBP; and technical support from specialists in this field.

Program rationale

6. As defined in the SDPRP, the broad objective of the civil society capacity building program is to create an enabling institutional environment and to build the capacity that is necessary for

¹ Ethiopia: Sustainable Development and Poverty Reduction Program (SDPRP), Ministry of Finance and Economic Development, Addis Ababa, July 2002.

² SDPRP, p. 85.

³ Technical Notes 1 and 3-7 are available from the MCB CSO-CBP on request.

effective civil society participation in promoting development, reducing poverty and strengthening democracy⁴.

7. The fundamental rationale for the program is the recognition by government that it cannot achieve the objectives of promoting development, reducing poverty, and strengthening democracy set out in the SDPRP simply through its own institutions, agencies and programs but must work in close collaboration with other development actors. This represents a shift in thinking from previous eras, and a change in the ‘rules of the game’ from one where government monopolizes the development process to a situation where promoting development involves a partnership between government, the private sector and civil society.

8. Under-pinning this rationale, however, is the recognition that civil society is currently weak, fragmented and disparate, and that, in order for civil society organizations to play the more effective role that the SDPRP envisages, significant investments will be required to build their capacity. As laid out in this program document, this involves three separate but inter-related strategies: the creation by government of a more enabling environment for civil society organizations; encouraging CSOs to develop their own capacity in response to the new demands being placed on them; and creating institutions that strengthen the partnership between government and CSOs. These strategies are reflected in three sub-programs that are described in this Zero Draft.

Document structure

9. This Zero Draft is organised as follows. Part 2 provides a brief explanation of the concepts and terms used to understand civil society in Ethiopia. It summarises a more detailed explanation contained in Technical Note 1, which was prepared during the program design planning phase to introduce concepts of civil society in the international and Ethiopian contexts to program stakeholders.

10. Part 3, describes the broad program design framework in terms of program objectives, structure and outcomes; and it identifies four strategic priorities for the program. Part 4 contains the more detailed program description in terms of sub-programs, components and specific proposed initiatives. However, it is important to state at the outset that this Zero Draft does not provide a detailed description of projects and activities, or a budget. Following finalisation and approval of the program document, these will need to be elaborated in proposals for funding. Program phasing and institutional arrangements for the program are described in Part 5.

11. The program proposals are derived from studies and information gathering exercises that had been completed up to the end of February 2004. Additional studies are yet to be finalised the findings from which will help to further elaborate the program. This further elaboration can be used both to develop funding proposals and to specify later program activities in more detail. This public consultation on the Zero Draft is also intended to solicit comments and suggestions that can be incorporated into the program in order to bring about necessary improvement in the capacity of civil society to contribute to sustainable development and democratization in Ethiopia.

⁴ SDPRP, Annex Matrix Table 6.1 Capacity Building Programs and Major Activities

12. In this public consultation exercise, stakeholders will have their own comments, questions and observations on the Zero Draft. However, those being consulted are also asked to consider the following over-arching questions that relate to the program's three sub-programs:

- How can high level political support and direction be institutionalised within the program, so as to ensure that the changes required to reform the enabling environment for CSOs are expedited in an effective and timely manner? (sub-program 1)
- What will be the most effective arrangements for establishing a neutral and independent body to guide CSO capacity building initiatives in the country? How can high level political support for the independence of this body be assured? (sub-program 2)
- Who will initiate and promote the changes that are required to enhance CSO performance standards and promote stronger CSO coalitions, given (i) the program principle that this should be achieved through self-regulation within civil society and (ii) the current fragmented and disparate character of that community? (sub-program 3)

Part 2: Civil society and capacity towards the SDPRP

13. The concept of civil society is not used in an agreed or uniform way across the world, and Ethiopia is no exception in this regard. Consequently, the program design process needed to answer two major questions with regard to the Ethiopian context:

- how should the concept of civil society be understood?
- for what purposes should civil society capacity be built?

14. This part of the proposal addresses these two questions that are fundamental to program design.

Civil Society in Ethiopia

15. There is no single, undisputed way of understanding civil society, and reaching a shared understanding about civil society within Ethiopia is a process of debate that will necessarily continue for quite a while. However, there is a general international consensus that civil society is a broad term used to describe the variety of associations that citizens form to achieve common interests and pursue shared concerns. These associations operate beyond the private sphere of families; they are not part of the government system, nor are they established to make profits to be distributed to owners.

16. Civil society organizations can work either on the basis of self-help or to provide assistance to others. In the case of the latter, this can be done either directly through providing services (such as health, education or counselling) to specific groups, defined geographically and/or socially, or indirectly by providing information, analysis and opinion on issues relevant to the public as a whole.

17. Many self-help or member-based CSOs are established to benefit members economically by collectively generating income or by sharing costs and risks. CSOs established to provide assistance to others usually have social rather than economic objectives and, consequently, if they create financial surpluses, these must be reinvested in the organization’s work.

18. CSOs may remain informal or they can choose to become formal legal entities under whatever legislation is most appropriate for their objectives and intended ways of working. Ethiopia has informal CSOs, like *iddrs* and *equbs*, as well as formal CSOs, such as organised faiths, professional associations, trade unions, and cooperatives. Both informal, unregistered and formal registered associations are recognised as being part of civil society

19. In its approach to information-gathering for program design, the CSO-CBP made a distinction between CSOs, understood as (informal and formal) member-based associations, and nongovernmental organizations (NGOs), understood as non-membership-based and largely externally financed organizations. As noted above, international convention uses the term civil society to include a broad range of associations, and this program design follows the international approach in including NGOs as part of civil society. Unless otherwise stated, therefore, when the term CSO is used in this program document, it should be understood as including NGOs.

20. In summary, this program document and program design takes civil society as an arena inhabited by associations formed by citizens. The types of associations within the civil society arena are very varied and include the following.

Table 1. Categories and illustrative examples of CSOs in Ethiopia

	Formal/registered	Informal/non-registered
Self-help, member-serving	Unions, cooperatives Professional associations Faiths and religions	debbo, jigge, seddaka iddir, equb
Third -party serving	NGOs Advocacy groups and networks	Not present

21. A common feature of civil society across the world is that it becomes more diverse and complex as society itself develops technically, socially, economically and politically. There are three common signs of this evolution.

- the emergence of more and more specialized CSOs, for example organizations concerned about national debt or protecting genetic diversity.
- a broadening of what CSOs do; for example, professional associations - initially established simply to serve their members – may start using their expertise to make public comment on the broader implications of social or economic policy, not just in terms of its impact on members.
- CSOs start to form broader coalitions, such as networks, forums and federations; these are not necessarily organizations in their own right but can be an effective means for CSOs to increase their impact.

22. Ethiopia is showing many signs of this type of evolution. Some of the resulting changes in the civil society landscape are difficult to accommodate within the existing legal and institutional framework, which was developed for an earlier and more limited understanding of the role of CSOs. But this evolution offers significant potential in terms of the contribution that CSOs can make towards the achievement of SDPRP goals.

23. To give some idea of the scale of civil society in Ethiopia, a study conducted by GTZ in 2002 suggested that nationally *iddrs* had around 39 million members, with some 7,000 *iddrs* in Addis Ababa alone. The study suggested that *equbs* had some 21 million members, with 9 million members in other self-help groups.⁵ Registered NGOs in Ethiopia currently number about 675 organizations, with some 20 percent international. NGOs are unevenly located across the country, with a bias towards the capital city and the relatively more developed regions.

24. For practical purposes, with the above ideas about Ethiopian civil society in mind, the design process also had to ascertain what CSO capacity was needed for. This is explained in the following section.

Civil Society Capacity Building for What?

25. Substantial experience of civil society capacity building across the world confirms the importance of being clear about the purpose for which organizational capacity needs to be built. What is CSO capacity intended to achieve? For what tasks is CSO capacity needed?

26. In seeking to answer this question, the program design team took the SDPRP as the starting point and guiding framework for program design. This identified the following three broad areas in relation to which civil society capacity needs to be built. Capacity needs to be built for enhanced participation in (i) democratization, (ii) delivery of services, and (iii) decentralization. This produced the following picture of the specific capacity requirements that CSOs will need if they are to contribute more effectively to the achievement of SDPRP goals.

CSO roles and capacities in democratization

27. The SDPRP states that the process of democratization 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.*” The SDPRP also notes that promoting the role of civil society in democratization 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 decentralization affords.*”⁶

28. Thus, while the SDPRP asserts that government should take the lead in promoting democracy, it also clearly states that citizens have to learn to exercise their constitutional rights and that they will be able to do this more effectively and with more influence on decentralized government structures if they combine in various types of coalition and federation.

⁵ Estimates made by the GTZ Open Self-Help project, presented on 12th February 2002. The program design team was unable to verify these figures but has taken them as broadly representative of the phenomena they describe.

⁶ SDPRP, p. iv.

29. The competencies and abilities required by CSOs to do this can be identified as:

- **Collective voice**, which depends on:
 - Identifying, promoting and defending common interests.
 - Possessing and using rights of expression.
 - Being listened to by the State.
- **Legitimacy**, which:
 - Requires organizational transparency and public accountability.
 - Allows citizens to hold the administration to account at *Woreda*, Regional and Federal levels.

CSO roles and capacities in service delivery

30. The SDPRP is quite explicit and detailed in terms of government's expectations of CSOs in relation to service delivery. This is both in terms of the roles that it envisages for civil society in managing and monitoring services delivered by the State, and in terms of direct service delivery by CSOs themselves.

31. 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 recognizes 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.*"⁷

32. What is envisaged in the SDPRP can be summarised as:

- In different sectors, CSO resources must be utilized and coordinated with government programs within the framework provided by the SDPRP.
- Under the SDPRP there will be increasing emphasis on monitoring the quality as well as the coverage of services.
- Communities will be involved in identifying priorities for services, and in delivering and sustaining them.

33. In relation to managing and monitoring government service delivery, civil society needs the capacity to understand and address issues of:

- Cost-effectiveness
- Resource mobilization and cost sharing
- Service quality
- Sustainability
- Coordination with other agencies

⁷ SDPRP, p. ix

34. In relation to their roles in directly delivering services, CSOs need to demonstrate competence in terms of:

- Efficiency
- Effectiveness
- Accountability and transparency
- Sustainability

CSO roles and capacities in decentralization

35. In Ethiopia decentralization implies not only administrative devolution but also the devolution of fiscal resources to the *Woreda* level of government. The SDPRP identifies civil society's participation in deciding how these resources are allocated as a key element in their empowerment:

*"[Fiscal empowerment] is a fundamental shift in the history of Ethiopia, which mandates communities through their elected councils to plan, allocate budget and implement to address their socio-economic problems. This is a key process that will unlock the energies of communities to face the challenge of poverty at its root. They will be provided with budget grant to make their own empowerment effective and complement their local resources, which for sure they will mobilize to address their own problems, by themselves."*⁸

36. It is the government's intention that decentralization will increase the decision-making powers of *Woreda* administrations. It will also allow more meaningful participation by the rural population in budgetary decisions that will have direct and positive impacts on their welfare. This will give rural communities valuable experience in how to bring about development through their own actions.

37. In thinking about how the rural population will participate in these decisions, it is important to recognise that participation is a complex process that must be understood in different ways. For example: which groups within communities are included in or excluded from decisions about development and the allocation of resources? in what decision-making processes do people participate? and how deep is participation? This is spelled out in the following terms:

38. **Who participates?** Because communities are not homogeneous, civil society participation implies that:

- Diverse groups within civil society represent different interests or constituencies; all of these groups will have different and possibly conflicting points of view and priorities that they wish to express; not all points of view can or will be given equal weight.
- Specific groups may be more or less able to participate (for example, women and poorer or more marginal groups may have less of a voice than men or richer social groups).

39. **For what purposes?** Civil society groups may participate:

⁸ SRDP, p. ix.

- In policy formulation.
- In the planning, monitoring and evaluation of services.
- Through holding all levels of government to account.
- By mobilizing and utilizing resources in support of government development efforts.

40. **How deep is participation?** Civil society groups may participate through:

- Being informed (about the availability of resources and their proposed allocation)
- Being consulted (about the availability of resources and their proposed allocation)
- Sharing decisions (about the availability of resources and their proposed allocation)
- Exercising joint control (over how resources are allocated and used)

Summary

41. Government's intention is to shift from development being driven by the State to a sharing of responsibility between government, the private sector and civil society. This is a very big, long-term agenda towards which a civil society capacity building program can only make a contribution. By comparison with the Ministry's other capacity building programs, however, this program has a distinctive contribution to make in the fact that it deals explicitly with capacity development on the 'demand side', i.e. with organised groups of citizens, and not just on the 'supply side' i.e. with government. This distinction is one important consideration that has shaped program design. Other factors shaping the program framework are described in the next part of this document, which outlines the program framework.

Part 3 The Program Framework

42. This part of the program document introduces the overall objective of the program, outlines the program structure in terms of its sub-programs and indicates the anticipated outcomes of the program in relation to these sub-programs. The approach adopted within sub-programs and the contents of their related components and initiatives are described in greater detail in Part 4 of the document. In this Part, sub-programs and outcomes are simply listed so as to provide a context for the discussion that follows on the four key strategic priorities which the program is required to address.

Program objective, structure and outcomes

43. As noted, the overall objective for the program is to: Create an enabling institutional environment and build the capacity that is necessary for effective civil society participation in promoting development, reducing poverty and strengthening democracy⁹.

44. This objective leads to the following broad program structure. The program is constructed around three sub-programs, in each of which reform or innovation is required for the overall program objective to be achieved

⁹ SDPRP, Annex Matrix Table 6.1 Capacity Building Programs and Major Activities

45. These sub-programs propose required changes (i) within the government system, (ii) between government and CSOs and (iii) within the CSO community. These sub-programs are:

- Sub-program 1: Creating an enabling institutional environment (for CSO participation in the SDPRP)
- Sub-program 2: Building partnership between government and CSOs
- Sub-program 3: Building civil society capacity (for more effective participation in the SDPRP)

46. For each of these sub-programs specific outcomes have been identified that their constituent components and initiatives are intended to achieve. These outcomes are:

47. Outcomes for sub-program 1: Creating an enabling institutional environment

- An enabling legal and regulatory framework for CSOs in place.
- CSO access to and ability to retain resources for development activities enhanced.
- Capacity in relatively less developed Regional States to collaborate with CSOs strengthened.
- Government engagement with CSOs in policy, planning, implementation and review strengthened.

48. Outcomes for sub-program 2: Building partnership between government and CSOs

- Civil Society Capacity Building Partnership Programme established.
- CSO capacity building needs identified and capacity building resources increased.
- Civil Society Capacity Building Partnership Fund established.
- CSO coalitions promoted and supported
- Policy dialogue with government enhanced.
- Effective programme monitoring, evaluation and learning systems operational.

49. Outcomes for sub-program 3: Building civil society capacity

- CSO governance standards improved.
- CSO service delivery standards improved.
- Regional and national CSO coalitions developed and expanded.
- CSO access to and use of development-related information improved.
- CSO engagement in democratization processes enhanced.

50. These sub-programs and outcomes rest on the following key issues and strategic priorities for the program.

Strategic priorities

51. During the data collection and analysis stages of program planning, several cross-cutting key issues emerged. In turn, these indicated that a civil society capacity building program needed to address four strategic priorities. These are:

- the need for the program to adopt an approach that builds confidence and trust between government and civil society
- a requirement to find new resources that will allow CSOs to scale-up their contribution in line with the enhanced role envisaged for them in the SDPRP
- the need to acknowledge and make allowances for Regional difference, particularly given the very diverse character of civil society in different parts of Ethiopia and different levels of capacity between Regions
- the necessity of finding ways to address questions of scale in a program that potentially encompasses the entire adult population of Ethiopia.

52. These strategic priorities provide indications of how best program components and initiatives can and should be phased. Phasing is discussed further in Part 5. The point to be made here is that building confidence between government and civil society is a key strategic priority, and initiatives that aim to promote confidence must be addressed early on in the program.

53. For this to happen, government must take an early lead by unblocking any legal, regulatory or administrative obstacles that stand in the way of CSOs being able to make a more effective contribution to the achievement of SDPRP objectives. In stating this, we do not neglect or underestimate the very significant changes that civil society organizations will need to make in terms of their own governance and performance standards, in order to inspire confidence in government and in their clients, constituencies and beneficiaries. These are also addressed early on in program implementation.

54. However, we believe that, for this program to be successful, there is a critical need both for government to make reforms early on and for these reforms to be supported and given strong direction from within government at political as well as at management levels. This is the reason that the first sub-program deals with issues of change and reform within government.

55. The program's four strategic priorities are spelled out in the following paragraphs.

Building mutual confidence

56. It is common in every country of the world for government and organized civil society to have different and often conflicting opinions on many issues. Indeed, this is the rule rather than the exception since civil society organizations must, almost by definition, encompass every shade of opinion and not simply those of the government in power. However, Ethiopia is unusual in its particular history of State-civil society relations, which have given rise to a high level of mistrust between government and civil society organizations. Since Ethiopia is also unique in having a government program dedicated to building the capacity of civil society, this poses particular challenges for program design.

57. The mistrust of CSOs, which government shares with other sectors of society, stems very largely from the poor reputation gained by some NGOs (sometimes known as 'briefcase NGOs') in their dealings with the public and with government and the lack of true transparency and accountability which many NGOs have towards their constituencies and the communities within which they work. On the other hand, the mistrust of government by CSOs originates in the legacy of control by previous regimes and the fear of CSOs that any regulation or involvement by

the government in civil society represents a continuation of or return to such control. The evidence of mistrust today is seen in the frequent and public accusations as to motivations, attitudes and performance of the government on the one hand and of civil society organizations on the other. The reality is that accusation and counter-accusation are often mirror images of one another, and equally often are rooted in untested beliefs and attitudes as much as in evidence.

58. Unless this mutual mistrust and suspicion are overcome and a shared vision achieved, the civil society capacity building program is unlikely to achieve its objectives. Indeed, without greater confidence being established between government and civil society, it is hard to see how many of the program components could even get off the ground. For example, any government efforts to mobilize and build the capacity of communities are likely to be met with passive resistance and avoidance; attempts to improve CSO transparency and accountability may be interpreted as a means to discredit these organizations; and government co-ordination may be viewed as a form of control. How, programmatically, can these obstacles be overcome? Is there a way to move from a culture of mutual mistrust to a culture of mutual confidence where, even when there is not full agreement between government and civil society organizations, there is respect for different points of view and ways of working?

59. To help build mutual confidence, program design applies three principles.

60. The first program principal is that government on its side and CSOs on theirs must commit themselves to an agreed set of internal reforms. As already noted, government must take the lead in this by removing those legal and administrative obstacles that are currently seen as blocking CSO activity, and must ensure that these initiatives are taken during the first phase of the program. For their part, CSOs must agree to introduce minimum standards in governance and development performance, early in the program, that are known by and acceptable to their stakeholders in government and the public at large.

61. The second program principal follows naturally from the first. This is that a partnership needs to be built between government and CSOs. This partnership is intended to promote capacity development within CSOs through making available the human, technical and financial resources for them to develop themselves. The partnership will also provide a formal institutional framework where government and civil society representatives can meet to address issues of common concern and to review progress as the program is rolled out. The institutional arrangements for this partnership are intended to ensure that the two parties meet on an equal footing and in a neutral environment.

62. The third program principle is that capacity building within civil society has principally to be a process of self-development. This is based in an understanding that: 'No one 'develops' anybody else. People and societies develop themselves, with or without the help of outsiders'¹⁰. Specifically, capacity building is not something that can be enforced or imposed on civil society by government. The higher standards of transparency, accountability and development performance that it is widely recognised that CSOs must achieve in order to be seen as credible interlocutors with government, are standards that civil society must work towards and must own itself.

¹⁰ Deborah Eade, Based on the Capacity and Vulnerability Analysis (CVA) which emerged in the late 1980s

Generating new resources for CSOs

63. The preceding paragraphs and this entire program design assume that it is possible for mistrust to be overcome and for a more effective collaboration to be built between government and CSOs. Government recognises that it cannot achieve SDPRP goals on its own and a major motive for changing the relationship between government and CSOs is to encourage greater CSO involvement in the government's agenda for development and democratization. The aspirations of the SDPRP in terms of the time-scale for reaching the Millennium Development Goals are ambitious and imply a need to significantly scale up the current level of CSO activity. This raises questions about how this scaling up will be resourced.

64. Government has frequently stated, and with justification, that the real capacity gap in Ethiopia is not lack of resources but lack of 'know-how'. Nevertheless, if CSOs are to be enabled to increase their contribution to development to the level that government envisages, new and additional financing will need to be found to enable them to do this. Some of this will come from CSOs' own resources – either from their members or constituencies or from their traditional donors. However, a second strategic priority for the program is to identify mechanisms through which new sources of funds for CSOs can be created.

65. Program design proposes that two new sources of funds should be made available to CSOs. The first of these would provide funding specifically for interventions to build CSO capacity; the second would enable CSOs to access public funds for service delivery activities.

66. It is envisaged that the first of these sources of funds, for funding CSO capacity building, should be in the form of a donor-funded 'trust fund'. Disbursement of funds will be 'demand led'; in other words, funds will be allocated in response to detailed proposals from CSOs for specific capacity building interventions. The capacity building fund will have a separate budgeting and accounting system outside the government budget. In this regard, the program will draw on and learn from the Ethiopian Social Rehabilitation and Development Fund (ESRDF). (Further details of the proposed 'trust fund' are provided in sub-program 2: Building partnership between government and civil society organizations.)

67. With regard to the other source of funds, the need is to enable CSOs to have a share in public funds in order to carry out their development programs on a larger scale than has been the case up till now. Public funds will be made available in instances where CSO development programs are clearly within the framework of and in support of SDPRP-related programs and activities, such as sector development programs. The conditions under which CSOs will be able to access these funds will have to be negotiated between government and CSOs, and eligibility criteria will need to include CSOs reaching agreed minimum standards in terms of development performance, transparency and accountability and in their governance structures. (Further details of this proposal are contained in sub-program 1: Creating an enabling institutional environment.)

68. Enabling access to public funds is expected to create positive incentives for CSOs in two senses. In the first case, providing resources for relevant development programs will encourage CSOs to increase their level of coordination and collaboration with all levels of government in SDPRP-related activity. Second, creating opportunities for CSOs to access public funds should stimulate CSOs to remedy capacity gaps and weaknesses, since eligibility for these funds will be

conditional on agreed standards being met. Together, these initiatives should increase CSO collaboration with government and contribute to raising standards of CSO performance.

69. In the Ethiopian context, making public funds available to CSOs is an innovation and one that the program design team recognizes may be seen as unusual and inappropriate by some sections of government. However, it would be a development consistent with current international practice, where civil society organizations of different types have benefited for many years from significant levels of government financial support. Moreover, some limited initiatives of this type have already started in Ethiopia and these can provide models for the enhanced initiatives that the program proposes. In particular, the program can draw on and learn from the example of the HIV/AIDS Prevention and Control Office (HAPCO).

Recognising Regional Diversity

70. The third strategic priority for the program is to recognise both the wide disparities in resources, infrastructure and know-how that exist between different Regions and the diversity manifest in the social and economic fabric of Ethiopia's different Regions. Program design needs to compensate for the former and accommodate the latter.

71. Two principles are applied that bring these Regional differences into program design. One is to design interventions that compensate for capacity shortfalls in the relatively less developed Regions by, for example, establishing 'twinning' arrangements with better-off Regions and developing incentives for CSOs to work in relatively less developed Regions. (These are described in more detail in sub-program 1: Creating an enabling institutional environment.)

72. The second principle is to ensure that assessments of capacity building needs are made Region by Region, so that capacity building interventions are tailored to specific Regional social, agro-ecological, infrastructural and economic conditions. For example, capacity needs and capacity building interventions are likely to be different for pastoral forms of organization, livelihoods and governance structures than will be the case with settled farming communities. (This proposal is described under sub-program 2: Building partnership between government and civil society organizations.)

73. The program wishes to avoid 'one size fits all' approaches to capacity building needs that ignore Regional diversity and capacity. In addition to specific program initiatives, therefore, a decentralized management structure will also provide scope for Regional interpretation of the program design approach and principles. (This is described in Part 5: Institutional arrangements.)

Addressing the Question of Scale

74. How to address the question of scale is the greatest technical challenge that the program faces. Potentially, the 'demand side' of capacity building involves the entire adult population of Ethiopia. From a practical point of view, it is impossible to envisage a program that could be rapidly rolled out across the whole of the country in a short period of time. While there is much international and Ethiopian experience that provides lessons on techniques and methods for building the capacity of civil society, these have mostly been developed in the context of relatively small-scale initiatives.

75. One thing that international and Ethiopian experience teaches us is that constructing hundreds of training institutions across the country will be neither an appropriate, nor a cost-effective, nor a sustainable approach to building the capacity of civil society. Other solutions to ‘building capacity to build capacity’ will need to be found, and many of these are relatively slow, long-term and labour intensive. The scale of the Ministry of Capacity Building’s initiative poses specific challenges for how to do this. This program design only begins to address the magnitude of the task – other ideas will need to be considered and elaborated as implementation proceeds and lessons are learned.

76. At this stage, the program design proposes that the scale of the task is addressed by allowing implementation to be determined by the demand coming from CSOs. The pace at which CSOs are able and willing to take initiatives to build their capacity to participate in the SDPRP will determine the scope and scale of the first efforts that the program makes in capacity building. This is the logic that underpins the proposal that the ‘trust fund’ described above should be a ‘demand led’ initiative. As has also been said above, program design aims to stimulate demand through creating access to public funding for CSOs that will be conditional on CSOs meeting certain performance standards.

77. A second strategy for addressing the question of scale is to disaggregate the scope of the capacity building challenge into something more manageable. This will be done through making assessments of capacity building needs Region by Region and sector by sector. Capacity building interventions and initiatives will be developed along similar lines.

78. In considering further the question of scale, future stages of the program will need to take into account a number of studies that are yet to be completed but that will provide more detailed data in critical areas. These include studies on grass-roots civil society organizations and their capacities, and on practices in civil society-government interaction at *Woreda* levels. It is anticipated that study findings will provide indications of possible new approaches for a capacity building program to adopt. In any event, it is clear that further exploration is still needed on how to meet the demand that a civil society capacity building program may generate.

Part 4 Program description

Overview

79. Sub-program 1 and its four components concentrate on capacity development with the government system. The areas of capacity building include legal and regulatory conditions, resources for CSOs, particular requirements of relatively less developed Regions, and facilitating CSO engagement in public policy processes.

80. Sub-program 2 is designed as an innovative resource for partnership between government and CSOs: The components required to accomplish this require: an independent legal body jointly governed by government, CSOs and others; a process that increases the availability of CSO capacity building resources in the country; a ‘trust fund’ to provide demand-led finance of capacity building initiative; the human resources to provide skills and convene stakeholders; and,

a capacity for monitoring, evaluating, learning from and disseminating lessons within and beyond the program and the country.

81. Sub-program 3 pays attention to efforts for capacity building within civil society itself. Based on the principle of responsibility for self-development, five components within the sub-program address issues of: better governance of CSOs; improving standards of performance in service delivery; CSO information access to and production and distribution of information; strengthening relations between CSOs; and increasing the capacity of CSOs to engage with government at all administrative levels and across a range of issues and concerns.

82. A figure showing the program structure is provided at Appendix 1.

Sub-Program 1: Creating An Enabling Institutional Environment

Introduction

83. Government has acknowledged that government institutions are major ‘stumbling blocks’ to releasing CSO energies to achieve development objectives. The current institutional environment for CSOs can only be described as ‘disabling’ in the sense that the laws, directives and institutional framework governing the regulation of CSO activities impose heavy bureaucratic demands, and constrain CSOs in their ability to mobilize and control the resources they require to undertake development activities.

84. The aim of this sub-program is for government to establish an enabling environment that will put in place the institutional prerequisites for CSOs to make a more effective contribution to the achievement of SDPRP goals. This will require changes to be made by different government agencies at Federal and Regional levels, which, in turn, will require effective inter-agency coordination. It is the responsibility of the Ministry of Capacity Building to promote and support the changes proposed under this sub-program. However, since many of the proposed initiatives require action by and reform within other government agencies, the success of this sub-program depends crucially on strong direction and support being forthcoming from the political level of government, as well as effective coordination from within the administration, to ensure that the requisite changes are put in place.

85. As already noted, the outcomes of this sub-program will be:

- An enabling legal and regulatory framework for CSOs in place.
- CSO access to and ability to retain resources for development activities enhanced.
- Capacity in relatively less developed Regional States to collaborate with CSOs strengthened.
- Government engagement with CSOs in policy, planning, implementation and review strengthened.

Component 1: Streamlining CSO registration, coordination and monitoring

86. The legal and institutional arrangements for CSOs that translate into practice the right to freedom of association enshrined in Article 31 of the Constitution mostly predate the Constitution

and the SDPRP. Laws and regulations need amending to better reflect the principles enshrined in those key documents, and specifically to promote the concept that government and CSOs should work in partnership to achieve SDPRP goals¹¹.

87. Further, government procedures for registration, coordination and monitoring require CSOs to interact with several different official agencies, which imposes a sometimes disproportionate bureaucratic burden on CSOs and reduces the efficiency of those agencies towards the CSOs. The broad outlines of the procedures and institutional arrangements applying to CSOs are described below¹².

Registration

88. The 1960 Civil Code provides a framework for regulating associations which it defines in Article 404 as a “grouping formed between two or more persons with a view to obtaining a result other than the securing or sharing of profits.”

89. Under the proclamation defining the powers and duties of Federal Ministries (4/1995), the Ministry of Justice registers CSOs that are either international or that operate in more than one Region. The categories of organization registered by the Ministry include NGOs, religious groups, professional/occupational associations, and organizations with prime objectives of research and advocacy at Federal level. The Ministry of Justice has established requirements and procedures for registering each category of organization.

90. The same proclamation assigns responsibility for registering national organizations operating in only one Region to Regional bodies, where registration is handled by the Bureau of Justice. The Associations Office of the Ministry of Justice has recently directed that renewal of registration now needs to be done only every three years, but this new procedure is not being applied consistently across all Regions; some organizations are registered at both Federal and Regional levels although this is not a legal requirement.

91. Until now no single act has covered the establishment and operations of NGOs. A draft NGO law is now passing through the legislative process, the timely completion of which would be a significant indication of the government’s commitment to partnership with CSOs. The draft legislation incorporates several provisions proposed by NGOs to improve on current operating conditions (for example, the possibility for NGO networks to register; the right to undertake income-generating activities) but is likely to require further amendment before it more fully reflects the concept of partnership with government rather than control by government.

¹¹ The World Bank is conducting a study on the enabling environment that will, among other things, make an assessment of the current legal and regulatory environment for CSOs. The World Bank should ensure that it liaises with the Ministry and makes available the findings of this study in a timely fashion to support this sub-program component.

¹² During the early stages of program design, the CSO-CBP used the term ‘service delivery’ to describe the effectiveness or otherwise of the institutional arrangements within which CSOs were required to operate. This term is not used in this document to avoid confusion with the more common use of the term to mean delivery of health, education and other social and economic services to citizens.

92. The Ministry of Labour and Social Affairs registers trade unions, the Ministry of Trade and Industry registers Chambers of Commerce, and the Cooperatives Commission registers cooperatives.

93. Traditional, informal organisations, such as *iddirs* or *equbs*, act as important safety nets for their members and as a means to mobilize small capital sums for individual and household needs. Some *iddirs* and *equbs* also have the potential to mobilize resources for development purposes and urban *iddir* federations have begun to emerge and to register as NGOs. For most traditional informal organisations, however, especially those in rural areas, the documentation required for registration and their distance from Regional capitals make the burden of registering too high for it to be worthwhile. In addition, many organisations fear that, if they register formally, government may assume control over their resources, as happened under past administrations. If traditional organisations are to be enabled to make a more significant contribution towards goals of development and democratization, they require a simple form of local registration that also provides them with the confidence that their autonomy will be safeguarded.

94. Registration by the Ministry of Justice confers legal status but not the right of a CSO to operate. Though the DPPC is principally concerned with humanitarian operations, the proclamation that established it (10/1995) designated it as the focal point for other types of NGO. In line with this, the DPPC/Bs have assumed responsibilities towards organizations involved in service delivery as well as towards those involved in humanitarian relief. These responsibilities include concluding three year operating agreements with NGOs.

95. The existing procedures make no provision for DPPC/Bs to conclude operational agreements with CSOs engaged in advocacy, which are left with a somewhat ambiguous status.

Coordination and monitoring

96. Other responsibilities of the DPPC/Bs include coordinating and monitoring CSO activities. For service delivery CSOs, this is done in collaboration with the relevant sector Ministries and Bureaus. In some Regions, Bureaus of People's Organizations have also begun to play a role in this. Within the DPPC/Bs and the sector Ministries/Bureaus there is limited capacity for handling CSO affairs, both in terms of the numbers of staff assigned to the work and in terms of the relevance of their skills. This lack of capacity is particularly severe in the Regions. Consequently, with a few notable exceptions, coordination and monitoring of CSO activity is weak particularly with regard to assessing outcomes and developmental impact.

97. The number of government bodies concerned in CSO coordination and monitoring creates demands for multiple reporting by CSOs with little or no added value in terms of development performance, accountability or collaboration with government.

98. The following initiatives will be undertaken under component 1. All these initiatives will be undertaken by the Ministry of Capacity Building CSO-CBP, and will be accomplished during the first or foundation phase of the program:

Initiative 1: Feasibility study for a 'One Stop Shop'

99. This initiative will assess the feasibility of establishing a ‘One Stop Shop’ for registering, coordinating and monitoring CSOs. Among issues to be assessed will be the appropriate institutional location for the facility, including whether it should be independent or within a government agency; its role and functions; institutional arrangements with other government agencies; and staffing. A key issue will be whether it will directly provide all the functions currently covered by several agencies, or whether it will function more as a single ‘window’ of access by CSOs to other agencies. A further issue will be to consider the level and type of monitoring that it is appropriate for government agencies to do, if self-regulation and minimum performance standards are institutionalised in the civil society sector. Existing and potential future differences in Federal and Regional institutional arrangements will be taken into account.

Initiative 2: Amend and pass an NGO law

100. This initiative will support the passage of the draft NGO law into legislation. Though the draft as it stands incorporates several proposed improvements for NGO operations, some further revisions are likely to be required in response to NGO concerns. The initiative will liaise with other agencies involved in reviewing the legislation and will facilitate the passage of the draft through the final stages of the Parliamentary process¹³.

Initiative 3: Amend legal and administrative regulations for CSOs

101. The main priority for change under this initiative is to find mechanisms for formally recognising CBOs that are local, simple, quick and cheap, and that provide incentives for CBOs to register without compromising their autonomy. An assessment will be required to judge whether this is best achieved through amending and/or enforcing existing regulations, or whether a Civil Societies’ Organization law is required.

Component 2: Increasing CSO access to resources

102. The studies and consultations conducted by the Ministry of Capacity Building prior to the program design phase identified several aspects of the fiscal framework governing CSOs that constrain their ability to mobilize and deploy funds. If these deficiencies were rectified, more resources could be generated for developmental purposes and more of CSOs’ existing resources could be retained and redirected towards development activities.

103. The required changes include allowing CSOs to engage in income generating activities, simpler procedures for exempting CSOs from VAT, allowing CSOs to keep capital equipment to be used for new projects and programmes, and reaffirming rights to exemption from tax on imported goods. In addition, allowing tax relief on individual and corporate donations would do much to encourage a culture of philanthropy in Ethiopia, which would generate greater resources for CSO development activity.

104. Some of these proposed changes have already been incorporated in the draft NGO law; other provisions actually exist on paper but are not always effective in practice. Creating and

¹³ The InterAfrica Group has recently undertaken a review of the draft NGO law. This was not available in time to inform the preparation of this Zero Draft. Relevant findings can be incorporated into the final draft of this program document.

making effective a new fiscal framework would constitute a significant confidence-building measure that would signal the seriousness of government's intent to create a more enabling environment for CSO operations.

105. Government recognises that it cannot achieve SDPRP goals on its own, but rather that public, private and civil society resources must be mobilized to reduce poverty and strengthen democracy. In this regard, the SDPRP anticipates a scaling up of CSO activities and a strengthened partnership with government agencies.

106. For CSOs to respond to this demand, they will need to mobilize considerably more resources than they are doing at present. As described in Part 3 above, government could support them in this by allowing CSOs to have a share of public funds where their programmes fall clearly within government priorities and where they are able to meet agreed conditions of eligibility, which would include achieving minimum standards in development performance and in governance. Under these arrangements, higher levels of resources might be offered in less developed Regions to encourage more CSOs to work there. (See also Component 3 below.)

107. The following initiatives will contribute to this program component. Initiative 1 will be completed during the first or foundation year of the program. Initiative 2 will commission a study during the first phase, with study recommendations introduced during the second, or roll-out, phase of the program. This will enable roll-out to be synchronized with agreeing minimum performance standards with CSOs.

Initiative 1: Create and make effective a new fiscal framework for CSOs

108. The taxation and other fiscal changes that need to be made to enable CSOs to retain more of their funds for development purposes are largely known. This initiative will make proposals about how to introduce those changes or to ensure that they are applied. The proposals will give special attention to mechanisms that provide incentives to register by informal organizations and that encourage CSOs to operate in relatively less developed Regions.

109. Implementing some of the recommendations, for example those that provide for new incentives to operate in relatively less developed Regions, may only be possible in the second, or roll-out, phase of the program.

Initiative 2: Expand access by CSOs to government funds

110. Under this initiative the CSO-CBP will commission a study to investigate and propose mechanisms for expanding CSO access to government funds. The study will draw on the experience of HAPCO and other similar experiences in Ethiopia as well as on international experience. The study will make recommendations on modalities for funding, and on conditions that CSOs will be required to meet including criteria for eligibility; requisite standards of delivery in development performance and governance; the introduction of different criteria for more and relatively less developed Regions will also be considered and proposals made.

111. This initiative will need to be aligned with parallel initiatives in developing minimum standards for CSO performance, being developed under sub-program 3, and study recommendations will be implemented during the second phase of the program..

Component 3: Strengthening capacity in relatively less developed Regions

112. The principles underpinning this civil society capacity building program acknowledge the plural nature of the Ethiopian state, and social diversity and uneven levels of development between Regional States. Regional diversity is taken into account in several components in all three sub-programs. The need to address specific capacity needs in relatively less developed Regions is handled under this program component¹⁴.

113. There are two inter-related factors here. First, the poorer physical and financial infrastructure in these Regions, as well as donor preferences, mean that fewer CSOs operate there than in the more populous, better-resourced Regions. Second, the capacity for administration in less developed Regions is also weaker, including in terms of government's ability to collaborate with CSOs in actions to reduce poverty, promote development and strengthen democracy. Combined, these factors contribute to a less effective development performance and worse poverty outcomes in these Regions compared with others.

114. This program component addresses the need to strengthen capacity in less developed Regions in two ways. First, sharing of experience between more and less developed Regions will be promoted including through possible twinning arrangements under which a less developed Region is linked to a stronger one for a mutually agreed program of learning how best practice about models for and approaches to for collaboration with CSOs can be applied.

115. Second, an incentive framework will be developed to encourage CSOs to operate in less developed Regions. The incentive framework is likely to include special financial arrangements, enhanced technical support and promotion of CSO programmes (for example through special coverage in the broadcast and print media).

116. The following initiatives will contribute to the achievement of this component. Both initiatives will be started during the first or foundation phase of the program. Once developed, initiative 2 will operate through the second, roll-out, phase and the third, mainstreaming, phase.

Initiative 1: Sharing of experience between more and less developed Regions

117. This initiative will develop a program to build the capacity of authorities in relatively less developed Regions to collaborate with CSOs, through experience sharing and 'twinning' arrangements with stronger Regions. The initiative will do this through a consultation exercise with Regional governments to make a preliminary assessment both of the capacity needs of less developed Regional States and of the potential by better-off Regional States to provide technical and other forms of support in response to those needs.

118. This will also be an occasion to explore how 'twinning' arrangements between more and less developed Regional States could be operationalised, and to assess the willingness on each side to be involved. The implications of 'twinning' in terms of the additional resources requirements of better-off Regions will need to be considered.

¹⁴ These Regional States are Afar, Benshangul-Gomuz, Gambella and Somali Regions.

119. On the basis of agreements made, more detailed capacity needs assessments will be made, Region by Region, and tailored programs of technical support, mentoring, and methods for learning good practice models and approaches will be elaborated.

Initiative 2: Develop an incentive framework for CSOs to work in relatively less developed Regions

120. This initiative seeks to increase the number of CSOs working in relatively less developed Regions. The initiative cross-references to Initiative 2 under component 2 of this sub-program (Create and make effective a new fiscal framework for CSOs). This initiative will make proposals to provide financial incentives for CSOs to work in less developed Regions and for enhanced technical support (including special assistance in setting up an operational base). The initiative will also propose ways to encourage more media coverage of CSO operations in less developed Regions.

Component 4: Enhancing government engagement with CSOs

121. In the studies and consultations conducted by the Ministry of Capacity Building prior to the program design phase serious concern was expressed that the expected greater openness towards participation by civil society as a result of decentralization was not being translated sufficiently quickly into practice. While both government and civil society had anticipated a greater role for civil society at all administrative levels in policy dialogue, and in the planning, implementation and review of development programs, in reality few changes had been made in government to make this effective.

122. Some notable examples of good practice do exist; for example, of Regional States that have established effective mechanisms for dialogue with CSOs. The process of consultation around the SDPRP is also cited as an example of more effectively engaging civil society in policy discussions. These examples are regarded as exceptions, however, in a context where government has created few formalised opportunities for civil society to state its case and its concerns.

123. Many changes are required in organized civil society itself in order for it to be able to make more effective and credible contributions to policy debates, and for government to have confidence that it is dealing with a competent interlocutor. These requirements are addressed under sub-program 3 (Building CSO Capacity). This sub-program component is concerned with the changes that need to be made in the attitudes and practices of government staff and in official institutional arrangements to translate this principle into practice.

124. The following initiative will be started during the first or foundation phase of the program. Implementation of recommendations will continue into the second or roll-out phase. It is in regard to this component in particular that government must take steps to apply, in regular and effective practice, principles of consultation and communication with civil society. It is also in regard to this initiative that clear direction from the political levels of government is required.

Initiative 1: Improve existing practices with respect to CSO engagement with government in policy, planning and review

125. This initiative will commission a study to assess where the obstacles are in government that block civil society's greater engagement with government, and will identify, assess and analyze those examples of where engagement and participation has been high and effective.

126. Among other possibilities, this may include consultation with the Civil Service Reform Program and District Level Decentralization Program, assessing the consultation process that took place to produce the SDPRP, the functioning of forums and councils in the Tigray National Regional State, the collaboration between the Dire Dawa administration and civil society groups, and so on. These case studies need to be analyzed from the point of view of the conditions that made for success, to see whether and how they can be replicated.

127. Recommendations for changes in practice at all administrative levels will require support and direction from the political levels of government to ensure that new institutional arrangements are put in place for more effective government engagement with civil society.

Sub-Program 2: Building Partnership Between Government And CSOs

Introduction

128. The SDPRP requires a significant increase in the role CSOs play in national development. Information gathered in program design shows that a large gap exists between what is needed and what CSOs can presently contribute, and this calls for specific measures in program design. The proposals for this sub-program are intended to contribute to this process by introducing an institutional partnership between government and CSOs that will provide increased human and material resources for capacity building measures.

129. The institutional partnership is envisaged as an independent and neutral tripartite arrangement which will include government, civil society representatives and independent members in its governance structures. It is proposed that the partnership be called the Civil Society Capacity Building Partnership Program.

130. The Civil Society Capacity Building Partnership Program will have a number of functions:

- identification of capacity needs and capacity resources Region by Region
- creation of new funds for CSO capacity building
- promotion of CSO coalitions, federations and other forms of collaboration
- program monitoring, evaluation, learning and dissemination

131. These functions are described in the following paragraphs.

132. First, in order to build CSO capacity on the scale required a rapid increase in the amount and quality of capacity building resources is needed. There is a serious shortage of Ethiopian professional skills and experience in this area, and what is available is unevenly located across Regions and between rural and urban areas. In the first, foundation, phase of the program, the Ministry of Capacity Building CSO-CBP will address this concern by promoting Regional

capacity needs assessments. As the Civil Society Capacity Building Partnership Program is established, it will invest in creating the human and material resources that are required to redress capacity deficits Region by Region.

133. Second, as described in Part 3, the lack of adequate financial resources for capacity building will be addressed by establishing a ‘trust fund’ under the Civil Society Capacity Building Partnership Program to be used for CSO capacity building initiatives. The fund will have budgeting and accounting procedures outside the government budget (i.e. through Channel 3) and will operate on ‘demand led’ principles. That is, it will respond to initiatives and proposals coming from within civil society. Its operations will draw on the experience of similar funds in the country such as the funding and decentralized management arrangements of the ESRDF.

134. Third, the SDPRP stresses the importance of bringing civil society ‘voice’ into development processes and, as already noted, sees this as depending on “*strengthening the capacity of communities and civil society groups to federate and more effectively take advantage of the opportunities for voice that decentralization affords.*”¹⁵ Program design includes measures to promote both horizontal linkages between CSOs with common interests and vertical structures that will enable more effective CSO engagement with government administrative structures. The creation and promotion of these linkages is partly addressed under sub-program 3 (Building civil society capacity). However, for reasons described in the next paragraphs, it is also included as a function of the Civil Society Capacity Building Partnership Program.

135. There are two main reasons that creating and promoting linkages between CSOs has been included as a function of the Civil Society Capacity Building Partnership Program.

136. The first is that Ethiopian civil society is currently both fragmented and disparate. While some networks and umbrella bodies exist, their membership by no means includes all CSOs and their efforts are often uncoordinated, both with one another and with government. This fragmentation and lack of coordination suggests that at this stage CSOs will face difficulties in organizing themselves into stronger and more coherent groupings, and will require further external support to enable them to do so. Were this support to come directly from government it would be perceived by CSOs, with justification, as unwarranted interference. It is important therefore for it to come from an independent and neutral body, such as it is envisaged that the Civil Society Partnership Program will be.

137. The second reason is that the dedicated efforts, professional facilitation skills and resources required to promote coalitions of CSOs, can most effectively be made available through a formal institutional set-up such as the one proposed here.

138. The fourth function of the Civil Society Capacity Building Partnership Program is to monitor and evaluate progress across all three sub-programs. In regard to its own operations, the Civil Society Capacity Building Program will derive and disseminate the lessons learned from this experience. This is important because an independent tripartite partnership between government, CSOs and independent personalities is an innovative response to Ethiopia’s

¹⁵ SDPRP, p. iv.

particular conditions, and the lessons from it should be recorded and, where appropriate, replicated.

139. To summarize, the outcomes of sub-program 2 will be:

- Civil Society Capacity Building Partnership Program established.
- CSO capacity building needs identified and capacity building resources increased.
- Civil Society Capacity Building Partnership Fund established.
- CSO coalitions promoted and supported.
- Effective programme monitoring, evaluation and learning systems operational.

Component 1: Establish the Civil Society Capacity Building Partnership Program

140. As stated above, for CSO capacity building to be successful a new type of institutional arrangement is required through which government and civil society can begin to develop a shared vision by working together in actions that aim to reduce poverty and strengthen democracy. The proposal in this component addresses this requirement by establishing a professionally staffed, independent legal body that is governed and held accountable by government and civil society.

Initiative 1: Set up a Joint Steering Committee to oversee the establishment of the Civil Society Capacity Building Partnership Program

141. It is proposed that the work required to establish this body be undertaken by a Joint Steering Committee, chaired either at Ministerial level or by a mutually agreed independent personality. The work required to get this component off the ground will need to be undertaken by the Ministry of Capacity Building CSO-CBP. It is essential that government provides tangible evidence of its commitment to the idea of partnership and of neutrality embedded in the Partnership Program. As with sub-program 1, this will require the initiative to be supported by and directed from the political level of government.

142. The functions of the Joint Steering Committee will be to agree Terms of Reference for the Partnership Program and put into action the legal and administrative procedures required for the establishment of the Partnership Program. This will include a review of the Program's proposed functions, options for how to establish the Program as a legal body, governance arrangements, and likely life-span of the Program.

Initiative 2: Specify organizational and management arrangements for the Civil Society Capacity Building Partnership Program

143. Once agreement has been reached on the functions, legal form, governance structures and life-span of the Partnership Program, the Joint Steering Committee will also need to consider and make recommendations for a suitable organisational and management set up. In doing so, the following should be born in mind:

- Regional diversity must be factored into budgeting and implementation arrangements; this is likely to require a decentralized management structure.

- Implementation is likely to involve progressive roll-out from Regions down to community level CSOs; this will have implications for the numbers of staff and types and levels of skill required at different stages of implementation.
- Because the roll-out of the program is likely to be uneven within and between Regions, procedures must be flexible within agreed limits
- Personnel and management procedures must ensure that staff are able to maintain a stance of professional independence towards both government and civil society stakeholders.
- Standards for accountability and transparency must be exemplary.

144. A significant challenge in establishing the program will be in finding staff with the requisite inter-personal skills in terms of independence and facilitation, as well as technical skills in capacity needs assessment and the building of capacity building resources.

Initiative 3: Launch the program

145. The Civil Society Capacity Building Partnership Program will need to be launched within the first or foundation phase of the program (i.e. by end of year 2) for the components and initiatives envisaged under phase 2 (roll-out) and phase 3 (mainstreaming) to be accomplished. In particular, it will be difficult to make substantial progress in increasing capacity building resources and promoting take-up, and in developing CSO coalitions before the Partnership Program is in place. These initiatives are described in the following three components.

Component 2: Assess CSO CB needs and develop CB resources

146. As already noted, there are few capacity building resources available in Ethiopia and those that exist are biased in their distribution towards the better-resourced Regions and urban areas. This means that the competencies, experience and materials available in the country for the program are nowhere near the level required for the scale of the task. As a matter of urgency, program attention must focus on how to rapidly increase and properly distribute the human and material capacity building resources required. The first initiatives in this regard will need to be undertaken before the Civil Society Capacity Building Partnership Program is launched. They will therefore need to be carried out by the Ministry of Capacity Building CSO-CBP. Subsequent initiatives will be the responsibility of the Civil Society Capacity Building Partnership Program.

Initiative 1: Conduct Regional assessments of capacity building needs

147. A first priority under this sub-program, to be addressed by the Ministry of Capacity Building CSO-CBP, will be to conduct assessments of need and potential capacity building demand within Regions. This will establish a baseline of CSO capacity that can subsequently be used for performance assessment.

148. In terms of the ‘what for’ of capacity building, needs assessments must review existing capacity in relation to the goals of the SDPRP and Regional development plans. While the primary concern in this regard, relates to identifying capacity needs and gaps within civil society, the assessments should also take into consideration whether and how government capacity will need to be built at different levels to make civil society participation more effective. The assessments will include the following:

- Collect and analyse all existing information about CSO capacity needs disaggregated by Region, sector and major types of CSO.
- Take steps to fill in any significant Regional information gaps.
- Identify the most significant capacity building requirements related to the goals of the SDPRP and to Regional development plans.

149. Analysis must be sufficiently detailed to serve as the foundation for later work and for decisions about investment in capacity building resources.

Initiative 2: Investigate and increase the availability of capacity building resources for different types of CSO

150. Drawing on the outputs of Initiative 1, a further assessment will be made to:

- Collate and analyse all existing data on capacity building resources by Region.
- Use existing and expected studies to determine critical capacity gaps by type and by Region.
- Propose and cost the development of the CSO capacity building resources – human and material – required.

151. In terms of increasing the availability of providers of capacity building services, the Partnership Program could consider issuing tenders for services by sector and/or Region that would be open both to the private sector and to CSOs themselves. An important factor in considering these tenders would be how the providers proposed to address the capacity gaps in government at relevant levels so as to enhance capacity in CSOs.

Component 3: Establish a Civil Society Capacity Building Partnership Fund

152. Financial resources are a critical limiting factor in terms of CSO capacity building. As described in Part 3, increasing resources for CSO capacity building will be an essential factor in enabling CSOs to improve their development and governance performance standards. To this end, the program design includes the creation of a ‘trust fund’ dedicated to CSO capacity building. To attract funding from bilateral and multilateral donors, and other sources, it will be important for the ‘trust fund’ to be able to demonstrate that it will add real value to CSO development efforts and significantly contribute to the achievement of SDPRP goals.

Initiative 1: Mobilise resources for the Civil Society Capacity Building Partnership Fund

153. The Ministry of Capacity Building will invite donor agencies and any other interested parties to consider allocating finance to a ‘trust fund’ to be established within and to be managed by the Partnership Program. To do this, the Ministry needs to undertake consultations to see what modalities of funding, oversight and contractual arrangements are most suitable. The perspective is for the fund to operate in ways similar to existing arrangements such as the ESRDF.

154. Subject to the results of the consultations, a donor roundtable, or pledging meeting, can be considered.

Initiative 2: Define policies, governance structures and management arrangements for the Civil Society Capacity Building Partnership Fund; establish operations

155. The Civil Society Capacity Building Partnership Fund will be an important means to realize the program's overall objective and outcomes. Without it, the rate of CSO capacity building will remain modest and uneven across the country and across types of organization. A feasibility study will be required to establish precise arrangements for the operation of the Fund. To be consistent with program design and the operations of the Partnership Program, the following parameters should be taken into account:

- The fund is exclusively for CSO capacity building and not for development/service delivery programs or activities.
- The funds provided to CSOs are to be considered as 'seed money'; allocations will not be available for long-term initiatives or for recurrent costs; CSOs should be encouraged to seek matching funds from other sources where these are required.
- A decentralized management structure should be considered, with delegation of funding authority to Regions and, possibly in the long term, to *Woredas*.

Component 4: Promote CSO coalitions

156. This component has counterparts in initiatives proposed under sub-program 3 (Building civil society capacity), that aim to build CSO coalitions and to strengthen engagement in policy dialogue with government. The different types of CSO coalition are described under that sub-program. For the reasons explained above, it is anticipated that an input from outside civil society will be required to support the emergence and development of different types of CSO coalition. This is what this component aims to do.

157. Through the Civil Society Capacity Building Partnership Program, staff and financial resources will be available to convene CSOs and stimulate the development of coalitions at sub-Regional, Regional and national levels. The role of Program staff will be to support existing relations between CSOs, or to stimulate these where they do not exist and where there is evident interest by CSOs for them to do so.

Initiative 1: Support and stimulate CSO coalitions within Regions

158. The decentralized management structure for the Civil Society Capacity Building Partnership Program anticipates that program staff will be based in Regions. This will enable them to support nascent CSO networks and coalitions within Regions and to encourage new ones to be formed where there is a demand for this from local CSOs. Program staff could also assist in linking CSO networks and coalitions more effectively with Regional Bureaus, where this is not already happening.

Initiative 2: Support and stimulate CSO coalitions at Regional level

159. Based on progress in developing coalitions at sub-Regional level, Regional staff would support and stimulate the development of CSO coalitions at Regional level. Strategies and approaches to this are likely to vary between Regions, according to local social and agro-

ecological conditions, and to the resulting pattern of CSO formation found there. Typically, Regional CSO coalitions will in the first instance comprise CSOs with similar sector or thematic interests. With time, it is anticipated that forums will emerge that will bring together different types of CSO, working in different sectors and on different themes, in dialogue with government agencies across a range of government policies and development programs.

160. There will also be a value in program staff acting as links between Regions. At a later stage in the program, this will assist in supporting the emergence of national forums, networks and coalitions. Regional staff acting as links between Regions can also be used to support the ‘twinning’ arrangements between better-resourced and less developed Regions, described in sub-program 1 (Creating an enabling institutional environment.)

Initiative 3: Support and stimulate CSO coalitions at Federal level

161. This initiative will continue the process already established, by supporting and stimulating Regional coalitions and federations to combine at national level for dialogue with Federal agencies on policies and development strategies. Care will need to be taken to involve rather than undermine the existing national forums, platforms and coalitions of CSOs. However, as these are typically dominated by the larger and better-resourced NGOs, staff of the Partnership Program can add value to them by ensuring that less prominent CSOs are enabled to participate at national level.

162. As with the Regional level coalitions, those at Federal level may include sector or thematic specific coalitions and also forums that bring together different types of CSO in dialogue with government. There will be a particular interest and value in national coalitions and forums working with government on the monitoring of the roll-out of the SDPRP. Again, care must be taken to work with and build on the initiatives that are already under way in this regard.

Component 5: Program monitoring, evaluation and learning

163. As an innovation in Ethiopian terms, the Civil Society Capacity Building Partnership Program will require careful and systematic monitoring, evaluation and learning. This is likely to require a specific department within the Program dedicated to establishing a research agenda and carrying out systematic assessments to ensure that lessons are learned from the Program and disseminated to a wider public. The experience of the Partnership Program could provide significant lessons not only for Ethiopia but also within the international development arena.

164. The Partnership Program should also have the capacity to monitor progress being made in sub-programs 1 and 3, and should be able to encourage compliance where progress is slow. The Program will only have the authority to do this if its governing body includes members of sufficient standing from within government, CSOs and independent personalities. Members of the governing body should be able to authorise follow up on bottlenecks or other problems that are preventing progress being made as anticipated and agreed.

Initiative 1: Establish milestones for progress, and monitoring and reporting systems

165. Milestones for and indicators of progress will need to be agreed for all sub-programs at an early stage in implementation and before the Civil Society Capacity Building Partnership

Program is established. Given this time lag, the Ministry of Capacity Building CSO-CBP should undertake this initiative, and should involve relevant stakeholders from government and CSOs in determining relevant milestones and indicators. A monitoring and reporting system will need to be agreed that will provide sound information on progress and performance, both for management and leadership within each of sub-programs 1 and 3, and so that – once it is up and running – the Civil Society Capacity Building Partnership Program is able to fulfil its monitoring and compliance functions.

Initiative 2: Initiate evaluation and learning exercises

166. This sub-program component will have a key role in providing lessons in models of best practice in civil society capacity building that can be applied more widely. So far, program design has proceeded on the basis of incomplete knowledge and consequently on assumptions that require testing. Through a consultative process with stakeholders, program staff should identify the key research questions that need to be addressed, and should undertake the necessary enquiries.

167. Among the questions that are likely to be relevant are: Is peer-to-peer capacity building between community level CSOs a cost-effective methodology rather than the ‘cascade’ of professional services from above? What are the preferred methods of stimulating connections between different types of CSOs to create higher levels of association? How do capacity building needs and resources vary by agro-ecological zone and mode of livelihood? What adaptations in approaches are required? Are specific methodologies required for the relatively less developed Regions? Which type or combination of investments in capacity building are likely to have the most impact in improving development performance?

168. The ability to answer these questions will be necessary preconditions for rolling out the program, for responding to the demands for capacity building coming from different types of CSO, and for addressing the challenge of program scale.

Initiative 3: Distil and disseminate lessons and practice

169. The program should develop a reputation for the knowledge it generates and disseminates about how CSO capacity building can accelerate development, reduce poverty and strengthen democracy. This initiative would link program learning to professional networks in the field of CSO capacity building in a two way process of disseminating lessons learned from the program and incorporating useful lessons and information from elsewhere.

Sub-Program 3: Building Civil Society Capacity

Introduction

170. Several factors inhibit civil society’s potential to contribute to Ethiopia’s development. These include, as already noted, a history of government monopolization of development and of discouragement of independent initiatives by CSOs. Another factor is that most grass-roots CSOs are based on tradition and focus on survival, cultural continuity and local problem solving,

rather than on wider possibilities and opportunities for improving their situation and that of the country.

171. There is now some positive change in this situation. Government has committed itself to seeing CSOs as partners and to creating an environment where they are able to make a positive contribution to development. There are also examples of some *iddrs* registering as formal bodies in order to undertake development initiatives. Though these latter initiatives are few and urban-based, they suggest that, given the right environment, civil society could play a much greater role in development than it has up to now.

172. For this to happen, however, civil society organizations need to address weaknesses in their administrative, managerial and technical capacities. Studies for this program indicate that many CSOs are voluntaristic, and amateur in the way that they operate, and that government, clients and intended beneficiaries alike consider them to be unaccountable and lacking in transparency.

173. The objective of this sub-program is to improve the capability of CSOs of all types, locations and scales of activity to enhance their participation in the SDPRP. An important principle guiding the sub-program is that civil society is responsible for its own self-development. This task can be supported by others but it cannot be taken over by them. Put another way, complementing a more enabling environment resulting from sub-program 1, and the support offered through sub-program 2, the approach in sub-program 3 is to rely on and add impetus to the potential for self-organisation inherent in civil society.

174. The intended outcomes of this sub-program are:

- CSO governance standards improved.
- CSO service delivery standards improved.
- Regional and national CSO coalitions developed and expanded.
- CSO access to and use of development-related information improved.
- CSO engagement in democratization processes enhanced.

175. Establishing minimum standards in governance and service delivery are essential in themselves for effective CSO performance, and they are also prerequisites for CSOs being eligible to receive the public funds proposed under sub-program 1.

176. In terms of the effective application of minimum standards, several issues need to be resolved. These include: How can minimum standards be made explicit so that government agencies, the public and CSO clients and beneficiaries know what standards to expect? If compliance with minimum standards is a condition for eligibility for public funds, how will government indicate that it finds standards acceptable? Finally, given the voluntary character of CSO coalitions and federations, how can compliance with minimum standards be enforced?

177. Three initiatives are proposed through which minimum standards for CSO performance can be improved. Since there is a wide variety of CSOs and few mechanisms to bring them together, a critical question is how civil society will undertake what needs to be done to improve

performance. The support proposed under sub-program 2 provides part of an answer to this question, but these resources will not be available for some time.

178. In the meantime, it is essential for CSOs to demonstrate commitment to getting their house in order by making a start on establishing, applying and enforcing minimum standards. Proposals from CSOs during the public consultations leading to the final draft of this program document, will be particularly welcome in terms of contributions to thinking about how these initiatives can be got off the ground, given the fragmented and disparate character of the CSO community.

179. To provide government, clients, intended beneficiaries and the general public with the confidence that CSOs can be transparent and accountable, highest priority is given to establishing minimum standards for governance, and this is reflected in this being the first component of the sub-program.

Component 1: Strengthening CSO governance

180. Enquiries carried out as part of program design identified poor internal governance and weak leadership – of governing bodies as well as individual leaders - as common within CSOs. In terms of third-party serving organisations, concerns typically focus on levels of overheads, poor financial administration, not enough information disclosure and inadequate quality of public reporting. Concerns about grass-roots CSOs concentrate more on the competencies and motivations of voluntary leadership.

181. These deficiencies are attributed to a lack of strategic vision; inadequate understanding of government policies and priorities; having no constituencies or keeping them ignorant; and poor management skills. An additional negative feature of CSOs is one of gender inequity accompanied by insensitivity to gender dimensions of organisational behaviour.

Initiative 1: Establish minimum standards for CSO governance

182. Some of the parameters for standards in governance already exist and are known at least within some sections of the CSO community. For example, standards for transparency and accountability are laid down in Section 4 of the NGO Code of Conduct; and Article 412 of the Civil Code provides a mechanism for approving model statutes and Memoranda of Association for registered NGOs. The first questions that need to be addressed in establishing minimum standards of CSO governance therefore include: Are these mechanisms adequate? Do they sufficiently cover all aspects of governance? How can they be adapted for other sectors of civil society? How can they more effectively be enforced?

183. Under this initiative a CSO Task Force will be established with a mandate to address these questions and to define others that need to be answered in establishing minimum governance standards for CSOs. The Task Force will also investigate how the principle of self-regulation can be employed in ways that make agreed standards binding on CSOs, and how agreement can be secured with government on the minimum standards required for eligibility for public funds.

Initiative 2: Establish leadership development initiatives for CSO governing bodies

184. Through a series of Regional consultation workshops, this initiative will first establish the magnitude of the problem. Respecting the diversity of CSO types, the initiative will then propose methods for leadership development for members of governing bodies and individual leaders. An option will be to tender for the provision of this type of specialised service.

Initiative 3: Strengthen CSO administrative systems

185. Sound and timely internally generated information about organisational processes is a basic requirement for any accountability system to work satisfactorily for governors, leaders and external stakeholders. This initiative will bring together individual and other service providers in Ethiopia who have experience of introducing administrative systems suitable for different types and sizes of CSO. They will be asked to identify suitable materials that could create basic and more advanced internal administrative processes. They will also be asked to determine the potential for establishing Regional training or other initiatives that could be used for large scale distribution and introduction.

Component 2: Strengthening CSO service delivery

186. NGOs have long been associated with relief and humanitarian assistance in Ethiopia, and their competence in this role is well-acknowledged by government. However, CSOs' contribution to service delivery is more uneven in quality and more limited in scale, with most activity concentrated in relatively more developed Regions and urban areas. From the perspective of government, there also appears to be little rationale for the choices that some CSOs make in terms of geographic, sectoral or sub-sectoral focus. For CSOs to justify the increased access to public resources that this program envisages, they will need to find ways to significantly improve their service delivery performance.

187. Under-performance appears to stem from three interrelated factors. First, CSOs seldom apply generally accepted standards in their work, in terms of minimum requirements for human resources, technical approaches and quality of delivery. This then limits the extent to which organizations can properly monitor and evaluate their performance. In turn, this undermines CSOs' accountability to their clients: if the standards by which work is to be judged are not made explicit, it is difficult for clients to demand an acceptable quality of service and they must simply tolerate whatever they get. The initiatives in this component are directed towards improving CSO capacity in terms of service quality by establishing common and explicit performance standards acceptable to government and known to CSO clients.

Initiative 1: Establish sector-based CSO delivery standards

188. Existing sector (water and sanitation, health, HIV/AIDs, micro-finance, etc) and thematic CSO networks (gender, environment, rights) will be invited to form Standards Work Groups. Relevant government officers and technical experts will participate with them in a process that will:

- Initiate a stock-taking exercise of existing (inter)national standards for the sector or theme.
- Propose advisory guidelines for standards and reporting.

- Negotiate and agree minimum standards acceptable to sector Ministries and other relevant government bodies, and related to the outcomes defined for the SDPRP sector development programs.
- Use media and other channels, to disseminate information to CSOs and clients about what standards to deliver and to expect.

Initiative 2: Strengthen CSO capabilities in service delivery

189. Using the outputs from initiative 1 above, this initiative would:

- Review existing CSO practice in relation to service standards and identify priority areas where capacity building is required
- Invite CSOs to assess their performance against these standards
- Where necessary, invite CSOs to apply for resources for the capacity building assistance being made available through sub-program 2 or from other sources.
- Draft and advertise tenders to invite private and CSO providers to supply capacity building services in priority areas where standards are weakest.

Initiative 3: Institutionalise monitoring and evaluation systems within CSOs

190. This initiative will develop and make available resources and methods to institutionalise systems within CSOs that enable effective and transparent monitoring of governance and service delivery.

191. While a range of internationally recognised methods for monitoring and evaluation exists, there are no blueprint approaches to this. Indeed, this is an area of work where innovation is necessary and should be encouraged. With regard to this initiative therefore the approach should be to achieve some consensus around principles rather than to try to apply a standard set of techniques across the CSO sector as a whole, The process for achieving adequate monitoring and evaluation systems suitable for major types of CSOs is therefore likely to involve:

- Reviewing existing (inter)national literature and methods applied to monitoring and evaluation in different sectors and thematic areas.
- Reviewing existing methods employed in Ethiopia.
- Assessing suitability of methods and documenting those to be recommended.
- Negotiating and reaching agreement on approaches to monitoring and evaluation with relevant government bodies.
- Inviting CSOs to assess their performance against these approaches
- Where necessary, inviting CSOs to apply for the resources available for capacity building assistance being made available through sub-program 2, or from other sources.
- Draft and advertise tenders to invite private and CSO providers to supply capacity building services in priority areas where standards are weakest.

Component 3: Enhancing access to and use of information

192. A precondition for effective participation in development and democratization is the public availability of information. However, citizens often face obstacles, at all levels of

government, in obtaining the official information that they need in order to participate effectively. For example, local people – and especially women - do not know enough about plans, budgets, government reforms, rights and all manner of things that they need to be active citizens. Passing the proposed Freedom of Information Act should be an important step towards improving the situation. Revision in and application of laws on the ownership of mass media will also help.

193. This sub-program component is based on the assumption that information already exists within the public domain that would enable CSOs to promote a more informed understanding of citizens' rights and of government policies. For example, the SDPRP is available but it is not in a form that allows ordinary citizens to understand the poverty reduction targets that government has set for itself, and to monitor whether these targets are being met.

194. A further assumption of this sub-program component is that CSOs have a role in providing relevant development information suitable for different language groups and literacy levels. They can and should work on increasing information availability and access. Two initiatives within this component are therefore intended to promote CSO information creation and dissemination.

Initiative 1: Establish CSO public information needs and obstacles

195. This initiative will organise a stakeholders meeting to assess critical information needs for different types of CSOs across the country. Task Forces will develop Terms of Reference for activities that will generate a profile of priority information requirements for CSO capacity development and participation. Examples are user-friendly approaches to understanding the SDPRP, civic rights, opportunities for interacting with decentralized government systems, availability of financial and technical resources, and other issues relevant to enhanced civil society participation in development and democratization.

Initiative 2: Develop and disseminate simple and accessible development information

196. Following from the previous initiative, this initiative will:

- Collect, subscribe or purchase relevant publications including audio visuals.
- Facilitate the translation of core documents into different local languages.
- Work on promoting community radios.
- Promote civic centres and databases where this information will be available to local CSOs and the public.

197. In doing so, the initiative will draw on existing experience, for example the community radio and information resource centres already established in the country.

Component 4: Building CSO coalitions

198. A common feature of civil society across the world is that CSOs vary enormously in terms of their types, purposes and values. Over time, similar types of CSO tend to form clusters for mutual benefit. These clusters can be described in various ways, with 'networks' being a common term where linking is informal and principally for information exchange. Where CSOs

wish to engage more directly in policy dialogue, the usual method is to create ‘forums’ or ‘platforms’. Typically, networks, forums and platforms have no formal authority over their members; joint action is voluntary and by consensus and those who do not want to collaborate on an initiative cannot be forced to do so.

199. By contrast, CSO umbrella or apex bodies are given a mandate to act on behalf of members and, sometimes, to exert control over members for the common good of all. Nevertheless, as with networks, forums and platforms, membership of an umbrella or apex body is entirely voluntary, with each organization making its own calculation of the cost-benefit of membership.

200. In addition to improving connections between CSOs, these collaborative arrangements can also be structured to match the structures of government. This offers a mechanism for dialogue between CSOs and the administration at different levels, on either sector-specific issues or on broader issues of policy. International experience indicates that trust and respect between the personalities involved is as important in promoting constructive dialogue, as the topic at hand or the strength of support that the CSO collective body brings to the table.

201. In Ethiopia, there are comparatively few arrangements under which different types of CSO interface and collaborate at different levels. This deficiency needs to be remedied if partnership between government and civil society is to work. Initiatives proposed under sub-program 2 are designed to support and stimulate horizontal and vertical linkages between CSOs. Initiatives proposed under this component are intended to complement sub-program 2, and to accelerate the process of building CSO coalitions of various types.

Initiative 1: Foster linkages and collaboration between CSOs

202. This initiative will assess what collaborative CSO arrangements exist at sub-Regional level, and assess how effective those involved believe them to be. For those types of CSO that lack collaborative arrangements, ‘network’ building action plans will be developed and gatherings of similar types of CSOs will be convened. The mid-term objective is for collaborative arrangements to be established that will link CSOs with common interests at sub-Regional level, and will help them interface with *Woreda* administrations.

Initiative 2: Promote Regional CSO platforms and multi-stakeholder forums

203. Once sub-Regional coalitions are in place, initiative 2 will begin to establish Regional CSO platforms. Because starting points are so different, progress to reach this point is likely to be very uneven across Regions. Once functioning, these structures will provide the possibility to convene multi-stakeholder forums at Regional level that periodically bring together all interested parties around Regional development agendas and issues of mutual concern.

Initiative 3: Promote a national CSO platform and multi-stakeholder forum

204. A natural, though much longer-term, outcome of the previous initiatives is to reach a position where CSOs can convene as national platforms. Many CSO interests focus around specific sectors or themes, and these would provide a relevant basis for national platforms or forums. These national sector and thematic platforms and forums would ultimately have the

capacity to come together periodically to address issues of common cross-cutting interest and concern.

205. Paralleling the process envisaged for Regions, national CSO platforms can be a foundation for constituting a national stakeholders forum.

Component 5: Building CSO capacity for public engagement

206. Mechanisms that provide opportunities for dialogue between government and CSOs at all levels are only effective when CSOs have the capability to engage. The evidence suggests that Ethiopian CSOs are not very capable in this regard. Put another way, as indicated in the SDPRP, the capacity of CSOs to exercise constitutional rights must be improved.

207. Constraints on citizen participation in democratization result from factors already described: information shortages, resource limitations, lack of understanding of government policies, and historical mistrust between government and CSOs have all worked against CSO capacity to influence policy or hold government to account. The initiatives described below are designed to change this situation, in the first instance by raising public and government awareness of the value of CSOs for economic development and poverty reduction.

Initiative 1: Promote the public profile of CSOs

208. There is inadequate understanding of what CSOs are already contributing to development in Ethiopia. The media are an important vehicle for broadcasting what is going on to the general public and to policy makers, but they require real life stories and case studies to show achievements in practice. The NGO Day has proven a useful and effective means to increase understanding about this type of CSO. This initiative would support an expansion of the NGO day into a CSO day that broadens the range of organisations involved and shows the developmental contribution of faith-based organizations, cooperatives, and trade unions, and of previously ‘invisible’ CSO, such as *iddrs*, that have chosen to expand what they do.

Initiative 2: Enhance CSO advocacy capabilities

209. There is growing recognition that better public participation can lead to better public policies. This happens because more knowledge and experience is brought to bear on issues of public concern, which helps take into account the complexities that policies and government practices must cope with. This initiative will bring in and draw on international experience to identify the capacity required for CSO advocacy within Ethiopian conditions. Processes that create necessary resources for advocacy capacity building could then be initiated.

Initiative 3: Promote empowerment through civic education

210. A cornerstone of democratization is citizen’s knowledge about and enjoyment of their civic and other rights, and Ethiopia’s decentralization program assumes that citizens are familiar with and know how to exercise their civic rights. Linked to component 3 above that addresses the need for better access to and dissemination of public information, activities under this initiative will stimulate the transmission of civic education through CSOs, the mass media and community

radios. In addition, this initiative will promote the inclusion of civic education in school curricula.

Initiative 4: Strengthen CSO capacity towards social accountability

211. An explicit intention of the SDPRP is that citizens help set standards of performance for public agencies and hold the government system and its civil servants to account for their performance. Decentralization is the major vehicle to make this happen. This initiative will therefore focus on familiarizing CSOs with the opportunities for their participation and their role in ensuring accountability. In addition, seminars and training events will be used to expand the concept of social accountability to other dimensions of the government system, including participatory, engendered budgeting, expenditure monitoring and working against corruption.

Part 5: Program phasing, institutional arrangements

Program phasing

212. The program is envisaged as being implemented over 10 years. Program design adopts a three-phased process of incremental implementation. The phases are: a foundation phase; a roll-out phase; and a phase of mainstreaming. The foundation phase is envisaged as covering years 1-2; the roll-out phase, years 3-5; and mainstreaming as years 6-9.

213. Components and initiatives are assigned to the foundation phase because they fulfil one or more of three criteria. First, they are initiatives that need to be taken by government and civil society to demonstrate commitment to partnership and as confidence-building measures with the other party. Second, they may be initiatives that can be completed relatively quickly. Third, they are preconditions for later phases of the program.

214. Some initiatives span more than one phase; and some are considered to be continuous after their establishment. This applies in particular to the various interventions that are directly related to capacity building.

215. Appendix 2 indicates the allocation of each initiative by phase. The main features of each phase are outlined below.

Phase 1: Foundation

216. During this phase, government will need to implement legal and regulatory changes to create a more enabling environment for CSOs. As indicated in sub-program 1, most of the required changes are known and many of them are already under way, but they must be completed during the first phase of the program. On their side, under sub-program 3, CSOs must establish minimum performance standards, and begin to put in place the mechanisms for assuring that they can be met. For sub-program 2, the foundation phase is the period during which the Civil Society Capacity Partnership Program will be established. This is a precondition for, amongst other things, taking forward the work to build civil society coalitions that will be carried forward in future phases. Sharing of experience between Regions and Regional needs assessments will also be carried out during this phase.

Phase 2: Program roll-out

217. During this phase, the mechanisms for increasing resources to CSOs will come on stream; both in terms of providing public funds for development activity and in terms of the ‘trust fund’ for ‘demand led’ capacity building interventions. Under sub-program 1, work will be undertaken to enable greater engagement by civil society in government policy, planning and programming. On the side of civil society, under both sub-programs 2 and 3, efforts will be stepped up to build and consolidate the CSO coalitions that will make that engagement more effective. In Regions, incentive frameworks will be adopted to encourage more activity by CSOs, and the ‘twinning’ arrangements will be initiated, under which better-resourced Regions will support the less developed Regions.

Phase 3: Program mainstreaming

218. During the mainstreaming phase, work begun under phase 2 will continue and be consolidated. This will include, in particular, (i) increasing capacity building resources in the country, (ii) strengthening CSO capacity in defined areas and (iii) deepening engagement between government and civil society at all administrative levels.

Institutional Arrangements

Program management arrangements

219. The Ministry of Capacity Building Civil Society Organisations Capacity Building Programme will have overall management responsibility for initiating the program and getting it established during the foundation phase, or until the Civil Society Capacity Building Partnership Program is established. Once the Civil Society Capacity Building Partnership Program is operational the Ministry of Capacity Building responsibilities will be limited to overseeing and reporting to the Civil Society Capacity Building Partnership Program for activities under sub-program 1.

220. The Civil Society Capacity Building Partnership Program will be a joint initiative of government and civil society. This will be reflected in its governance structures which will have representation from senior levels of government and from CSOs. In addition, several mutually agreed respected and independent personalities will be invited to be members of the governing body. Details of the governance structure will need to be elaborated as part of the establishment process of the Partnership Program.

221. As indicated in the description of the functions of the Civil Society Capacity Building Partnership Program, it is envisaged that the Program will have Federal and Regional offices and staffing.

222. Once the Civil Society Capacity Building Partnership Program is legally established, it will be responsible for ensuring government agencies achieve agreed milestones under sub-program 1 and that CSOs achieve agreed milestones under sub-program 3. Monitoring and reporting on progress towards milestones will be the responsibility of the department established within the Partnership Program for the purpose. This department will report to the governing

body, which will be responsible for ensuring that obstacles to progress are removed, and compliance with agreed milestones encouraged.

Program linkages

223. Sub-program 1 (Creating an enabling institutional environment) shares common issues with other reform and capacity building programs that are concerned with reforming the institutions of government to make them more accountable and responsive to citizens. These include the Justice Reform Program, the Civil Service Reform Program, and the District Level Decentralization Program.

224. As described in this program document, the Civil Society Capacity Building Program differs from these other programs in that it has a concern to promote partnership between supply and demand sides (sub-program 2) and to build capacity on the ‘demand side’ (i.e. in civil society itself) (sub-program 3). In its management of sub-program 1, it will be important for the Ministry of Capacity Building CSO-CBP to maintain formal links with the exclusively ‘supply side’ programs to ensure that requisite reforms in other programs are synchronized with the civil society capacity building program to ensure positive impact.

225. With regard to the proposed initiatives for supporting the relatively less developed Regions, the Ministry of Capacity Building will need to align its activities with those of the Ministry for Federal Affairs.

226. For this to happen, it is proposed to form a working group of representatives from those reform and capacity building programs that are considered to be most relevant to the Civil Society Capacity Building Program. For this working group to be more than a ‘talking shop’, its members should be senior staff of the relevant reform and capacity building programs. Ideally, the working group should be chaired at Ministerial level.

227. The working group will (i) monitor, promote and support progress being made under the enabling environment sub-program (ii) will identify where additional changes may need to be made in other reform and capacity building programs to make this environment more conducive and (iii) will encourage mutual learning from the experience of different programs on best practice in reforming government agencies.

228. Appendix 3 indicates the broad allocation of responsibility for initiatives to different agencies by program phase.