

## Spotlight iv: Civil society and ODA graduation – impacts, roles and opportunities

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Civil society<sup>54</sup> has a critical role to play in addressing pressing global issues, whether it be striving to achieve the Sustainable Development Goals (SDGs), tackling climate change, or championing fundamental human rights and freedoms through a wide range of advocacy, monitoring, research and service provision activities.

In countries transitioning or graduating from aid, it is now well documented that civil society organisations (CSOs) can be adversely affected. The point raised in the *Moving Away from Aid* summary report<sup>55</sup> about CSOs being the first to feel the effects reflects a significant body of evidence that has built up over the past decade.<sup>56</sup> Falling flows of funding from bilateral and multilateral donors early in the transition process, and limited support from governments, both financial and legislative, to ease the impact, are felt most by CSOs that have received support from the traditional aid sector (recognising that many CSOs operate without any funding from ODA). As grants available to international non-governmental organisations (INGOs) to work in countries that are transitioning or graduating decline, there is a knock-on effect for local organisations and implementing partners.

The consequences are surprisingly similar across very different contexts. One is the increased ‘projectisation’ of funds that are available from public and private sources, including through corporate social responsibility schemes or philanthropy. These funds are often focused on social development initiatives or are aimed at the provision of services on behalf of the state. Generally, such projects do not provide funding to cover the costs of the core functions of CSOs. Hence, a second consequence is an impact on organisational sustainability and

54 CIVICUS, the global alliance of civil society organisations and activists, takes a broad definition of civil society, incorporating non-governmental organisations, activists, civil society coalitions and networks, protest and social movements, voluntary bodies, campaigning organisations, charities, faith-based groups, trade unions and philanthropic foundations. <https://www.civicus.org/index.php/who-we-are/about-civicus> (11.02.2020).

55 Calleja/Prizzon 2019a: 31.

56 Hayman 2016; Appe/Pallas 2018.

institutional stability. A further consequence is the rise in competition for funding between local CSOs, but also between local CSOs and INGOs or private sector service provision organisations. These effects are particularly well captured in a 2019 report from Innpactia and CIVICUS, which analysed funding opportunities for CSOs in Latin America.<sup>57</sup> It highlights the limited funding opportunities that are targeted explicitly at local CSOs, and the competition CSOs face not only from international actors, but also from the private sector and state entities.

Of particular concern to civil society actors is that the evidence consistently points to a decline in support for civil society-led activities in the fields of advocacy, human rights, minority rights, democracy and coalition building. Such activities were often funded almost exclusively by external actors, which added a layer of moral support and protection to CSOs working on topics that were considered either controversial or at odds with government policy or national political agendas. Reduced funding for such work affects the ability of civil society to maintain pressure on public and private sector actors to tackle trends in countries transitioning and graduating from ODA in relation to growing income inequalities, ongoing challenges in human development (including health, education, youth opportunities and employment), vulnerabilities to climate change, weakening of public institutions and the deterioration of democratic rights and freedoms.

International actors need to be particularly mindful of this latter point. The CIVICUS Monitor,<sup>58</sup> which tracks civic space, warns of a deepening civic space crisis globally, with only 3% of the world's population now living in countries that CIVICUS considers to have open civic space. Although hostility to civil society actors working on political issues is widespread across countries with very different income levels, CSOs in numerous countries going through economic transition have faced an increase in both legal and extra-legal restrictions on their operations, such as censorship, crackdowns on protest movements, surveillance and harassment.<sup>59</sup> This includes India, Nigeria, Chile, Ecuador, Argentina, Kenya, Turkmenistan, Bolivia, Venezuela, the Dominican Republic and Cameroon.

Nevertheless, some international and local CSOs are stepping up their roles as watchdogs of these trends, which can adversely affect the poorest and the most vulnerable. The CIVICUS Monitor project is one such initiative, producing real-time analysis of civic space everywhere. The Spotlight on Sustainable

57 Innpactia/CIVICUS 2019.

58 CIVICUS 2019: 5.

59 Kumi/Hayman 2019; ICAI 2016; ICAI 2018.

Development initiative from Social Watch is another.<sup>60</sup> Both of these initiatives involve and rely on data and analysis provided by national and local civil society actors on the ground. A final example is the group of international NGOs that is maintaining pressure on bilateral and multilateral donors to ensure that health gains are not lost when countries graduate from instruments such as the Global Fund.<sup>61</sup> Such initiatives ensure that public authorities and the private sector in countries that are transitioning from aid are held to account for upholding their domestic and international obligations.<sup>62</sup>

On the positive side, in response to the changing environment, national and local CSOs are adapting and finding ways to mobilise more diverse and potentially sustainable sources of funding and non-financial support. This includes community-level fundraising and income-generation activities, fundraising from diaspora groups, membership fees, volunteering, mobilising in-kind material and infrastructure support, setting up social enterprises and community foundations, local philanthropy and corporate social responsibility schemes.<sup>63</sup> There are a growing number of initiatives in place to support resource diversification, as well as many examples of good practice from countries transitioning from ODA.<sup>64</sup> Additional benefits from the mobilisation of resources from local and national sources are that it can help CSOs to reduce dependency on external actors, increase their autonomy and legitimacy to promote local agendas, and change – and sometimes improve – relationships with local authorities. These dynamics are also giving momentum to demands to decolonise development and rebalance power between international actors and local CSOs,<sup>65</sup> requiring international NGOs and development funders to rethink their roles and behaviour in a global context, where poverty, inequality, repression of human rights, the democratic deficit and accountability failures are becoming universal.

At the same time, alternative sources of funding can come with their own risks, including potential mission drift towards the priorities of new funders, co-optation by state actors and the prioritisation of service provision activities (which are more easily funded) over advocacy goals. Moreover, within the context of the squeeze on civic space mentioned above, international actors cannot

60 Social Watch: <http://www.socialwatch.org/report2019> (15.04.2020).

61 Northcote 2017; Sabino et al. 2020.

62 Kumi/Hayman 2019.

63 Kumi/Hayman 2019; Appe/Pallas 2018; Arhin et al. 2018; Bayalieva-Jailobaeva 2018; Guttentag et al. 2018; Van Dyck 2017.

64 See, for example, the programmes of the Change the Game Academy <https://www.changethegameacademy.org/>. Also, Martins 2020; Guttentag et al. 2018.

65 Hodgson et al. 2019.

make assumptions that CSOs will have the space and resources to remain resilient and effective as ODA is reduced.

It is therefore important that all those involved in international cooperation, as well as public and private actors in countries in transition, take three interrelated steps. Firstly, they need to work with civil society to assess thoroughly the potential impacts of transition and graduation on CSOs and the wider civil society ecosystem, exploring which civil society activities and functions are likely to be most affected. They should consider the regulatory framework and governance practices that affect the ability of CSOs to operate, raise resources locally and campaign on issues that might be considered controversial. Secondly, they should make use of the growing body of evidence and practical advice for funders, international actors and CSOs around exit strategies and doing transition well,<sup>66</sup> in order to avoid the poor practices that have undermined the sustainability of CSOs in the past. Finally, they should explore how to support civil society in more diverse and creative ways to enable CSOs in societies that are transitioning to continue to tackle global and local rights and development-related issues. This might include finding ways of providing funding and non-financial support to CSOs through non-ODA channels, offering support for international monitoring projects, solidarity exchanges and global forums that bring the voices of civil society activists from transitioning countries to the fore, and maintaining pressure on governments to open up civic space in order to allow civil society to thrive.<sup>67</sup>

66 Martins 2020. See also Hayman/Lewis 2018; Guttentag et al. 2018; Appe/Pallas 2018.

67 Suggestions for further reading:  
Social Watch produces regular monitoring reports written by civil society actors on country progress related to the Sustainable Development Goals: <http://www.socialwatch.org/report2019> (27.03.2020).  
The Stopping As Success project has produced a large number of case studies, reports, blogs, tools and guidelines on transition and exit planning. See Martins 2020.