CSOPartnership for Development Effectiveness

International Civil Society Organizations' Development Effectiveness: Reflections on progress in equitable partnerships, solidarity, and accountability

Implications of the Istanbul Principles and the DAC CSO Recommendation on Enabling Civil Society for ICSOs

A CPDE Working Paper

Prepared for the ICSO Constituency of
the CSO Partnership for Effective Development (CPDE)
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March 2023

Acknowledgements

This CPDE Working Paper has been developed under the leadership of Luca De Fraia (Deputy Secretary General of Action Aid Italy), who provided overall management, insight and opportunity to explore ICSO development effectiveness through a southern CSO lens. We are deeply indebted to the 14 interviewees for this study (Annex Seven) who have been generous with their time in sharing frank and perceptive views on the complex and challenging dynamics of CSO partnerships. Hopefully the Report reflects and builds upon their keen observations on both the challenges of equitable partnerships, but also on directions and examples for ways forward. We also very much welcomed key contributions from members of Reference Group (Annex Seven), who helped shape the research and offered valuable insights and suggestions on the draft report.

Chilande is the principal author of the Report and its findings. Brian has contributed a summary of "Key International Trends affecting ICSOs Implementation of the Istanbul Principles" (Annex Three) and a "Literature Review on Strengthening Locally-Led Development: Key Issues for ICSOs" (Annex Five). Together we hope they offer some unique perspectives on the dynamics of power affecting local CSOs in a civil society ecosystem of north-south partnerships.

The overarching purpose of this study has been to contribute to informed and ongoing civil society debate on issues in ICSO practices with a focus on initiatives and behaviour change that advances CSO development effectiveness in equitable partnerships. We hope the report goes some way towards serving this purpose. We look forward to listening and contributing to these discussions.

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Forward

The ICSO sector of the CPDE has steadily looked into the extent to which the sector has aligned itself with the effectiveness principles that CSO community agreed to more than ten years ago, the Istanbul Principles. This study takes place at a time when the donor community has positioned itself by adopting the DAC Recommendations on Enabling Civil Society and when there is a new wave of public discussions on key dimensions such as decolonization and localization of development cooperation. This report offers a very powerful instrument to connect all these dots and help navigate the on-going debate.

The CPDE reports of the past few years have explored these crucial areas for CSO effectiveness, by necessity, from a qualitative perspective, mostly relying on literature reviews and, more importantly, on the first-hand understanding of expert colleagues. One of the regular findings from these studies started in 2016 is that key expectations about fair and equitable partnerships between different CSO actors are well reflected in key strategic CSO documents.

The full implementation of these expectations is quite often stalled by a difficult CSO operational environment. Amongst many other critical factors, multiple accountability lines coexist, including those to governments and official donors, who set the modalities for the reporting processes. The global Covid 19 pandemic and new geopolitical crises have possibly further slowed the pace of change as, for instance, the digital divide and mobility restrictions have further exacerbated existing imbalances.

This report goes deeper by addressing the systemic factors that generate imbalanced relationships between CSO partners. It reflects how difficult it can sometimes be to sort out definitional issues as to what is global or genuinely local. It offers best practices and lessons to continue to build more equitable partnerships from on more solid foundations, including a commitment to locally-led development.

To CPDE, creating the space for a well-informed discussion on equitable partnership, in the context of commitments to strengthening leadership of civil society in partner countries, is a priority concern for the years to come. We believe the CSO community should openly discuss how to do better and, more importantly, should develop its own understanding of the challenges ahead of us, which cannot be framed exclusively by more powerful development partners. This report can help do that by, for instance, acknowledging the added value (and changing roles) of the different actors and by refocusing the conversation from localization to locally-led development.

We are indebted to Chilande Kuloba-Warria for steadily leading on this effort. We would also like to thank Brian Tomlinson for his relentless commitment. Our thanks go to all those that have made this report possible, including the Reference Group that accompanied this work (see Annex Seven), and their generosity in making available their expertise.

March 2023

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Executive Summary

As development actors for development transformation challenging dominant economic, social and political power structures in their societies, Local CSOs (LCSOs) in the global south must also do so within a global civil society ecosystem. It is one that continues to be largely dominated and shaped by the power, priorities and resources of CSOs and relationships emanating from the global north, including their governments. Increasingly LCSOs in the global south are challenging these power relationships, calling for development that is led and owned in the global south, ultimately achieving justice and equity over development priorities and over access to core and programmatic resources to CSOs in the global south.

While CSOs have adopted global norms that should shape these transformations, current practices remain inconsistent with the 2010 *Istanbul Principles for CSO Development Effectiveness* in important areas of equitable partnerships, solidarity and peoples' empowerment. But CSO practices are also deeply affected by the political context in which they work, including donor and government policies and regulations.

Until recently donors lacked systematic guidance on how best to support an enabling environment for CSOs. In July 2021, the OECD Development Assistance Committee adopted the *Recommendation on Enabling Civil Society in Development Cooperation and Humanitarian Assistance*, the first even common standard and legal policy instrument to protect and promote civic space, to fully support civil society organizations, including priority to locally-led development, and to incentivize CSO effectiveness, transparency and accountability.

This report, the fourth in a series of prior reviews by CPDE, highlights key challenges and opportunities for International CSOs (ICSOs) to deepen their practices towards locally-led development. ICSOs are development actors, both as recipients of donor development cooperation, alongside other CSOs, but also as major donors for LCSOs in the global south. The DAC *Recommendation,* in calling for donors to invest in the leadership of local civil society in partner countries, can inform the *Istanbul Principle's* emphasis on equitable partnerships between ICSOs and LCSOs.

While applying directly to donor policies and practices, the *Recommendation* will have significant implications for ICSOs' development practices as major civil society donors and development actors in partner countries. Through guided interviews and a literature review, this report builds on southern civil society perceptions of equitable partnerships and power shifts, and asks what are the major implications for ICSOs? What are the major hurdles and drivers for behavior change and greater effectiveness?

What are the findings?

1) **In the context of rebalancing power relationships, equitable partnerships need not be a zero-sum binary**. Equitable partnerships enable local-led development by creating ways of engagement where partners recognize, respect, and therefore align each other's strengths to achieve the best and most effective development outcomes. See **Table One** for an overview of the relative value contributions of local and international actors.

2) **Locally-led development is a continuum** from local actors informed and consulted on a project or initiative to one where local leadership is supported to host, manage, and take ownership and responsibility over the outcomes of the project. This framework suggests a progressive evolution of how ICSOs can transform their relationships and to make the shifts in roles, practices, and mindsets that locally-led development and decolonization demands. We must all acknowledge that achieving a cultural shift is much harder than achieving a more "technocratic" approach. See **Table Two** for a comparison of the different perceptions of I*CSO*s, LCSOs, and areas of commonality.

3) **It is important for the sector to distinguish between "<u>equal</u> partnerships" and "<u>equitable</u> partnerships".** Equitable is context specific and requires a differentiated approach, which should be applied based on the historical imbalance of power. **Table Three** distinguishes between equality and equitable. The goal in partnership is a pursuit of equality, which requires all actors to first ensure equity. LCSOs in this process are advocating for that extra support and push so they can reach their fullest potential. They seek to stand on an equal ground with their ICSO colleagues.

4) **Advancing towards this goal has taken too long,** not only because of differences in conceptual frameworks of what these notions mean to the different parties, but also because of the resistance of those that have benefited from the old thinking and practice. **Table Four** summarises colleagues' perspectives on the key challenges, the undesirable and the desirable practices for equitable partnerships.

5) **Most of the current conversations on *localization*, *locally-led development*, or *decolonization* are happening behind the scenes among the donors, and some donor-based CSOs, and within the international CSO fraternity,** instead of with groups and activists on the ground in the global south. These discussions are centered on rational, linear, systematic technical discussions with inadequate representation and inclusion of the grassroots actors themselves. As such, the solutions being proposed will inevitably be laced with northern interests and comforts.

6) **ICSOs and external partnerships have been shifting, with more voices at the table locally; co-creation of programming has progressed in the past five years, but it is mainly still with ICSOs as intermediaries,** and largely incremental. Still, little direct and unrestricted core funding, which is essential for CSO truly locally-led development, is available. "*The money is not following the discourse*." Most LCSOs struggle to "*stay alive"* with regard to their core operations.

7) **It is essential to strengthen the local philanthropy ecosystems** to strengthen the capacities and options for LCSOs, for example, through 1) increasing access to local resources; 2) recognising and quantifying non-financial assets such as leadership; 3) advocating with Southern governments for enabling environment for CSO effectiveness as well as philanthropy and their investment; and 4) instituting platforms for giving from diaspora.

8) **These are important distinctions between localization and locally led development, both conceptually and in practice**. **Table Five** distinguishes localization and locally-led development. Where localization focuses on ICSOs creating space for their adaptation, and still retaining fundamental barriers to LCSOs to work on their own priorities, while locally-led development, within the framework of equitable partnerships, centers the LCSOs and affirms their right to initiatives on their own priorities. Yet locally-led development may also be too limited in its scope and

understanding of context. Development is often not purely a local question. Issues faced by communities are often transnational, involving the need for southern CSOs to work in a symbiotic manner and with ICSOs.

9) **Transforming partnerships and equitable power, which requires redistribution of resources, in the context of little new development finance, implies that current ICSOs will have less of the pie.** Are ICSOs willing to accept and plan for this future with their southern counterparts? In this context, the report identifies a number of structural barriers, institutional barriers, and behaviour barriers to change:

   - Structurally – rooted in a colonial and neo-colonial legacy and cascading down into the aid system for over five decades;
   - Institutionally – development priorities and initiatives largely designed in the north, and supported by a top-down aid allocation system; and
   - Behavioural – Practices informed by a colonial mindset, racism and discrimination, patriarchal attitudes, and 'white saviour' behaviours, telling others in their own country what they must do.

10) **Interviewees and the literature also identify a number of barriers to LCSOs achieving locally-led development**, such as the need to align to donor compliance requirements, shrinking civic space in many countries, unequal and unfair competition with ICSOs, disruption of local collaborations, limited safe spaces, and limited access to senior ICSO staff.

11) **Locally-led development calls for a thorough review of the roles for ICSOs within the partnership.** It does not imply or propose that ICSOs disengage, but rather, they need to rethink what these new roles will be: as a "broker", as a "facilitator", or an "accommodator," ensuring compliance with donor requirements, opening doors to power and sharing intelligence, and as an advocate and promoter of civil society engagement in donor countries, etc.

12) **Accountability and transparency are among the weakest areas of current practices of ICSOs and LCSOs.** Some limited progress has been made bilaterally in relation to specific projects but seldom encompass the whole institution. LCSO transparency in fiscal management is seldom reciprocal.

13) **In such a dynamic environment for locally-led development, rather than recommendations per se, this report puts forward the following questions to help frame individual and collective ICSO/LCSO discussions:**

    - How can we focus on making the existing international cooperation ecosystem more relevant, responsive, and accessible to LCSOs, especially smaller community-oriented groups in the global south?
    - How are you supporting the evolution of national CSO led and managed platforms and campaigns that are essential for locally led development, but often marginalised in the aid ecosystem?
    - Have we created spaces where activists with others have discussions on solutions – barriers, realities and needs tailored to them?
    - What does it mean to be a trusted collaborator?
    - How do we identify and support internal champions for this new way of working / thinking and invest in them and the infrastructural systems required for them to advance the cause?

- How can ICSOs reposition themselves as reliable allies o southern LCSOs?
- How can ICSOs invest in meaningful long-term organization development and change with local/national partners that is geared towards establishing equitable and effective partnerships?
- How can ICSOs detangle themselves from national donor interests?

International Civil Society Organizations' Development Effectiveness: Reflections on progress in equitable partnerships, solidarity, and accountability

Implications of the Istanbul Principles and the DAC CSO Recommendation on Enabling Civil Society for ICSOs

A) BACKGROUND

Civil Society Organizations (CSOs) are major drivers for development transformations and change, in local, national, regional, and global contexts, as a vibrant part of democratic life in countries across the global. They are supporting peoples' empowerment and strengthening their diverse struggles and initiatives to claim essential human rights and realize sustainable improvements in the lives of millions of people, marginalized by development models rooted in a long history of colonialism and colonial practices.

While challenging dominant economic, social and political power structures in their societies, local CSOs (LCSOs) in the global south must also do so within a global civil society ecosystem. It is one that continues to be largely dominated and shaped by the power, priorities and resources of CSOs and relationships emanating from the global north, including their governments. Within this civil society ecosystem, International Civil Society Organizations (ICSOs) are seen as major actors with both formal and informal power to shape the priorities, the terms and conditions and implementation of program through development cooperation, with many implications for people-oriented development in the global south.[1]

Increasingly LCSOs in the global south are challenging these power relationships, calling for development that is led and owned in the global south, ultimately shifting power over development priorities and over access to core and programmatic resources to CSOs in the global south. While certainly accentuated by recent movements derived from Black Lives Matter, from feminism, and the responses to a global pandemic, these civil society demands for a transformation in relationships based on respect and solidarity go back decades.

An important instance was September 2010, when more than 180 CSOs from 82 countries, meeting in Istanbul, Turkey, adopted eight guiding principles for shaping their effectiveness as development actors in their own right. They affirmed CSOs' commitment to take action to transform their practices and to be fully accountable. The *Istanbul Principles for CSO Development Effectiveness* take account the diversity of CSO visions, mandates, approaches and relationships. Given this diversity, it was agreed that these

[1] For the purposes of this study, an International Civil Society Organization (ICSO) is a CSO that is headquartered / governed in whole or in part in the Global North with activities supported and/or carried out in the Global South. A national or local CSO (LCSO) is a CSO exclusively headquartered, governed and carrying out activities in a country in the Global South. These working definitions are acknowledged to be imprecise in covering all aspects of the full diversity of CSOs involved in development cooperation.

principles must be applied in meaningful but distinct ways that are appropriate to each CSO sector, global, national or local context.[2]

Among the eight *Istanbul Principles*, consistent with a transformative approach, CSOs have committed to,[3]

- Respect and promote human rights and social justice in CSOs' strategies, activities and practices;
- Embody gender equality and promote the rights of women and girls in CSOs' practices;
- Focus on peoples' empowerment, democratic ownership and participation;
- Pursue equitable partnerships and solidarity with CSOs and other development actors; and
- Demonstrate a sustained organizational commitment to transparency, multiple accountability and integrity.

As development actors, CSOs have also been deeply affected by political context in which they work and by the actions of other development actors. Progress in CSO development effectiveness, as reflected in the *Istanbul Principles*, is the responsibility of each and all CSOs; but progress is also highly reliant on donor and government policies, laws and regulations, shaping the environment in which they work. Since the Busan High Level Meeting in November 2011, donors and governments from the global south, aligned to the Global Partnership for Effective Development Cooperation, have committed to an enabling environment for civil society that maximizes CSOs full contribution and participation in all aspects of development.

See **Annex Three** for a brief review of the key international trends in the development landscape that have shaped the environment for ICSO implementation of the Istanbul Principles.

Since 2011, unfortunately the gap between words and deeds for an enabling environment for CSOs has grown. CSOs across the globe have increasingly experienced the narrowing and closing of spaces in which they work, accompanied by the rise of authoritarian governments., with repeated threats, including murder, against women's rights, human rights and environmental activists.[4] Much has been written and

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[2] See the *Istanbul Principles for CSO Development Effectiveness*, at https://csopartnership.org/resource/istanbul-principles-for-cso-development-effectiveness/ and *The Siem Reap CSO Consensus on the International Framework for CSO Development Effectiveness,* accessible at https://csopartnership.org/resource/the-siem-reap-cso-consensus-on-the-international-framework-for-cso-development-effectiveness/. The *Principles* and *Framework* were the outcome of consultations with thousands of CSOs in more than 70 countries and sectors. The commitment of CSOs to the *Istanbul Principles* was acknowledged in the 2011 Busan Global Partnership for Effective Development Cooperation (GPEDC) framework for development effectiveness on the part of all associated development actors, and in subsequent High-Level Meetings of the GPEDC, in which CSOs participate as equal stakeholders (https://effectivecooperation.org/). The CSO Partnership for Development Effectiveness (CPDE) is the custodian for the *Principles* and has a mandate to track progress in their implementation (https://csopartnership.org/).

[3] See **Annex One** for the eight *Istanbul Principles*.

[4] For country level data and analysis of global trends see Civicus, "Monitor: Tracking Civic Space," accessible at https://monitor.civicus.org/Ratings/ and International Centre for Not-for-Profit Law, "Civic Freedom Monitor," accessible at https://www.icnl.org/resources/civic-freedom-monitor. According to latest trends, Civicus has

promised since 2011 at various High-Level Fora towards strengthening enabling conditions and engaging CSOs as development actors. But until recently, donors lacked systematic guidance on how best to support this enabling environment for civil society.

In July 2021, the OECD Development Assistance Committee (DAC) adopted the *Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance*, the first-ever common standard and legal policy instrument for DAC members in this area.[5] Full implementation of the *Recommendation* would go a long way towards implementing development effectiveness principles, with a major impact on the enabling environment for civil society in partner countries.

The *Recommendation* sets out 28 commitments for change and action in three pillars, to which donors will hold themselves accountable: 1) respecting, protecting, and promoting civic space; 2) supporting and engaging with civil society organizations; and 3) incentivizing CSO effectiveness, transparency, and accountability.[6]

In the context of the *Istanbul Principles*, the *Recommendation* draws attention to key areas where donors can make a difference. Among other commitments, donors have agreed that their policies, funding modalities, and practices must,[7]

- Support and engage with international, regional and national bodies and initiatives that work to respect, protect and promote civic space (**Empowering people**);
- Explore and share lessons on how best to support a broad range of formal and informal, traditional and new types of civil society actors such as social movements, social economy actors, trade unions and faith-based organizations (**Empowering people**);
- Incentivize more equitable partnerships between provider country and/or international CSOs and their partner country CSOs they work (**Equitable partnerships**);
- Incentivize and promote participatory and rights-based approaches for local ownership and accountability of CSOs and their activities (**Locally-led development**);
- Invest in the leadership of local civil society in partner countries by increasing the availability and accessibility of direct, flexible and predictable support including core and/or programme-based support, to enhance their financial independence, sustainability and local ownership (**Locally-led development**); and

determined that 88.5% of the world's population lives in countries where civic space rated as closed, repressed, or obstructed. Twenty-five countries have closed civic space where independent CSOs cannot exist legally, 49 countries highly repress independent CSOs, and 43 countries where the actions of independent CSOs are obstructed through legal, regulatory and police/ informal militia.

[5] See https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5021.

[6] See **Annex One** for the complete set of 28 commitments in the DAC *Recommendation on Enabling Civil Society*.

[7] See **Annex Two** for a full mapping of the *Istanbul Principles* with various commitments in the *DAC Recommendation on Enabling Civil Society*.

- Support voluntary CSO efforts to build on existing good practice and standards in CSO-led self regulation, transparency and accountability mechanisms to broaden CSO participation in such mechanisms (**Transparency and accountability**).

ICSOs are development actors being both recipients of donor development cooperation, alongside other CSOs, but they are also major donors for LCSOs in the global south. International CSO confederations command significant development resources, derived from both donor / institutional sources as well as access to unrestricted public donations, mainly raised in the global north, and other revenue. Their power in shaping development priorities for LCSOs at country level is derived from the combination of these resources and their privileged roles as intermediaries for northern donors.

According to the OECD DAC, in 2020, $21.6 billion in DAC member ODA was channelled to and through CSOs (16% of all "Real ODA" for that year). Of this amount, ICSOs received $6 billion (28%) in DAC Members' ODA and donor country-based CSOs accounted for an additional $14 billion (65%). While donor country-based CSOs and ICSOs are intermediaries for flows to LCSOs, a mere $1.5 billion (7%) was directed by donors to developing country-based LCSOs. The DAC estimates that an additional $48 billion was disbursed by CSOs from privately raised funds.[8] (See **Annex Three**)

These resources are considerable; and not all of it dependent and restricted by direct official donor support. The Oxfam confederation, for example, reported $912 million in revenue in 2020/21, of which more than half, $492 million (54%), came from private sources, not official donors or institutions.[9] ActionAid International had aggregated revenue of $236 million in 2019, of which $84 million (36%) was unrestricted from private sources in its allocation.[10] World Vision International's consolidated revenue in 2020/21 was $2.2 billion, an amount larger than 14 out of 29 DAC donors for 2020.[11] Privately raised funds provide programmatic flexibility for many ICSOs.

While applying directly to DAC donor policies and practices, all of the *Recommendation's* three pillars and their respective commitments have significant implications for ICSOs' development practices, particularly as major civil society donors and development actors in partner countries.
More specifically, both the *Recommendation's* commitments and the *Istanbul Principles* reinforce current trends and demands for "localization," locally-led development and decolonization by LCSOs from the

[8] See OECD DAC, *Aid for Civil Society Organizations, Statistics based on DAC Member reporting to the CRS*, June 2022, accessed at is accessible https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/Aid-for-CSOs-2022.pdf Real ODA is Actual ODA less ODA that is included for support for refugees and students in donor countries, debt cancellation, and interest received on ODA loans.

[9] See Oxfam International, "Our Finances and Accountability," accessed at https://www.oxfam.org/en/what-we-do/about/our-finances-and-accountability.

[10] ActionAid International, "2019 Aggregated Financial Statements," accessed at https://actionaid.org/sites/default/files/publications/ActionAid%20International%20Federation%20Aggregated%20Financial%20statements%2031%20December%202019%20final%203.08.pdf. Euro / dollar exchange at $1.1199.

[11] World Vision International, "World Vision International and Consolidated Affiliates, Consolidated Financial Statements, September 30, 2021," accessed at https://www.wvi.org/sites/default/files/2022-06/F_306830Q-1A_WorldVisionInternational_FS.pdf.

global south.[12] They invite thorough reflections by the ICSOs about their role in furthering reform in their modalities of support for the diversity of CSOs in the global south. These reflections are happening in the context of ongoing conversations about redefining traditional north/south relationships in development cooperation as well as a new wave of discussions on "dis-intermediation" and decolonizing development.

Over the past five years, the ICSO constituency within the CSO Partnership for Development Effectiveness (CPDE) has reviewed the state of play in ICSO development effectiveness and the *Istanbul Principles* against a changing operational and external landscape.[13] The latter must now include the current environment of global polycrisis[14] – the ongoing Covid 19 pandemic, impacts from Russia's invasion and war with Ukraine in 2022, mounting food insecurity, high inflation, and widening impacts from the climate emergency.

CPDE's ICSO constituency has undertaken three studies highlighting key challenges for ICSOs with guidance on how to accelerate progress towards putting the *Istanbul Principles* into practice. (See **Annex Four** for a summary of the key findings from these studies.) The 2019 study concluded that

> "As much as ICSOs may aspire to play a different role within in a changing development landscape, many have struggled to extricate themselves from the traditional development model in which they act as intermediaries and conduits for funding to local actors. Holding the purse strings still puts ICSOs in a position of power with respect to their partners…."

The studies pointed to increased focus on compliance with donor requirements, continued clampdowns on civic space accentuated by the Covid-19 pandemic, weaknesses in sharing information, increased scrutiny of ICSOs by donors, and increased competition over scarce donor funds.

This fourth study in the series builds substantially on these findings, but does so through the optic of southern CSO reflections. Its overarching purpose is to extend our collective understanding of current ICSO practices through the lens of effectiveness principles in relation to key *Istanbul Principles*, in the context of the DAC *Recommendation on Enabling Civil Society*. More specifically, the intention is to

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[12] The terms, "localization" and "decolonization," are not defined as their meaning is actively contested and often reflects the position of those defining the terms within the complex dynamics of development cooperation. Our interpretation will become clear in the summary of our findings from both the literature review and the guided interviews with CSO stakeholders.

[13] See CPDE ICSO Report, 2016. "A study of International Non Government Organization Support of the Development Effectiveness Agenda", Liz Steele, [no link available, summary in Annex Four in CPDE, 2021, below]; CPDE 2019. "Accelerating the Implementation of the Istanbul Principles by ICSOs in a changing development landscape," CPDE Working Paper, Costanza de Toma, accessible at https://csopartnership.org/wp-content/uploads/2021/04/CPDE-ICSO-Guidelines-paper-@-April-2019_-003.pdf; and CPDE, One Year On: COVID-19 has made CSO effectiveness harder on many fronts," A CPDE ICSO Study on the impact of the pandemic, Catharine Turner, April 2021, accessed at https://csopartnership.org/wp-content/uploads/2021/04/CPDE-ICSO-Study-on-Impacts-of-Covid-19-Full-Report.pdf.

[14] According to Adam Tooze, "a polycrisis is not just a situation where you face multiple crises. It is a situation… where the whole is even more dangerous than the sum of the parts." See Annie Lowrey, "A Crisis Historian Has Some Bad News for Us," The Atlantic, July 5, 2022, accessed at https://www.theatlantic.com/ideas/archive/2022/07/adam-tooze-chartbook-substack-newsletter-inflation-crisis/661467/.

explore and highlight issues in ICSO current practices, with a focus on initiatives and behaviour change that could advance CSO development effectiveness in three important areas:

- Shifting power to national / local organizations in the global south;
- Strengthening peoples' empowerment in addressing their own priorities; and
- Practicing and facilitating dynamic accountability and transparency.

While both the *Istanbul Principles* and the *Recommendation* cover a broad range of essential inter-related principles and approaches for CSO development effectiveness, this study will focus on the core *Istanbul Principle* of Equitable Partnerships and Solidarity, combined with the *Recommendation*'s commitment to strengthen leadership of civil society in partner countries. It will have a particular focus on addressing funding modalities and civil society strategic alliances, networks, platforms and resource centers, which enable this leadership. In this regard, it will also reflect on related areas of support for peoples' empowerment and democratic ownership as well as transparency and accountability.

Core questions that have informed the approach to research for this study include:

- What are the major hurdles and drivers for behavior change and greater effectiveness?
- What are the major implications for ICSOs from the DAC CSO Recommendation?
- What are some ways forward and opportunities for change to maximize synergies between ICSOs and local and national CSOs in partner countries?

B) METHODOLOGY

This study is intended to complement the many initiatives and mounting research on "shifting power" towards the global south and its implications for ICSOs. While the report sets out some areas for considerations in deepening locally led development, shifting power and equitable partnerships, it is not intended to be prescriptive to ICSOs. In the end there are no recommendations; rather the report sets out eight questions for consideration. Each organization, whether ICSO or LCSO, needs to reflect on their own practices and partnerships.

Nevertheless, the report works with an assumption that CSO partnerships for locally-led development must be informed and guided by southern CSO perspectives on power, partnerships and empowerment. The methodology for developing the report therefore gives priority to southern voices and perceptions, acknowledging the capacities, agendas, priorities and networks that exist in the global south. But it also assumes that partnership power need not be a zero-sum binary. In doing so, the study brings together some ideas for reimagining a new orientation that moves away from an exclusive focus on "shifting power," towards reformed practices and behaviour, which capitalize, with respect and equality, on each others strengths and proximities.

The study has been informed by a series of guided interviews with key informants, selected for their experience in partnering with INGOs and/or knowledge of the issues and challenges (as they relate to ICSOs) in strengthening leadership of civil society in the Global South. (See the list in **Annex Seven**.) At

least half of these interviews have been informants in the global south, supplemented by select interviews with ICSO informants in the global north. It also builds upon a detailed literature review of more than 60 recent documents, most authored by CSO researchers and/or activists in both the global south and north, on strengthening locally-led development for ICSOs. It takes account of the challenging external political and human rights environment in which many CSOs, both ICSOs and LCSOs, must operate.

The literature review can be found in **Annex Five** and a review of the external environment affecting the implementation of the Istanbul Principles is set out in **Annex Three.**

C) FINDINGS

1. Notion of Equitable Partnerships

There are varying definitions and understandings of the notion of equitable partnership. The one common theme is that current practices of partnership – while arguably better than the past or even recent past – are nowhere near the desired state.

A partnership between an International Civil Society Organization (ICSO) and a Local Civil Society Organizations (LCSOs) must take into consideration the historical disadvantages a Southern-based LCSO brings into the relationship. This history brings nuances to the relationship that, if not addressed, will become a barrier to achieving an equitable partnership.

To address the inequities that have characterized the past funding relationships, movements have originated over time, which may also have caused additional challenges to a consensus-building process of healing and reconciling these two critical stakeholders for community resilience and success. For instance, the "Shift the power movement" is perceived to have taken a "*get out of the way*" tone that only served to further entrench the power imbalance that has long persisted and grown over time. What that aggressive tone did was antagonize and put the ICSOs on the defensive, further exasperating the efforts to create the necessary shifts that were being advocated for.

Power shifts assume that the one in power recognizes that they have the power and understand its effect on the less powerful partner; this powerful actor is therefore expected to be willing to make the necessary shifts towards giving up power, making them essentially "less" powerful in this relationship. Yet the reality is that partnership power need not be a zero-sum binary. But most LCSOs' sentiments are that this power shift will not happen willingly, and therefore it must be taken. There are also some who perceive that the application of this notion assumes that there was no power in the global south to begin with, while in fact, the shift that was needed was the recognition, acknowledgement, and respect of the inherent power in the global south. This would therefore lead to a nature rebalance of power, so that both entities' inherent powers interact in a healthy way to result in equitable partnerships that yield powerful positive community transformations.

Equitable partnerships enable local-led development, which leverages the best in development outcomes from an effectiveness point of view. It creates a way of engagement where partners recognize, respect, and therefore align each other's strengths to achieve the best and most effective development outcomes.

Table 1: A Proposition on the Value Contributions of Local Actors versus International Actors

Key contributions	***Local Actors***	***International Actors***
Knowledge, experience, and perspectives	Actual realities and nuances of the dynamics of the persisting community challenges these perspectives help co-design solutions that address root causes. A history of working in grassroot communities and being part of the community experiencing the challenges can prove useful in co-designing interventions that target the right vulnerable groups with effective solutions to real challenges.	Cultural dynamics and nuances of the international communities that influence trust and effective collaborations needed to bring lasting change in the community. History of working successfully with international funders has enabled them build effective systems of good governance and financial accountability that can be transferred to local actors in capacity improvement programs.
"*Both [actors] understand cultural sensibilities of respective geographical orientations that help ensure the effectiveness and efficiencies of proposed interventions*".		
Resources	Local resources-both in-kind and financial as well as local partnerships with community and local stakeholders necessary to sustain the outcomes of the interventions and reduce dependency.	Facilitate diversity of resources as well as access to potentially larger and long-term funding sources that tend to be domiciled in the north.
Proximity	Target community populations and networks. Local actors also have a stronger ability to speedily build trust and confidence with the local / national stakeholders who easily identify with the local teams.	Target funding sources that often require compliance to foreign country rules and regulations that can be ambiguous and complex for local actors.
Credibility	LCSOs are organizational expressions of democratic practice and citizens' engagement in their collective future. Local actor systems that demonstrate accountability and proven record of enabling sustainable results in the community are deemed to be reliable and can easily forge necessary local partnerships and secure support / promote policy change especially with the local and national governments.	International communities trust international actors that have a demonstrated history of integrity and so can attract and sustain these often resource-rich international partnerships. Strong accountability and diligence systems that have been built historically and can help minimize fiduciary risks and can be transferred to local actors over time. Diverse global experience in development challenges on the ground adds credibility to effective advocacy for global policy changes.

Networks, influence and advocacy	Well entrenched in the local social and political networks that inform approaches and ensure effective key stakeholder engagement.	Credibility and legitimacy with key stakeholders, capacities to mobilize the publics in the global north, to influence public opinion, to raise funds in the global north, and to work with others in the global south to influence international agencies. Resources and capacities to facilitate and/or institutionalize processes of citizen solidarity between countries (N/S; S/S; N/S/S etc.).

"Ultimately, the approach to this work has to come from an acknowledgment that these partnerships are joint ventures, where the northern partners are entrusted to take care of the money and fulfill charity laws, etc. and southern partners are entrusted to determine the best allocations in their countries according to the shared mission"

In the past, the goal for equitable partnerships was viewed as the best practice to achieve results, but recent discourse on locally-led development (LLD) compels a deeper ethical reflection and behavior obligation to change. As it has been with most global development approaches, there are varying voices, positions, and explanations for its meaning and its practical implementation. It is therefore important to have a discussion around the various ways which LLD can be operationalized. We continue seeing organizations and institutions stepping forward for LLD, and in the process numerous lessons continue to be learned. The bottom-line, however, seems to be that LLD both questions and mobilizes actions that transform how we pursue development work. What seems evident across the board is that LLD is represented by: 1) effective partnerships, 2) the amplification and strengthening of local capacity and knowledge, and 3) the transformation of institutions that advocate for it.

From our research, getting to locally-led development can move along a continuum from being less locally led to substantially locally led. This progresses loosely along the following five stages or continuum:

Local communities and actors are **informed about the project** and its intentions. Opinions may be sought but there is no inclination for the actors to take them into consideration.	Local communities and actors are **consulted on a project idea** that the international actors have committed to. There is an expressed willingness to act on the feedback received.	Local communities and actors **work in partnership with the international entity** providing leadership and owning the core and strategic decisions over the goals of the project. There is a formal system established to work jointly.	The international entity **delegates power to make critical decisions over strategic directions** and key actions to be taken to address the issues that they have jointly agreed to address. A formal agreement frames this relationship.	Initiative in terms of vision and goals originates from the local actors and communities. L**ocal leadership is supported to host, manage, and take ownership and responsibility** over the outcomes of the project.

This framework suggests a progressive evolution of how ICSOs can transform their relationships, deliberate effort, and to make the shifts in roles, practices, and mindsets that locally-led development and decolonization demands. This is a different level of commitment, and a lot of boundaries are being pushed to achieve this goal. It is complex and challenging: We must all acknowledge that achieving a cultural shift is much harder than achieving a more "technocratic" approach.

From our interviews, there are certainly some areas of commonalities, and differences between how the ICSO and the LCSOs colleagues perceive the best way forward. **Table Two** demonstrates these different perceptions and some possible areas of commonality.

Based on our interviews, we realised that there are fundamental differences in how emerging concepts in the local led development ecosystem are understood and applied. However, there are also generally accepted and acknowledged applied concepts. The table below sums up our findings.

Table 2: A Comparison of the Different Perceptions of ICSOs, LCSOs, and Areas of Commonality

	Common ICSO Perception	Common LCSO Perception	Areas Of Commonality
Equitable partnership	It can be achieved by sharing "power" i.e., give locals more money and "allow" them to make decisions.	-"*He who has, and controls resources will always wield the power.* " As such, if LCSOs rely on foreign funding, independence may not be achieved.	Equitable partnerships have not been achieved. It is work in progress Address ambiguities about what "power" means.
Trust-based relationships	Thinking and practice that approaches the funding relationship in ways that allows LCSOs to "*fail forward.*" Increasingly leaning into the experience of learning from mistakes rather than taking punitive actions against unmet expectations. Reframing their ideas around risks and advocating for "*leniency*" in compliance with rules, regulations, and indicators of results. ICSO practice is limited by donor compliance and risk avoidance practices "*We need to build the capacity of local actors to where they can respond to the donor requirements and*	Demonstrated by mutual respect-i.e., honor the inherent abilities of the local actors, avoid condescending attitudes and postures of supremacy, and do not "*Lord over the local actors*".	Investing in mutuality and respect in the partnership, with effective communication practices and building shared understanding. Do no harm principles must be applied across the board. Longer term funding, more open open-ended unrestricted funding, informed by development "risks" (the need to partner with "risky" stakeholders to achieve results. Working together to review compliance and due diligence rules to accommodate local contexts and abilities and strengthen as needed to

	satisfy the expectations of funding"		meet unique and necessary terms.
Program funding relationship	Increasing practice of co-creation of programs Actively seeking diversity and inclusion in decision-making	Strengthen local capacities and invest in infrastructure that honors and utilizes local resources. "W*e are competent and more competent than you in our context*"	Shift more money linked to program discretion to local actors Lean into community systems for priority setting and implementation
Future Partnership prospects	Roles of ICSOs are unquestioned; there just needs to be a power shift that creates space for stronger autonomy, involvement, and ownership for local actors. Greater advocacy roles are needed in which ICSOs are seen to have a comparative advantage. Open to discussing new roles, but face major organizational challenges in assuming them in practice.	There is still value in working with ICSOs, and their intermediary role needs to evolve to allow more equity in the relationship. The development partnerships need more mutual respect, trust, and interdependence.	There is a need for a systematic transformation of the relationships between ICSOs and ICSOs. Changing roles is an evolving process that needs more dialogue. Each party has unique and distinct skills and abilities that should determine the value-add and more importantly the roles and responsibility of both.
Policy Advocacy and Influence	Proximity to and understanding of political, economic, religious, social and cultural dynamics Stronger access to national advocacy dialogue conversations An important source of information for both national citizens and governments on conditions on the ground and propose alternative policies to address socio-economic injustices and inequalities. Ensure citizen participation and engagement in enhancing national development policies.	Greater access to regional and international platforms and interlocutors Lobby for favorable international policies and frameworks that enable development cooperation. Monitor the impact of global agreements on the publics. Influence global level development processes and outcomes. Facilitate representation of national interests on the global arena	Collaborate in complementary advocacy agendas Build equal partnerships that ensure inclusion of national actors in advocacy Promote dynamic accountability practices in development

Openness, trust, mutual respect and learning lie at the core of effective partnerships in support of development goals, recognising the different and complementary roles of all actors.[15] Yet these principles seem to have proven difficult to achieve in the sector. From our interviews, colleagues narrated the folly that happened when development partnerships pursued equality in their partnerships. Given the diverse contexts of development cooperation, it is understandable that the practice of achieving equality in these relationships has seemed to be a difficult task.

Colleagues interviewed stressed the importance of the sector to distinguish between "*equal partnerships*" and "*equitable partnerships*". Being "equal" seeks to distribute resources and opportunities the same across the various players. Equity recognises that each person has different circumstances and allocates the power, the required resources and opportunities needed to reach an equal outcome. Equity, which is the root of equitable, is context specific. It requires a differentiated approach, which should be applied based on the historical imbalance of power. **Table Three** is an extract of a comparison developed in 2012 by Kusum Wagle,[16] a public health practitioner with BRAC Bangladesh. It and summarizes these differences very simply as follows:

Table 3: Distinguishing Equity and Equality

Equity	Equality
The term 'equity' refers to fairness and justice.	The term 'equality' refers to equal opportunity, equal access, equal treatment, equal sharing and division i.e. keeping everyone at the **same** level.
It is about taking rationale and logical decision.	It is mainly about treating everyone equally irrespective of being rationale or not.
Equity focuses on individual needs and requirement. Thus, it is **also known as a need-based approach.**	According to Equality and Human Rights Commission, equality means **"ensuring that every individual has an equal opportunity to make the most of their lives and talents."**
Equity is about giving people what they need.	Equality is not affected by the need of the people or society. Equality gives same thing to all the people, irrespective of their need and demand.
It focuses on giving more to those who need more and less to those who need less.	Here, an individual will only get what everyone else gets.
Equity is positive discrimination. It refers to proportional representation (by race, gender, class etc.) to achieve a fair outcome.	Equality might give rise to negative discrimination. It does not follow proportionality in representation.
Equity is the means to reach to equality.	**Equality is the outcome/result/end goal of the process.**

[15] www.busanhlf4.org

[16] Source: www.publichealthnote.com/equity-vs-equality/

In equitable approach, people are treated fairly but differently.	In equality approach, people are treated equally but may be unfairly.
Equity focuses and stresses on social justice, racial justice, social inclusion, and social change.	Equality does not focus on social and racial justice. Rather, it creates systemic barrier for social inclusion and social security.
Equity is subjective. It differs from situation to situation and from person to person.	Equality is measurable. It does not vary and neither matter whoever looks at it.
Equity **respects individual differences and diversity.**	Equality **does not give enough value to individual differences and diversity.**
Equity justifies things based on quality.	Equality justifies things based on quantity.
It identifies the differences and tries to reduce the gap between the groups or race.	It is not concerned with the differences or gap between two or more groups or race.
Equity principle works even if people do not start from the same point.	Equality principle can only work if everyone starts from the same place.
Equity practitioners believe in equitable resource allocation and thus looks everyone differently.	Equality practitioners believe in equal resource allocation and thus does not look anyone differently.

In this conversation on partnership, the goal is a pursuit of equality, which requires all actors to first ensure equity. LCSOs in this process are advocating for that extra support and push so they can reach their fullest potential. They seek to stand on an equal ground with their ICSO colleagues, with a view to achieving sustainable development outcomes in the communities that they serve. Achieving this goal has taken too long, not only because of differences in conceptual frameworks of what these notions mean to the different parties, but also because of the resistance of those that have benefited from the old thinking and practice. The latter have perpetuated these inequalities and are reluctant to relinquish the advantages that this status quo has afforded them.

Following the research interviews, **Table Four** summarises colleagues' perspectives on the key challenges and proposed solutions to the dilemma:

Table 4: The Undesired vs. Desired Practices of Equitable Partnerships

Undesired Equitable Partnership Practice	***Desired Equitable Partnership Practice***
Remain rooted in top-down hierarchy of relationships. Relationships and decision-making is based on who controls the funding. Relationships based on limited term projects Program design is done outside a country but directly with a partner.	Mutuality i.e., Shared vision, decision making and joint actions that are community led. Shared vision is fully informed by community led decision making and inclusive participation of community solution seeking and resolution. Having the local partner take the lead in design of a (long term) program relationship.

Monitoring and evaluation indicators are externally imposed. Mindset of one-direction accountability: "*this is our money, and therefore we must exercise our power to direct it in whatever ways we wish to do so, because we are ultimately responsible and accountable to back donors*". Limited ICSO transparency about full programming partnerships and finance options with individual partners. ICSOs building linear relationships between themselves and southern CSOs mainly focusing on those within their existing networks. Southern CSO connectedness and legitimacy with their own society distorted by ICSOs, channeling relationships according to interests in the global north, and thereby undermining the legitimacy of CSOs in their own context Limited support for the sustainability of partner organizations Representation of partners in global north is largely for fundraising purposes.	Monitoring and evaluation is developed and executed with the partner and their context in mind. Mindset that this is "our" money raised because and on behalf of our situation that affects all of us as humans and so we are collectively responsible for the risks and success. Build on existing networks, collaborations and partnerships and thereby forging partnerships with more naturally occurring co-partners in each issue or area. Southern CSO connectedness and legitimacy retained when they partner based on the community/national priorities and leadership across the whole project management cycle. (*Practice community led development*) Acknowledge the complementarities in roles, expertise and relationship to other stakeholders in networking and advocacy collaborations on issues of mutual concern. "*Structure equitable partnerships around mutual respect and trust demonstrated by open communication, transparency in decision making and clear accountability between partners*"

There are sentiments expressed in the movement towards equitable partnerships that the sector has begun on the wrong foot, with ICSOs starting from the premise that "*I have the power and now I need to share it*". This premise begins the dialogue from a place of imbalance, which has contributed to the delays and hesitancy of both parties to engage in meaningful dialogue that can improve these relations.

The conversation has moved more recently to include discourse and debates around various terms, especially "*locally-led development, localization, and decolonization*". However, most of these conversations are happening behind the scenes among the donors, and some donor-based CSOs, and within the international CSO fraternity, instead of with groups and activists on the ground in the global south. These discussions are now centered on rational, linear, systematic technical discussions with inadequate representation and inclusion of the grassroots actors themselves. As such, the solutions being proposed will inevitably be laced with northern interests and comforts. There are many practitioners in this sector that have a growing lethargy and frustration that this conversation is now on a plateau. The starting point needs to shift.

2. The Question of Funding Flows and its Effect on Equitable Partnership Development

ICSOs and external partnerships have been shifting, with more voices at the table locally; co-creation of programming has progressed in the past five years, but it is mainly still with ICSOs as intermediaries, and largely incremental. Still, little direct and unrestricted core funding, which is essential for CSO truly locally-led development, is available. "*The money is not following the discourse*."

Northern CSOs have much greater flexibility to exchange and learn from each other, especially because they tend to attract and retain unrestricted core funding. Southern CSOs on the other hand, often attract and operate within restricted grants which are earmarked for managing projects. They struggle to "*stay alive"* with regard to their core operations. As such, it is important that they begin to get adequate funding that is 1) predictable i.e., multi-year; 2) unrestricted and therefore flexible, and 3) holistic to allow organizations to address the complex challenges their communities face, and their longer term sustainability as organizations.

"*The practice of funding infinite problems with finite solutions should be reversed.*"

Access to diversified funding for LCSOs is also key. Local philanthropy in the global south has always existed and just poorly quantified. A large amount of this giving happens sporadically and in an unstructured manner, further making it difficult for it to be well documented. Local philanthropy can be a good alternative funding source for southern CSOs who can then leverage this funding with international funding sources. Such funding will also ultimately strengthen their capacities for collective bargaining on the ground. And in addition, there are growing government restrictions on accessing funding sources in the global north, particularly in countries with authoritarian regimes.

It will therefore be important to strengthen the local philanthropy ecosystem, for example, through: 1) raising local resources; 2) recognising and quantifying non-financial assets such as leadership; 3) advocate with Southern governments for enabling environment for philanthropy and their investment; and 4) instituting platforms for giving from diaspora.

3. The Localisation and Local-Led Development Conundrum

These are important distinctions between localization and locally led development, both conceptually and in practice, as illustrated in Table 5 below:

Table 5: Distinguishing Localisation in Relation to Locally-Led Development

Localisation	**Local Led Development** ***(With More Equitable Partnerships)***
ICSO affiliates may be autonomous, but structurally retain their relationship with the ICSO family in	LCSOs develops their own relationships with their donor, country governments,

which a minority of affiliates still control resources, affecting local partners. Creates barriers to local partners' ability to improve as well as to set and work with their own priorities. The latter are largely determined by the ICSO. ICSO creates and manages the relationships with funding partners, relevant government offices that contribute to their work, and determines the community structures that they deem suitable to meeting their goals. Partnership frameworks with LCSOs are designed by the ICSO and/or its local affiliates	constituencies including international civil society. LCSOs have the right of initiative to propose an intervention and priority, in the context of its mandate and program, reflecting the interests and priorities of related constituencies. LCSOs engage directly in regional and global CS initiatives / networks as actors in their own right, not as "partners".

Locally led development is essential, but perhaps too limited in its scope and understanding of context. Development is often not purely a local question. Issues faced by communities are often transnational, involving the need for LCSOs to work together and with ICSOs. The critical element, and long-standing challenge, is to ensure that work on these issues is locally led, and with partnerships that are based on distinct strengths and contributions and framed by mutuality.

Locally led development challenges an organization's model and business plan in a more fundamental way in that there needs to be a thorough review of the roles for ICSOs within the partnership. It does not imply or propose that ICSOs disengage, but rather, they need to rethink what these new roles will be; perhaps for example, as a "broker", a "facilitator", an "accommodator," and as an advocate and promotor of civil society engagement in donor countries, etc.

A good number of ICSOs are responding to the call for localisation, not necessarily locally-led development, by practicing devolution. However, devolution of the organizational brand is problematic for continued power dynamics even within the organisation as well as with other CSOs external to the devolved organization in the country concerned. The devolved entities retain their privilege of access to resources and power relative to other country CSOs. Many also remain tethered to the "parent" organisations and are obliged to continue contributing financial resources to retain the attachment. A key question remains: *To what degree have devolved organizations, or those transitioned to independent organizations, established equitable partnerships distinct from the ICSO to which they remain affiliated?*

> "*Despite changes in the location of offices and in governance with more (majority) voting powers for southern members, they hit a wall;* ***informal power*** *rooted in the fact of financial power based on money raised in the north, allows for highly unequal determination of outcomes in overall directions for federation. At the end of the day, the power of money has a veto – it's ultimately about what is going to be funded".*

4. The Challenges for LCSOs Transitioning to Locally-Led Development

This discourse on localisation and locally-led development is happening in the context where there is no more money for international development, and with increasing demands on these resources for global crises. As a result, shifting the power, means shifting the resources, which means that current ICSOs will have less of the pie. The questions therefore become:

- *Are ICSOs willing to accept this future and plan for it?*
- *What will civil society development cooperation look like in five years' time?*
- *What will be the ICSO value added in this new reality?*
- *How will current and future ICSO partners in the Global South understand key ICSO roles?*
- *What aspects, currently provided by ICSOs, are no longer required and should therefore be retired?*
- *How will ICSO's share be reconfigured so that they are still effective and appropriate partners in the context of a shift in resource flows?*
- *How can ICSOs demonstrate their value added with strong CSOs in the global south, within a framework of mutual respect, solidarity and common purpose?*

Within this context, we can categorise the barriers to realizing sustainable locally-led development with ICSOs in three areas: *i) Structural barriers, ii) Institutional barriers, and iii) Behavioural barriers*

- Structurally – rooted in a colonial and neo-colonial legacy and cascading down into the aid system for over five decades;
- Institutionally – development priorities and initiatives largely designed in the north, and supported by a top-down aid allocation system; and
- Behavioural – Practices informed by a colonial mindset, racism and discrimination, patriarchal attitudes, and 'white saviour' behaviours, telling others in their own country what they must do.

More specifically the challenges to this transition as reported by the ICSO fraternity revolve around the following:

<u>Structural</u>

- The implied "equal ownership" of the partnership and deliverables is often very difficult, and may not be practical, where the participating entities have separate channels of accountability, differing capabilities that are not often fully appreciated by both parties, and reality that they often tend to operate with different expectations and timelines, set by others more senior to the country-based teams.
- Donors are keeping ICSOs in the saddle. Donors remain largely risk averse to working directly with LNOs. They continue to look to ICSOs to manage large funds and budgets, often as intermediaries, because they are confident that these larger entities have the administrative/financial/legal structures to do so. These measures reinforce ICSOs predispositions where they are not that eager to give up their position and interests. Both directly and indirectly, ICSOs are facilitating donor priorities and specific agendas from which they cannot easily extract themselves.

Institutional

- If one wants an equitable partnership with a local organization, in a country context of locally led development, then the ICSOs will have to deliver what the local organization wants. This can present tensions with an ICSO's mission, its own priorities, and relationships with domestic constituencies to which they are also accountability.
- There is still a lot of internal organizational resistance to engage and understand how locally led development affects ICSO traditional ways of working. The origin of this resistance is still rooted in power, structural racism, and privileged access to resources, couched in language of accountability to the sources of these resources.

  "*While donor money may come with highly technical compliance conditions, many INGOs raise significant resources privately and these resources are in practice easier to program in many different directions, including those consistent with locally-led development, but those controlling this money assert their power that it brings in both overt and subtle ways.*"

- Uncertainties exist around what could be a viable alternative. There are often honest questions, "What do we do different? What are the expectations? There is a lot of ambiguity around *how to change, in what direction*, which is compounded by ever growing complexities in the sector and in multiple crises where CSOs are expected, and need to be, to be present. E.g., *Does this mean less staff? Less programming? Less money? Less overheads? etc.*

Behavioural

- ICSO staff blind spots on the imbalance in a relationship can be an invisible barrier, especially where staff have not fully been oriented on the power dynamics in partner relationships, and where there has been limited effort made to create more self-aware teams that are open to learning, with emotional intelligence to navigate the socio-political nuances of working in a different culture and society.

5. Barriers to LCSOs Achieving Locally-Led Development

Interviews and the literature review reveal a number of barriers that LCSOs face in realizing their mandate and priorities in the context of locally-led development:

- With multiple bilaterally-driven northern interpretations of ICSO localisation, southern CSOs face the dilemma of becoming copies of the very system that has been identified as colonial, top-down, and burdensome.
- Changing LCSO business models to respond to the regulatory and compliance aspects of donor funding may detract from their focus on their mandates and efforts in building the required intimate relationship with communities, moving towards creating mammoth administrative structures that may take away the "soul" of the organisations.

- Many governments that LCSOs work under have regulations and restrictions that may undermine or slow these efforts towards more financial freedom from international funding sources, such as models of endowment-building that can create a stronger pathway to their financial viability and sustainability.
- Competition with ICSOs on an unequal ground, especially those that have created a local office or affiliate, which have behind them giant organizations with an army of advocates and technical programmers and resource. While funding opportunities seem open to all, it is impossible for the LCSOs to compete at the same level.
- Donor/ICSO country initiatives can break up natural local collaborations and networks among southern CSOs. The latter are essential for a stronger voice and development strategies, including in response to competitive funding models; ICSOs extend this dynamic by funding through individual contracts with southern CSOs through their affiliates.
- LCSOs have limited "safe spaces" where they can be open with their vulnerability and share their problems authentically and craft solutions together with partners.
- LCSOs face a lack of access to high level people within ICSOs. The practice has often been that ICSOs send interns and lower-level staff who are not decision makers when LCSOs are invited to a negotiating table.

A shift in approaches to capacity strengthening of LCSOs:

Taking inspiration from the Ford Foundation model, where each potential grantee is required to complete a self-inventory of their strengthens and weaknesses, avoiding external review of "capacities", where the question of how should funding be directed in this area is self-determined. LCSOs who wish to engage in capacity strengthening, especially in the still relatively early stage addressing inadequate governance and fiduciary accountability systems, would benefit from working with ICSO counterparts to identify what is absolutely essential to strength, and then as much as possible use the locally available talents, standards and approaches to bridge these capacity gaps. See https://www.fordfoundation.org/work/our-grants/building-institutions-and-networks/.

6. Rethinking the Roles of the ICSOs

"Organizations in the global north primarily should have roles in the global north, and their relationships with their global south societies should reflect understanding, and should be based on global solidarity, not charity."

ICSOs as a facilitator for locally-led development need a reimagining of their roles and relationships to ensure dignity, respect, and recognition of capacities for the global south. Northern CSOs could be more focused on rooted constituencies in their own countries as the foundation for international solidarity relationship building. The aim must be to eliminate competition and reduce the tendency to disable southern CSOs on the ground. As such, ICSOs can also consider playing a more active role in equitable partnerships by focusing on:

1. A brokering role for LCSO finance, and capacity improvement if requested and needed, in full transparency and accountability to LCSOs involved. ICSOs can be essential in supporting areas that are less suitable and undesirable for southern civil society such as ensuring due diligence, compliance for donor finance, sharing technical burdens, which allow front line CSOs to have freedom to address country priorities and needs.
2. Collaboration on designing and implementing mutual and cross boundary earning initiatives, as requested, and needed. For example, ICSOs can play a critical role in linking constituencies north and south, or across the south, that share marginalization and roots of poverty.
3. Advocacy, particularly working with their own publics in donor countries with solidarity approaches, linking common problems, breaking the charity narrative, but ensuring LCSOs lead advocacy in their own countries, and fully collaboratively in global advocacy. LCSO must be central in work with their own governments in shaping their approaches and policies.
4. Become allies in building the networks, the skills, the credibility of local actors to influence and shape the ecosystem in a way that enables their effectiveness. ICSOs have the ability to open doors to powers, share intelligence, complement intelligence on the ground, which can be better than what southern CSOs can gather on their own (often facing government restrictions in narrowing civic spaces).
5. Enabling LCSOs by raising issues with global audiences, complementing groups of local actors, but also ensuring that LCSO voices, issues and perspectives, are heard directly by these audiences.
6. Addressing issues collaboratively and with leading roles for ICSOs, where international solidarity is essential to be effective in addressing their root causes. For example, adding an international gaze on the workings of the corporate sector can complement the understanding of organizations on the ground.
7. Diversify their funding sources so that even ICSOs can be less beholden to donor country interests. ICSOs can seek alternative sources from their publics for instance, emphasizing a solidarity over a charity framework with these publics.
8. Align priorities and campaigns to those emerging from the global south, thereby ensuring efforts remain contextual with the interests of local communities shaping priorities and that efforts contribute to country strategic goals.
9. Partner with southern-led foundations and with them take the leading role in funding partnerships, which will contribute to greater sustainability of the community program interventions.
10. Ensure substantially less direct implementation by ICSOs, and where they do implement, the circumstances must be clear and limited, and must be undertaken in ways that shift power to allow the LCSOs to take lead.

7. Accountability and Transparency Between ICSOs and Southern CSOs

Accountability and transparency are crucial issues for developing and sustaining equitable partnerships in locally led development. It is one of the weakest areas of current practices of ICSO with LCSOs. Some

efforts have been made on a bilateral basis, where ICSOs have built systems that open especially their financial performance and management to partners. However, these are often limited to a specific project basis, and seldom encompass the full institution.

It is common to have LCSOs be required to be transparent especially with regards financial management, governance, program management policies and practices to ICSOs. But this transparency is neither expected nor practices by the latter towards the former. This has been the practice for decades and seems highly resistant to change. ICSOs will discuss with their back donors their business models and performance, but would not think to invite their longer-term southern CSO counterparts to these conversations.

Southern CSOs often operate under relatively weak and/or highly restrictive regulatory frameworks. There have been multiple initiatives to develop and work with a voluntary civil society-managed accountability mechanism. But in some countries, there has been resistance by some local organisations to align with these mechanisms. As well, LCSOs operate within a government regulatory environment, which increasingly has been deployed to reduce civic space in these countries. This context has necessitated and made it easy for ICSOs, and official donors, to persist in enforcing their own regulation and compliance standards.

8. Issues for Consideration

"*The focus should be on grassroots organizations and the resources and solidarity for them*"

There is a real danger that the movement towards **localization** by donors is only a strategy to transfer the onus and the risks of their programs and strategies from ICSOs to local partners in the global south. While this approach may be consistent with 50 years of aid practices, it can and has created major challenges for reframing development cooperation as **locally-led development** in this century. LCSOs, with allies in the global north, have advocated for a transformative agenda supporting *locally-led development, where being locally owned, and locally driven forms the framework for engagement*. It must also be noted that shifting funding relationships towards more proximate funding relationships should not be interpreted or perceived to be about being a "cheaper" investment. This is why the report stresses on the need for equity and fairness to ensure that the benefits are not about saving costs and more about cost-effectiveness.

In such a dynamic environment for locally-led development, rather than recommendations per se, this report puts forward the following areas of consideration, according to ICSO or LCSO individual contexts. The report sets out some directions and areas to explore, but ultimately each organization, whether ICSO or LCSO, needs to reflect on their own practices and partnerships. These questions may help frame these deliberations.

1. **How can we focus on making the existing international cooperation ecosystem more relevant, responsive, and accessible to LCSOs**, especially smaller community-oriented groups in the global south?

a. What do you need to do to ensure co-creation of solutions and approaches and that all participating organisations contribute according to their strengths and their particular setting?
b. Can ICSOs avoid focusing on SCSO "darlings?" ICSOs should give priority to acknowledging and promoting a wider ecosystem of organizations in their country for partnerships, avoiding exclusionary relationships. ICSOs might consider distributive partnerships where engagement is across multiple organizations, not just all focused on one organization.
c. What more is needed to demonstrate good practices of accountability and transparency in the partnerships?

2. **How are you supporting the evolution of national CSO led and managed platforms and campaigns that are essential for locally led development**, but often marginalised in the aid ecosystem? Collective bargaining power matter – CSOs at local and national level, when they are well networked and mutually reinforcing, there is greater capacities for more equitable engagements.
3. **Have we created spaces where activists with others have discussions on solutions – barriers, realities and needs tailored to them?** There are less and less spaces to get to know each other at a more human level to build the trust for longer term relationships of solidarity.
    a. Can ICSOs be intentional about creating spaces for effective ICSOs and LCSOs dialogue? A level playing field means ensuring the presence of high-level ICSO people (decision makers) in order for conversations to happen conclusively. How the parties show up in these spaces matter. The spaces must be shaped and owned by all parties and the culture of the space comfortable for all to participate meaningfully and candidly.
4. **What does it mean to be a trusted collaborator?** What are we doing to reimagine the relationships cultures? ICSO and LCSO relationships should be based on authentic communication and deep relationship building, which enables both parties to have "*cultural interpreters*" that can help build greater understanding of their collaboration process.
    a. How do these cultures intersect with the decolonization agenda, with its focus on racist and colonial mindsets?
5. How do we identify and support **internal champions for this new way of working / thinking and invest in them and the infrastructural systems required for them to advance the cause?** Such an approach would require a deliberate change in organizational business plans and management strategies, which focus directly on how to make indigenous their strategies and approaches.
6. **How can ICSOs reposition themselves as reliable allies to southern LCSOs?** Among options mentioned in the study and elaborated above, they can build international solidarity in relation to global concerns, for example, women's rights, climate change adaptation, and facilitate connections and work as global partnerships of actors working on these global issues. These are not issues that can be tackled in isolation. They can continue to be a strong advocate pushing donor governments on these issues, therefore taking centre stage in critical areas of advocacy, research, policy, skills building, but focused in and from northern donor country.
7. **How can ICSOs invest in meaningful long-term organization development and change with local/national partners that is geared towards establishing equitable and effective partnerships?**

Among the changes needed is transparent policies for providing unrestricted core support and overhead costs for LCSOs, either directly or in advocacy with donors, which is so essential for LCSOs' sustainability and action on the full range of development roles.

8. **How can ICSOs detangle themselves from national donor interests?** Among options would be to give priority to diversifying their donor community, planning for a smaller organization, where there may be an increasingly demystified and authentic relationship with long term donors as well as their donor publics.

Suggestions for Changing the Colonial Mindsets:

- Raising money by ICSOs (moving away from the charity model) certainly affect the mindset of those they are raising it from, irrespective of the fact that it is largely free to be allocated by the organization. The broader public attitudes in turn affects government approaches and board attitudes.
- Intentional education of communities and people in the north on the realities of the sector, creating spaces for dialogue that explores a different way of looking at these realities. Create those aha moment: "*This is how I am being perceived when I show up with my money, good intentions, and participatory approaches etc.*"
- Practice collecting and facilitating storytelling from those with the lived experience of the issues being presented, regardless of the purpose for which the narrative or the image is being sought or portrayed. This ensures that local people and communities can increasingly shape their own narratives.
- Understand that resources raised for development or humanitarian work is not the possession of the affiliate that raised the money, but requires the active engagement of the partners who will implement activities on behalf of those who provided the money in the first place.
- Leadership in organizations can play a critical role in "*rocking the boat*". They not only introduce new desired principles of working, but they should also translate them into practice, and more importantly root them in new policies. Policies reinforces a systems-change approach that can sustain the positive mindsets changes required within an organization.
- It is essential to change the relational culture. Going beyond a relationship focused exclusively on finance, to create spaces to engage more equally, where both parties invest in getting to know each other, what they share, their strengthen and challenges, understand realties and challenge biases of one or the other, and forge commonalities.

9. Final Words:

The future of ICSOs is far from obsolete. It is a matter of re-imagining a new dispensation where CSOs collectively move away from an exclusive focus on "shifting power" and instead capitalise on each other's strengths and proximities. To get there, ICSOs must work in ways that acknowledge capacities, agendas, priorities, networks that exist in the global south, and focus on linking these realities with a will to strengthen and contribute to existing and evolving creative approaches. The goal is to be complementary and not undermining of either party. Southern CSOs need to capitalize on the power of the global north

(to mobilize resources, to access power centres etc.). ICSOs still play critical roles; it is not that there is no future for ICSOs. It is not about marginalizing or shutting down ICSOs. If we do so, then who is going to work with governments and network with societies in the global north? Who will be the interlocutors for civil society solidarity? Who is going to bring together funds in the global north? In both the global north and south, power must be decoupled from money as an essential part of creating a more equitable society, where all are valued and no one is left behind.

Annex One

Istanbul Principles and DAC Recommendation on Enabling Civil Society

A) Istanbul Principles on CSO Development Effectiveness

Civil society organizations are a vibrant and essential feature in the democratic life of countries across the globe. CSOs collaborate with the full diversity of people and promote their rights. The essential characteristics of CSOs as distinct development actors – that they are voluntary, diverse, non-partisan, autonomous, non-violent, working and collaborating for change – are the foundation for the Istanbul principles for CSO development effectiveness. These principles guide the work and practices of civil society organizations in both peaceful and conflict situations, in different areas of work from grassroots to policy advocacy, and in a continuum from humanitarian emergencies to long-term development.

1. Respect and promote human rights and social justice

CSOs are effective as development actors when they … develop and implement strategies, activities and practices that promote individual and collective human rights, including the right to development, with dignity, decent work, social justice and equity for all people.

2. Embody gender equality and equity while promoting women and girls' rights

CSOs are effective as development actors when they … promote and practice development cooperation embodying gender equity, reflecting women's concerns and experience, while supporting women's efforts to realize their individual and collective rights, participating as fully empowered actors in the development process.

3. Focus on people's empowerment, democratic ownership and participation

CSOs are effective as development actors when they … support the empowerment and inclusive participation of people to expand their democratic ownership over policies and development initiatives that affect their lives, with an emphasis on the poor and marginalized.

4. Promote Environmental Sustainability

CSOs are effective as development actors when they … develop and implement priorities and approaches that promote environmental sustainability for present and future generations, including urgent responses to climate crises, with specific attention to the socio-economic, cultural and indigenous conditions for ecological integrity and justice.

5. Practice transparency and accountability

CSOs are effective as development actors when they … demonstrate a sustained organizational commitment to transparency, multiple accountability, and integrity in their internal operations.

6. Pursue equitable partnerships and solidarity

CSOs are effective as development actors when they … commit to transparent relationships with CSOs and other development actors, freely and as equals, based on shared development goals and values, mutual respect, trust, organizational autonomy, long-term accompaniment, solidarity and global citizenship.

7. Create and share knowledge and commit to mutual learning

CSOs are effective as development actors when they … enhance the ways they learn from their experience, from other CSOs and development actors, integrating evidence from development practice and results, including the knowledge and wisdom of local and indigenous communities, strengthening innovation and their vision for the future they would like to see.

8. Commit to realizing positive sustainable change

CSOs are effective as development actors when they … collaborate to realize sustainable outcomes and impacts of their development actions, focusing on results and conditions for lasting change for people, with special emphasis on poor and marginalized populations, ensuring an enduring legacy for present and future generations.

Guided by these Istanbul principles, CSOs are committed to take pro-active actions to improve and be fully accountable for their development practices. Equally important will be enabling policies and practices by all actors. Through actions consistent with these principles, donor and partner country governments demonstrate their Accra Agenda for Action pledge that they "share an interest in ensuring that CSO contributions to development reach their full potential". All governments have an obligation to uphold basic human rights – among others, the right to association, the right to assembly, and the freedom of expression. Together these are pre-conditions for effective development.

Istanbul, Turkey
September 29, 2010

B) A Summary of the DAC Recommendation on Enabling Civil Society

Pillar One: Respecting, Protecting and Promoting Civic Space

The concern for civic space as the first pillar is an acknowledgement by DAC donors of the critical importance to take action to protect and promote civic space in their roles as development cooperation actors.[17] Among the commitments in this Pillar are:

1. **Policy** "Developing clear policy positions on the value of an inclusive and independent civil society and on the importance of respecting, protecting and promoting civic space" in a human rights context.
2. **Dialogue** "Seek to engage in dialogue with partner country … governments … on the value of an inclusive and independent civil society and on civil society participation …"
3. **Provider coordination** Coordinate with providers and other bodies "to monitor openings and restrictions of civic space … and foster stronger, more coherent and preventive action."
4. **Do no harm** "Take reasonable steps to do no harm to civic space in partner countries …"
5. **Collaborate** Work with international and regional bodies that work to respect, protect and promote civic space.
6. **Support accountability in partner countries** "Support, as appropriate partner … government institutions of accountability and oversight, legal and regulator frameworks, … to enable civil society in line with human rights", including misapplication of anti-money laundering and counter-terrorism financing measures.

[17] These sections highlight key actions agreed in the *Recommendation*, but do not elaborate key points of detail, which will be important to take into account when holding DAC members to account in implementing this *Recommendation*.

7. **Private sector** Work with private sector and independent media to respect, protect and provide open civic space and promote social dialogue "as a prerequisite for conducive business and media environments".
8. **Counter mis-information** Work with civil society with strategies to counter "mis- and disinformation, harassment, discrimination and anti-democratic narratives targeting civil society".
9. **Participation** "Support greater and more inclusive civil society participation in public policy …"
10. **Digital technologies** Address the challenges, risks and systematic inequalities associated with digital technologies.

Pillar Two: Supporting and Engaging with Civil Society

Donor policies and practices have a direct impact on enabling conditions for CSOs as effective development actors. Accordingly, DAC members commit to the following measures:

1. **Policies** Establish in consultation with civil society policies and strategies for working with civil society that work with the diversity of CSOs "both as independent development and humanitarian actors in their own right and as implementing partners," "strengthen local ownership," "take account contextual risks or opportunities," and "integrate these policies" in wider donor policies.
2. **Civil society participation** Pursue civil society participation, including at the partner country level, in donor policy and program "priority setting, design, implementation, monitoring and evaluation" through structured institutionalized dialogue.
3. **Financial support** "Provide financial support to diverse civil society actors as independent development and humanitarian actors in their own right as well as to civil society actors as implementing partners, particularly those representing persons in the most vulnerable and marginalized positions by, where appropriate and feasible, increasing the availability of flexible and predictable support, core support, and/or program-based support."
4. **Leadership of local civil society actors** "Promote and invest in the leadership of local civil society" by increasing accessible, direct, flexible, and predictable support, including core support, work with civil society to develop local financial resource streams, and supporting civil society strategic alliances, networks and platform that can "represent civil society voices in international and regional institutions…"
5. **Supporting the diversity of civil society** Explore and share lessons on supporting the diversity of civil society, "such as social movements, social economy actors, trade unions, and faith-based organizations".
6. **Administration requirements** Streamline administration meansures to lower transaction costs.
7. **Transparency of information** Support accountability through transparency in information at the partner country level, "balancing transparency with potential security and political risks for funded civil society actors in sensitive environments."
8. **Facilitate public engagement** Advance global citizenship education for inclusive sustainable development.
9. **Respect DAC standards** Work with civil society in support of the humanitarian-development-peace nexus and ending sexual exploitation, abuse and harassment in development cooperation and humanitarian assistance.
10. **Policy coherence** Pursue internal coordination to advance respect for international humanitarian law and address obstacles to supporting civil society working with the vulnerable "that may arise form unintended consequences due to misinterpretation or misapplication of anti-money laundering and counter-terrorism financing standards."

Pillar Three: Incentivising CSO Effectiveness, Transparency and Accountability

The *Recommendation* recognises CSO commitment and responsibility to advance their effectiveness, transparency, and accountability as independent development actors. Accordingly, donors will "incentivise" CSOs in:

1. **Accountability** Support voluntary CSO efforts and good practice in CSO-led self-regulation, transparency and accountability mechanisms.
2. **Meet human rights standards** Work with and support CSOs to met relevant human right standards to prevent and respond to root causes of discrimination, exploitation, abuse or harassment in their activities and organizations.
3. **Mutual capacity strengthening** Work with and support CSOs to address vulnerabilities and increase resilience, accountability and transparency particularly at partner country level.
4. **Equitable partnerships** Support more equitable partnerships between provider country and/or international CSOs.
5. **Local ownership** "Promote participatory and rights-based approaches for local ownership and accountability of CSOs and their activities … while helping ensure that programs do not exacerbate existing forms of discrimination or inequalities."
6. **CSO leadership** Foster innovation in identifying and adapting new approaches to development and humanitarian challenges.
7. **CSO collaboration** Encourage and support "as appropriate" CSO voluntary initiatives to collaborate and coordinate among themselves.
8. **Respect international standards** Require "as appropriate" CSO partners to respect relevant international standards and adhere to "relevant" partner country legal and regulatory requirements "where such requirements respect human rights and open civic space".

Implementation and Working with the Recommendation

"The DAC will review the implementation of the DAC Recommendation, including through the existing DAC peer review mechanism, and support lesson learning, adaptation, and sharing of best practices to build understanding and capability and a report reviewing implementation of these measures will be produced within five years of adoption."

DAC Recommendation on Enabling Civil Society in Development Cooperation and Humanitarian Assistance: https://legalinstruments.oecd.org/api/print?ids=666&lang=en

Annex Two

Mapping of the Istanbul Principles with the DAC Recommendation

Istanbul Principles	DAC Recommendation
Respect and promote human rights and social justice.	**Pillar One §4** – **Take reasonable steps to do no harm to civic space in partner countries.** **Pillar One, §10** – Explore and a**ddress challenges, risks, and systematic inequalities** associated with digital technologies that restrict or lead to digital disenfranchisement of civil society actors … **Pillar Three, §2** – **Support CSOs to develop or build on existing internal systems to meet relevant human rights standards** to prevent and respond to the root causes of discrimination, exploitation, abuse or harassment in their activities or organization. **Pillar Three, §5** – **Promote participatory and rights-based approaches for local ownership and accountability of CSOs and their activities** … while helping ensure that programmes do not exacerbate existing forms of discrimination or inequalities.
Embody gender equality and equity when promoting women and girl's rights.	**Pillar One §4** – **Take reasonable steps to do no harm to civic space in partner countries.** **Pillar Two, §9** – Work with civil society actors … to **ending sexual exploitation, abuse and harassment in development cooperation** and humanitarian assistance.
Focus on people's empowerment, democratic ownership and participation.	**Pillar One, §5** – **Support and engage with international, regional and national bodies and initiatives that work to respect, protect and promote civic space.** **Pillar One §8** – …[S]hare strategies among providers and with civil society actors to **counter mis- and disinformation, harassment, discrimination and anti-democratic narratives targeting civil society**. **Pillar One, §9** – Support **greater and more inclusive civil society participation in public policy** at all levels of partner country governments and with other institutions … **Pillar Two, §5** – **Explore and share lessons on how best to support a broad range of formal and informal, traditional and new types of civil society actors** … such as social movements, social economy actors, trade unions and faith-based organizations. **Pillar Two, §6** – **Streamline administrative requirements** … and incorporate a**daptive and flexible processes into results management** **Pillar Three, §7** – **Encourage and support as appropriate CSO voluntary initiatives to collaborate and coordinate among themselves** … to build mutual respect, trust and accountability.

Promote environmental sustainability.	**Pillar Two, §8** – Support work with civil society to **advance global citizenship education for inclusive sustainable development** and facilitate peoples' and civil society engagement to contribute to the achievement of the 2030 Agenda.
Practice transparency and accountability.	**Pillar Two, §7** – Enhance **transparency and accessibility of information in partner countries** … on provider funding for civil society; **Pillar Three, §1** – **Support voluntary CSO efforts to build on existing good practice and standards in CSO-led self regulation, transparency and accountability mechanisms** to broaden CSO participation in such mechanisms. **Pillar Three, §3 – Support CSOs to implement mutual capacity strengthening to address CSOs' vulnerabilities and bolster their resilience, accountability and effectiveness** … at partner country level.
Pursue equitable partnerships and solidarity.	**Pillar Three, §4** – **Support more equitable partnerships between provider country and/or international CSOs and their partner country CSOs** they work with in which the comparative advantages of each type of CSO are appropriately drawn from. **Pillar Two, §1** – Establish in consultation with civil society, … strategies for working with civil society in partner countries … that … **articulate objectives for working with a diverse range of civil society actors** both as independent … actors **in their own right** and implementing partners; aim to **strengthen local ownership and an inclusive and independent civil society in partner countries** …; **Pillar Two, §4** – **Promote and invest in leadership of local civil society in partner countries …by … a) increasing the availability and accessibility of direct, flexible and predictable support including core and/or programme-based support, to enhance their financial independence, sustainability and local ownership; b) supporting civil society strategic alliances, networks, platforms, and resource centres at regional, national and sub-national levels…c) ensuring that local civil society actors are involved in decision making based on equal power relations … in the design, budgets and implementation of their programming.** **Pillar Two, §6** – **Streamline administrative requirements** … and incorporate a**daptive and flexible processes into results management** **Pillar Three, §3 – Support CSOs to implement mutual capacity strengthening to address CSOs' vulnerabilities and bolster their resilience, accountability and effectiveness** … at partner country level. **Pillar Three, §5** – **Promote participatory and rights-based approaches for local ownership and accountability of CSOs and their**

	activities … while helping ensure that programmes do not exacerbate existing forms of discrimination or inequalities. **Pillar Three, §7** – **Encourage and support as appropriate CSO voluntary initiatives to collaborate and coordinate among themselves** … to build mutual respect, trust and accountability.
Create and share knowledge and commit to mutual learning.	**Pillar Two, §5** – **Explore and share lessons on how best to support a broad range of formal and informal, traditional and new types of civil society actors** … such as social movements, social economy actors, trade unions and faith-based organizations. **Pillar Three, §3 – Support CSOs to implement mutual capacity strengthening to address CSOs' vulnerabilities and bolster their resilience, accountability and effectiveness** … at partner country level.
Commit to realizing positive sustainable change.	**Pillar Two, §8** – Support work with civil society to **advance global citizenship education for inclusive sustainable development** and facilitate peoples' and civil society engagement to contribute to the achievement of the 2030 Agenda. **Pillar Three, §6** – **Foster CSO leadership and innovative in identifying and adapting new approaches** to solving development and humanitarian challenges …

Annex Three

Key international trends affecting ICSO implementation of the *Istanbul Principles*

A number of global trends in the development landscape have shaped the operating environment for ICSOs and CSOs in general. While many are not new, they have influenced the ways in which ICSOs have delivered their core missions in the context of well-established development effectiveness principles.[18]

1) Diminished overall donor focus on ODA, which is increasingly prioritizing geopolitical interests, marginalizes civil society

Agenda 2030, and its 17 SDGs, has resulted in an expansive attention to "international public goods," and the need to mobilize a massive scale of resources accordingly, well beyond ODA. These themes include climate finance and transitions, preparing and responding to pandemics, protection of biodiversity, addressing inequalities including widening economic disparities, responding to war and increasing contexts defined by conflict. In many of these areas, ODA, as a particular public concessional resource, is subsumed by a focus on other types of official and private sector development finance – non-concessional loans, guarantees, private sector instruments, and mobilized private sector resources.

In 2020, the (incomplete) measure of Total Support for Sustainable Development (TOSSD) recorded a total of US$355.5 billion in official concessional and non-concessional resources related to the implementation of SDGs of benefit to partner countries.[19] ODA in 2020 was less than half at $150 billion, excluding in-donor refugee and student costs. Additionally, medium-sized donors have been channeling growing amounts of their ODA through the multilateral system, increasing this share in their ODA (net of in donor costs) from 53% in 2011 to 63% in 2020.

Within this ODA, DAC aid channeled to and through CSOs has grown slightly (6%) between 2015 and 2020 from $17.3 billion to $18.4 billion (in 2020 dollars). Aid channeled to CSOs based in donor countries and to CSOs based in partner countries has remained flat. But aid channeled to and through ICSOs has grown significantly (by 30%) in these years, from $4.6 billion in 2015 to $6.0 billion in 2020.[20] Nevertheless, much of this increase for ICSOs was in resources through ICSOs for donor programming (calls-for-proposals), not core support for ICSOs' main programming priorities. In fact, ODA channeled to all CSOs for core support declined by 11% in this period from $3.5 billion to $3.2 billion.

ODA for CSOs has become less prominent since 2015, declining as a share of DAC Real Bilateral ODA (discounting in-donor refugee and student costs) from 24% in 2015 to 21% in 2020. (**Chart 1**) At the same time, this aid to and through CSOs has become increasingly focused on humanitarian assistance, growing from 28% of total CSO aid in 2015 to 33% in 2020. (**Chart 2**)

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[18] This Annex updates an analysis of trends set out in CPDE's 2019 report, "Accelerating the implementation of the Istanbul Principles by INGOs in a changing development landscape," CPDE Working Paper, accessible at https://csopartnership.org/wp-content/uploads/2021/04/CPDE-ICSO-Guidelines-paper-@-April-2019_-003.pdf.

[19] The World Bank and Germany currently do not report to TOSSD. The TOSSD Secretariat make an estimate for providers that do not report based on their reporting to the DAC Creditor Reporting System. The US$355.5 billion reported on the TOSSD Dashboard includes these estimates. See https://tossd.online/.

[20] DAC, 2022. *Aid for Civil Society Organizations, 2022.* June 2022, accessed at https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/Aid-for-CSOs-2022.pdf

Chart 1:

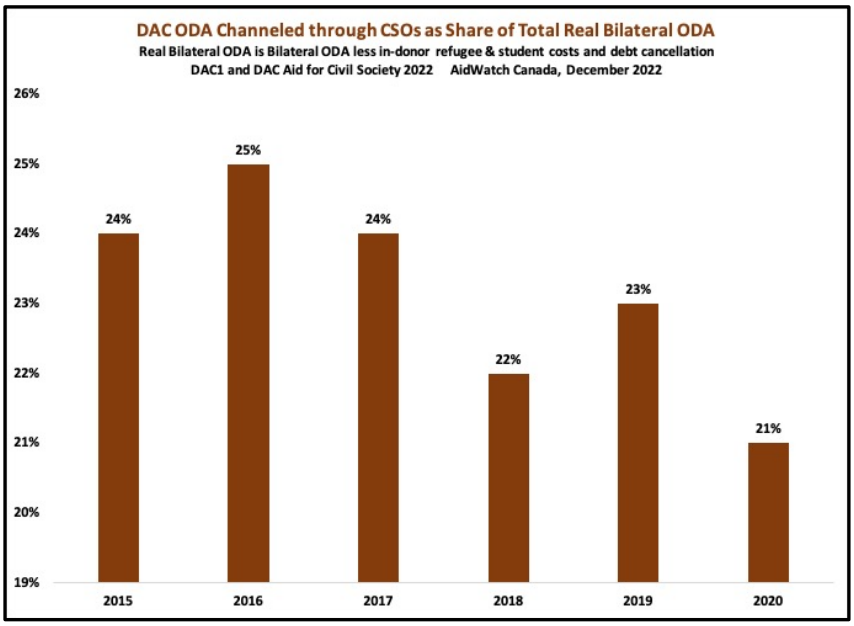

Figure 1: Aid Channeled to and through CSOs as Share of Real Bilateral ODA

Chart 2:

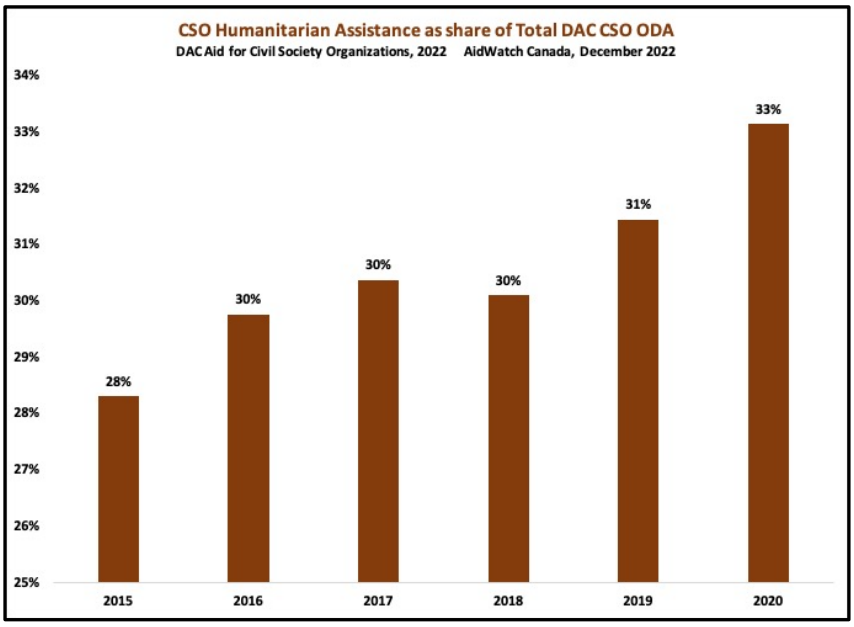

Figure 2: Humanitarian Assistance as Share of Total Aid Channeled to and through CSOs

Priority for CSOs is concentrated among medium-sized donors. Among the DAC donors, 12 of 28 donors provided more than 20% of their bilateral aid to and through CSOs in 2020, but only the United States is included in this group from among the top five DAC donors (United States, Germany, Japan, France and UK). The latter together account for more than 70% of total ODA. The top donors for channeling a share of their bilateral aid to and through CSOs in 2020 were Spain (56%), Ireland (41%), Switzerland (40%), Sweden (32%) and Luxembourg (31%).

The pandemic and the Russian war of aggression against Ukraine has resulted in major set-backs for Agenda 2030's commitment to reduce poverty and inequalities and leave no one behind. Yet there is less attention in ODA to longer term development initiatives relevant to poverty eradication. Recent increases in ODA to meet these challenges have largely focused on short term responses to the Covid-19 pandemic in 2020 and 2021. Removing Covid-19 related expenditures and in-donor refugee costs, ODA increased by 6% between 2019 ($145.7 billion) and 2021 ($155.1 billion).

Renewed geopolitical tensions, within which development cooperation now takes place, is increasingly shaped by "big power rivalries" and particularly the implications of development finance from China in Africa and Asia/Pacific regions. Support for war refugees and humanitarian assistance for Ukraine, and the substantial resources eventually needed for its reconstruction, will account for very large future amounts of ODA. Commitments to increase finance to address climate change (mitigation, adaptation and loss and damage) as well as biodiversity loss, largely drawn from ODA, will also tend to marginalize existing levels of support for CSOs for many donors.

2. Growing donor conditionalities and complex compliance regulations

Domestic political challenges to ODA in many donor countries have accentuated the focus not only on donor economic and political interests in allocating this ODA, but also increasingly rigid scrutiny and compliance regulations in accessing and reporting for donor-initiated projects. USAID, for example, has compliance rules and regulations set out in more than 70 pages of provisions and directives. [Fine, 2022] These govern all aspects of the funding relationship, including those with ICSO partners. Access to donor finance is increasingly through short term call-for-proposal mechanisms, while multi-year responsive programmatic support has disappeared in many donor countries (Canada, the UK).[21] Many of these calls are restricted to CSOs based in the donor country. [Peace Direct, 2023, forthcoming] All of these modalities and compliance directives affect the space for ICSOs to reform partner relationships in ways that strengthen leadership of southern civil society.

3. An increasingly adverse and hostile environment for civil society

The shrinking and narrowing of civic space is global in scope affecting all regions and countries of the world. In the words of CPDE's 2019 study, "An increasingly hostile environment undermines CSO development effectiveness: it erodes public trust in CSOs by de-legitimising and stigmatising them; it silences dissenting CSO voices both in the north and south through enhanced surveillance, stringent regulations, closing opportunities for public debate and violent reprisals against human rights defenders; it weakens INGOs' ability to foster truly democratic ownership and equal partnerships with local actors."[22] The very presence of ICSOs have come under increased scrutiny in a widening range of countries, such as

[21] See Penny Lawrence, 2018. "Wither large international Non-Governmental Organizations? What functional and structural choices do large international development charities need to consider to enable them to thrive in a fast-changing challenging context, whilst remaining true to their values?," University of Birmingham, Third Sector Research Centre, September 2018, accessed at https://www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/tsrc/working-papers/working-paper-142.pdf.

[22] CPDE, op. cit., 8. This paper describes a number of converging trends: proliferation of restricted laws and regulations, growing limitations on access to funding, the emergence of cyber harassment and surveillance, closing down policy dialogue and access to information, systematic violence against human rights defenders, growing public intolerance and polarization, and the spread of stigmatization and de-legitimization,

Pakistan, India, Nepal, and many more countries have enacted legislation with various levels of restrictions on access to international finance on the part of domestic CSOs.[23]

According to CIVICUS' Civil Society Monitor, only 3.1% of the world's population live in countries where civic space is considered open and encouraging to civic engagement, while 70% live in 75 countries where civic space is significantly repressed or closed.[24] The International Centre for Not-for-Profit Law (ICNL) has tracked the many ways in which governments have taken advantage of the Covid-19 pandemic to restrict fundamental rights and space for civil society to respond effectively to the pandemic. They have restricted access to information needed by civil society to aid those impacted, excluded civil society from decision making, implemented bans on peaceful dissent, deployed intrusive surveillance technology, securitizing the response with the use of military to enforce emergency measures, and accentuated authoritarian measures as the best approach to defeat the pandemic.[25] Human rights defenders are being threatened, experiencing violence, and are being murdered in increasing numbers. Frontline Defenders documented 1,314 human rights defenders who were murdered in the four years, 2018 to 2021, the vast majority of whom were defenders of land, environment and indigenous peoples' rights.[26]

4. Harnessing the power of the digital transformation

An uneven but growing process of digitization, digital data and analytics, and digital services is challenging ICSOs to "fundamentally rethink their roles and mandates, acquire new capacities and skills, and transition to organisational, partnership and funding models that will allow them to become more empowered, agile and informed agents for social good."[27] The rise of digital platforms such as Change.org or Give Directly are challenging the intermediation roles of ICSOs. At the same time, digital platforms (IATI or Accountability Now) are enhancing the potential for ICSO accountability, with new modalities for access for partners, stakeholders and affected communities.

Digital technologies played a key role in governments' responses to the Covid pandemic. But highly unequal access to new technologies also magnifies existing inequalities.[28] Half of the world's population is not yet digitally connected with resulting social and economic exclusion and marginalization. Rapidly evolving technologies provide governments with the tools for high levels of invisible surveillance and control over individuals (human rights defenders) and organizations, which may be defending the interests of marginalized communities. With growing authoritarianism, in both the global south and

[23] See https://www.icnl.org/resources/research/ijnl/maina-kiais-second-thematic-report-focused-on-foreign-funding-restrictions

[24] See https://monitor.civicus.org/quickfacts/.

[25] See https://www.icnl.org/post/analysis/top-trends-covid-19-and-civic-space. See also Turner, C. 2021., "One Year On: COVID-19 has made CSO effectiveness harder on many fronts," A CPDE ICSO Study on the impact of the pandemic, April 2021, accessed at https://csopartnership.org/wp-content/uploads/2021/04/CPDE-ICSO-Study-on-Impacts-of-Covid-19-Full-Report.pdf.

[26] See https://www.frontlinedefenders.org/en/global-analysis

[27] CPDE, op. cit., pp 11-12.

[28] See Catharine Turner, "One Year On: Covid-19 has made CSOs effectiveness harder on many fronts," CPDE, 2021, accessed at https://csopartnership.org/wp-content/uploads/2021/04/CPDE-ICSO-Study-on-Impacts-of-Covid-19-Full-Report.pdf

north, digitization is altering the civic space within which ICSOs and their partners operate, affecting how people and organizations relate to each other in the near future.[29]

[29] For an excellent overview of these issues, see Forus, "Towards an Enabling Digital Environment for Civil Society," A Forus Advocacy Paper, developed with TechSoup, June 2021, accessed at https://www.forus-international.org/en/pdf-detail/77151-towards-an-enabling-digital-environment-for-civil-society-full-report

Annex Four

A Summary of Key Findings from CPDE ICSO Constituency Studies

A summary of key findings from these studies (references below) include:

Focus on People's Empowerment, Democratic Ownership and Participation (*Istanbul Principle* #3)

- Only just over half (56%) of respondents surveyed indicated their organisation directly engaged stakeholders in determining the ICSOs' own priorities (2019 Study).
- Many ICSO approaches still appear to be informed by the misconception that local actors, particularly in fragile states and humanitarian contexts, are characterised by weak capacity and limited contextual knowledge. Public messaging by ICSOs in the North contributes to perpetuate this misperception. (2019 Study)
- An increased focus on compliance with donor requirements, coupled with tight programming timeframes, also limit the ability of ICSOs to use participatory, bottom-up approaches empowering affected communities to genuinely set the agenda. (2019 Study)
- Clampdowns on civic space by repressive regimes have impeded CSOs ability to put people's empowerment, democratic ownership and participation into practice in many settings during the pandemic. (2021 Study)

Practice Accountability and Transparency (*Istanbul Principle* #5)

- Just over half of the study's respondents thought their organisation's policies enabled partners or affected populations to hold them accountable for their work (e.g. by sharing relevant information, ensuring meaningful participation at all stages of the programming cycle, and implementing safe and reliable mechanisms for receiving, managing and responding to complaints and other forms of feedback). (2019 Study)
- Increased ICSO transparency appears to be largely donor-driven rather than initiated by ICSOs themselves. (2019 Study)
- Increased scrutiny [due to recent safeguarding and mismanagement scandals], more stringent statutory requirements on ICSOs and short timeframes of donor-funded programming have strengthened donor-centric accountability at the expense of "downward accountability" to local stakeholders. (2019 Study)
- Transparency is all the more critical in times of crisis. It is important for the senior leadership in organizations to be open with staff about the true nature and extent of the challenges they face. (2021 Study)

Equitable Partnerships and Solidarity (*Istanbul Principle* #6)

- Equitable partnerships between ICSOs and local partners as the one that many ICSOs were finding most challenging to fully put into practice. As much as ICSOs may aspire to play a different role within in a changing development landscape, many have struggled to extricate themselves from

the traditional development model in which they act as intermediaries and conduits for funding to local actors. (2016 Study)

- Increasing competition over scarce donor resources between ICSOs and domestic CSOs. ICSOs increased dependence on donor funding also contributes to skewing and limiting their strategic support of partners. (2019 Study)
- An exaggerated emphasis on risk avoidance and compliance may lead to some local partners being perceived as too risky by donors and therefore often by ICSOs too. (2019 Study)
- Major donors still channeled the majority of their COVID-19 response funding through larger ICSOs with smaller, national CSOs not always even included in the funding calls. In addition, there was a major divide in how ICSOs and northern-based NGOs on the one hand, and Southern national and local CSOs on the other, have experienced the pandemic (hostile environment, funding, digital divide), which has exacerbated already pre-existing inequalities. (2021 Study)

1. Steele, L., 2016. "A study of International Non-Government Organization Support of the Development Effectiveness Agenda", CPDE ICSO Report, not available electronically.

2. De Toma, C. 2019. "Accelerating the Implementation of the Istanbul Principles by ICSOs in a changing development landscape," CPDE Working Paper, accessible at https://csopartnership.org/wp-content/uploads/2021/04/CPDE-ICSO-Guidelines-paper-@-April-2019_-003.pdf.

3. Turner, C. 2021., "One Year On: COVID-19 has made CSO effectiveness harder on many fronts," A CPDE ICSO Study on the impact of the pandemic, April 2021, accessed at https://csopartnership.org/wp-content/uploads/2021/04/CPDE-ICSO-Study-on-Impacts-of-Covid-19-Full-Report.pdf.

Annex Five

Initiatives in Addressing Locally-Led Development

This report does not elaborate the many initiatives for transformative change that are underway among international civil society. These change processes have been both collaborative initiatives, internal to ICSOs, and donor policies, consistent with the DAC Recommendation on Enabling Civil Society. The following references are examples of these efforts, derived from the Literature Review (**Annex Six**).

Pledge for Change

Alexander, J., 2022. "Five International NGOs launch fresh bid to tackle power imbalanced in aid," New Humanitarian, October 27, 2022, accessed at https://www.thenewhumanitarian.org/news/2022/10/27/Pledge-Change-aid-reform?utm_source=The+New+Humanitarian&utm_campaign=461c28d969-EMAIL_CAMPAIGN_2022_10_27_Daily&utm_medium=email&utm_term=0_d842d98289-461c28d969-75644538

CSO Partnership for Development Effectiveness: Implementing the Istanbul Principles

CPDE (CSO Partnership for Development Effectiveness), 2014. *The Journey from Istanbul: Evidences on the implementation of the CSO DE Principles*, April, 2014, accessed at https://civilin.org/pdf/casestories.pdf.

CPDE (CSO Partnership for Development Effectiveness), 2016. *Istanbul Five Years After: Evidencing Civil Society Development Effectiveness and Accountability*, November 2016, not accessible electronically.

Feminist Lens on Fundng for Transformative Change

Coalition of Feminists for Social Change (COFEM), 2021. "Applying a Feminist Lens to Grantmaking for Addressing Violence Against Women and Girls: Funding for Transformative Change," 2021, accessed at https://cofemsocialchange.org/wp-content/uploads/2021/10/Guide-to-Grantmaking_19.10.21.pdf

Locally led Research

No Child's Business, a case study of a strategic partnership, is led by an Alliance of Save the Children Netherlands, UNICEF Netherlands and the Stop Child Labour Coalition (SLC).
Lijfering, S., Rajeshwari, B., and Margit van Wessel, 2021. "Advancing Research in CSO Partnerships: Localization as a way forward", Work: No Child's Business Program, Netherlands, December 2021, accessed at https://wncb.org/assets/2022/01/WNCB_WUR_public-report-2022_ENG.pdf

Donor Policies

Norad, 2022. "Norad's Strategic Partnerships with Civil Society Organizations," October 2022, accessed at https://www.norad.no/en/front/funding/norads-strategic-partnerships-with-civil-society-organisations/

USAID and Norad, 2022., "Donor Statement on Supporting Locally Led Development," Geneva, December 2022, accessed at https://www.usaid.gov/localization/donor-statement-on-supporting-locally-led-development.

Case Studies in INGO Locally Led Development

Peace Direct, CDA Collaborative Learning, and Search for Common Ground, 2020. "What Transformation Takes, Evidence of Responsible INGO Transitions to Locally Led Development around the World," December 2020, accessed at https://www.peacedirect.org/us/publications/what-transformation-takes/.

Recrear, BOND, and Local Trust, 2022. "What makes a good "locally led" funder? Stories from your partners," October 2022, accessed at https://www.bond.org.uk/resources/what-makes-a-good-locally-led-funder/

Stopping at Success, Resource Library, accessed at https://www.stoppingassuccess.org/resources/

Annex Six

Strengthening Locally-Led Development: Key Issues for ICSOs
A Literature Review

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December 2022

1. Background and Introduction

In March 2020, 210 civil society organizations (CSOs) from the global south sent an open letter to International Civil Society Organizations (ICSOs), many of whom have established national affiliates in their countries, motivated by the call to "localize" their operations. But rather than seen to be strengthening local partnerships with national civil society, these CSOs challenged ICSOs to end practices that in their view "serve to reinforce the [unequal] power dynamic at play, and ultimately to *close* the space for domestic civil society." [Global Fund for Community Foundations, 2020]

Rooted in a growing "shift the power" movement, these CSOs proposed that ICSOs "reduce [their] footprint and brand and use [their] fundraising machinery to help grassroots organisations create the structures to fundraise for themselves and sustain their work." [Global Fund for Community Foundations, 2020] Since then, many parallel initiatives have been promoting a shift in power to CSOs in the global south, a strengthening of CSO locally-owned and locally-led development, and taking action to address systemic racism and "decolonize" a system of highly unequal power exercised by northern donors and agencies. [Peace Direct, 2011; Peace Direct, 2022b; Pledge for Change, 2030, 2022; PARTOS, nd; RINGO, 2021; WINGS, 2022]

While reaching a crescendo of processes, handbooks and pledges in the past three years, challenging the power dynamics in north/south civil society cooperation is not a new agenda.[30]

Since 2010, the *Istanbul Principles* have directed civil society to reflect and reassess their partnerships through "deliberate efforts to realize equitable and reciprocal collaboration and coordination, based on mutually agreed goals and shared values." CSOs agreed in 2010 that "effective CSO partnerships for development require long term commitments to negotiate common goals and programmatic objectives, based on trust, respect, solidarity and leadership of developing country partners." [Open Forum for CSO Development Effectiveness, 2011]

The *Framework* for the *Istanbul Principle* to pursue equitable partnerships and solidarity also highlighted the importance of counterbalancing inequalities in power: "These power inequalities are the consequence of unequal access to resources, structural and historical inequalities, gender inequities and women's

[30] See for example, Kamal Mahotra, "'Something Nothing' Words: Lessons in partnership from southern experience," in Lynne Hately and Kamal Mahotra, *Essays on Partnership in Development,* 1997, accessed at https://idl-bnc-idrc.dspacedirect.org/bitstream/handle/10625/16122/107111.pdf?sequence=1&isAllowed=y

exclusion, and sometimes large disparities in capacity." [Open Forum for CSO Development Effectiveness, 2011]

The *Istanbul Principles* remain highly relevant to the practices of ICSOs as major civil society actors. The *Framework* additionally emphasizes the importance of standards for an enabling environment for CSOs to be effective development actors. These standards apply not only to official donors, but also to "ICSOs in their roles as donors, albeit in different ways and with different implications for development effectiveness on the part of recipient CSOs (who can be located in any geographic region of the world)." [Open Forum for CSO Development Effectiveness, 2011]

CSOs have been documenting some progress in putting the *Istanbul Principles* into practice since 2011. [CPDE, 2014; CPDE, 2016; Steele, 2016; de Toma, 2019; Turner, 2021] Yet, as a recent review concluded: "As much as ICSOs may aspire to play a different role within in a changing development landscape, many have struggled to extricate themselves from the traditional development model in which they act as intermediaries and conduits for funding to local actors. Holding the purse strings still puts ICSOs in a position of power with respect to their partners…." [de Toma, 2019]

CSOs have long advocated for a fully enabling environment in which they undertake development initiatives, support vulnerable communities, and pursue human rights advocacy. The centrality of this enabling environment was affirmed by donors in July 2021 in an OECD DAC *Recommendation on Enabling Civil Society in Development Cooperation and Humanitarian Assistance*. [OECD DAC, 2021] The *Recommendation* is a non-binding legal standard adhered to by all 30 donors associated with the OECD Development Assistance Committee (DAC). The DAC *Recommendation* establishes 28 commitments, which taken together, can have a major impact on the enabling environment for civil society, including CSOs in the global south.

Although not formally adherents, the *Recommendation* also has major implications for ICSOs as donors in the global south. For example, it commits donors to not only "invest in the leadership of local civil society in partner countries by increasing the availability and accessibility of direct, flexible and predictable support including core and/or programme-based support," but also to incentivize "more equitable partnerships between provider country and/or international CSOs and their partner country CSOs they work" and "promote rights-based approaches to local ownership and accountability," among other provisions. [OECD DAC, 2021]

In the past two years a rich and diverse body of literature has appeared, mainly authored by civil society activists in both the global south and north, focusing on the barriers and different paths for change. This paper is a review of this literature focusing on views and proposals relating to shifting power in CSO development cooperation ecosystems and strengthening leadership of CSOs in the global south in locally-led development. (See definitional issues in Box One) Its purpose is to inform the 2022 CPDE study on current ICSO practices in relation to key *Istanbul Principles* on equitable partnerships, empowering people and transparency and accountability, in the context of the DAC *Recommendation on Enabling Civil Society*.

Box One: Definitions

"Localization" is highly contested term that is fraught with issues about power, process and outcomes. [Peace Direct, 2022a] While also not without issues, this paper addresses CSO "locally-led" development, while also reflecting upon issues raised by continued colonial constructs in development cooperation.

Following the definition of Peace Direct, **locally led development** refers to initiatives owned and led by people in their own context, where local people and groups design the approach, set priorities, while outsiders may assist with resources. It is not based solely on geographical context. It involves shifting power and resources, reorienting relationships and partnerships with local CSOs. [Peace Direct, et al, 2021]

According to the UK CSO platform, BOND, "commitment from INGOs towards locally led development must go beyond technocratic solutions to ensure organisations reflect on what needs to happen to challenge colonialist, sexist and racist behaviours and practices that still dominate the international development system, as well as reflect on how INGOs have benefited from the "aid" system." [BOND, 2022]

Decolonizing development understands that many current practices and attitudes in the aid system mirror those of the colonial-era. These racist and discriminatory structures and norms are "hidden in plain sight in the aid system," which must be acknowledged and deconstructed:

"Decolonisation involves seeking restorative justice through cultural, psychological and economic freedom. Decolonisation is the process of deconstructing colonial ideologies regarding the superiority and privilege of Western thought and approaches." Accordingly, "certain modern-day practices and norms reinforce colonial dynamics and beliefs such as the 'White saviour' ideology visible in fundraising and communications imagery used by INGOs, to the organisational structures of INGOs in the Global South and the attitudes of some White international aid workers working in Global South." [Peace Direct, 2021]

This paper uses the term **"International Civil Society Organizations"** or ICSOs, except where quoted material uses the term "International Non-Governmental Organizations" or INGOs. More broadly, for the purposes of this research study, an ICSO is a CSO that is headquartered / governed in whole or in part in the global north with activities supported and/or carried out in the global south. A national or local CSO is a CSO exclusively headquartered, governed and carrying out activities in a country in the global south.

More specifically, this literature review summarizes key findings in several areas:

- ICSO commitments to change;
- Can ICSOs be both donors and partners?
- Contesting notions of power in the localization narrative;
- Transitions to local leadership; and
- Recommendations for ways forward.

2. ICSO commitments to change

In October 2022, Adeso, with the Centre for Humanitarian Leadership, and five ICSOs[31] launched a Pledge for Change 2030 "to build a stronger [CSO] aid ecosystem based on the principles of solidarity, humility, self-determination and equality." It focuses on three areas – equitable partnerships, authentic story telling, and influencing wider change – with a commitment to accelerate and be accountable for real change in "shifting more power, decision making and money to those in places affected by crisis and poverty," focusing on the rights, needs and priorities of local communities. The pledge lays out six specific commitments (with a corresponding accountability framework) with respect to equitable partnerships, including sharing the burden of costs, a more collaborative approach to risk management, reducing duplication of efforts. [Pledge for Change 2030, 2022a; Pledge for Change 2030, 2022b]

This pledge builds on earlier CSO commitments in the 2016 *Grand Bargain,* developed around the Istanbul World Humanitarian Summit and the *Charter for Change*. The *Grand Bargain* is an agreement between some of the largest donors including ICSOs to improve the quality of humanitarian assistance. Among other areas, the *Grand Bargain* committed to providing 25% of global humanitarian funding to local and national responders by 2020, increased un-earmarked money and multi-year funding.[32] In February 2021 the signatories adopted *Grand Bargain 2.0*, based on lessons from the previous five years, in which there is a renewed focus on increased participation of local actors, acknowledging that the 25% commitment was far from being met.[33]

The *Grand Bargain* was complemented by a CSO *Charter for Change* with eight commitments by ICSOs to address imbalances and inequalities in the international humanitarian aid system.[34] It commits to

[31] Oxfam International, Plan International, CARE International, Christian Aid and Save the Children International. It now includes 13 signatories and supporters, including ActionAid, Interaction and the International Rescue Committee.

[32] See the Grand Bargain official web site at https://interagencystandingcommittee.org/grand-bargain.

[33] See Grand Bargain 2.0 at https://interagencystandingcommittee.org/grand-bargain-official-website/grand-bargain-20-framework-and-annexes-deenesfr. See also ICVA, "The Grand Bargain 2.0 Explained, An ICVA Briefing Paper," March 2022, accessed at https://www.icvanetwork.org/uploads/2022/04/The-Grand-Bargain-Explained-An-ICVA-Briefing-Paper.pdf.

[34] See the *Charter for Change* at https://charter4change.org/.

equitable partnerships and to publish the amount or percentage of funding passed directly to national CSOs, among others. The *Charter for Change* has 530 endorsements, with 39 ICSOs signatories.

But evidence suggests not much progress to date. The *Grand Bargain Annual Independent Report 2022* on progress concluded that

- "Efforts to increase the provision and distribution of quality funding have continued to be stymied by long-standing challenges;"
- "Increasing momentum on supporting local leadership capacities in 2021, and a growing interest and practice in relation to provision of minimum overhead costs to local actors as one way to support their institutional development;" but
- "Overall, progress against localisation objectives at the institutional and system levels remains slow, with increasing frustration among local actors that changes in practice by their international partners are still taking too long" with the proportion of direct funding to local actors halved from a mere 4% in 2020 to 2% in 2021, very far from the 25% goal. [Metcalfe-Hough, V., et. al. 2022]

Nevertheless, recent literature documents a range of experiences in pursuing localization, advancing locally led development and decolonizing mindsets, many of which involve ICSOs.)See also **Annex Six** for references to examples.)

a) **"Stopping as Success"** has documented the experience of 20 **case studies of ICSO transitions towards "localization" of their operational programs** in 13 countries. It was a three-year project undertaken by a consortium of Peace Direct, Search for Common Ground and CDA Collaborative Learning.[35] The case studies "contribute to a growing body of evidence on how INGO transitions can support a locally led development sector when INGOs transfer responsibility, ownership, resources and power to local partners." They point to several key lessons: the importance of a shared vision, a goal of mutual transformation, and the requirement for flexible sources of funding. Post-transition relationships can take many forms; "transition is not about walking away; it is about making way for local organizations to lead." [Peace Direct, et al, 2021]

b) **Progressive foundations are piloting more participatory approaches to channeling funding** to local organizations. These include Mama Cash, the Decolonizing Wealth Project, Thousand Currents, Global Giving, Give Directly, the African Visionary Project, the Trust-based Philanthropy Project, the Equality Fund (Canada), and Civicus' Solidarity Fund. These initiatives, from which ICSOs can also learn, are testing and adapting approaches that rebalance power between the funder and grantee, investing in quality relationships, and rooted in trust. [Aly, 2022a; WINGS, 2022; Equality Fund, 2022]

c) **Feminist grant-making acknowledges the power held by the grant-makers** and seeks to actively and transparently engage grantees in decisions around who and what is being funded, challenging colonial and patriarchal values and practices that dominate aid flows. These feminist approaches

[35] See https://www.stoppingassuccess.org/about-us/.

stress solidarity and transparency, responsivity, humility, candidness, trust, dynamic accountability, and clear communication. They move from a tradition model of monitoring and evaluation that is extractive and donor-driven, to one which is collaborative in enabling those leading change to determine what success looks like.[36] [Coalition of Feminists for Social Change, 2021; Equality Fund, 2022] They understand the power dimensions of risk assessments: "we need to re-evaluate risk analysis frameworks and focus on understanding the risk of *not* being able to fund key feminist agents of change." [d'Almeida, et al, 2022]

d) A number of fora have evolved to promote an agenda to "shift the power" to southern CSOs, with the active participation of some ICSOs.

- T**he Rights CoLab established the RINGO Project** in 2020 focusing on reimagining the ICSO and the role of global civil society.[37] They have produced a series of eight thematic papers involving case studies, initiatives and resources on: Localisation; Decolonising Aid; Business Operating Models; Funding Models and Finance; Ways of Working; South-South and North-South Partnerships; Technology and Innovation; and Leadership and Diversity.
- **PARTOS, the Dutch platform of CSOs, has been very active in establishing a Shift-the-Power Lab**, exploring, with Dutch and global CSO allies, the conditions for more equal power relationships within development cooperation.[38] It has developed a Power Awareness Tool that assists in the analysis of how power affects partnerships for development.
- **The START Network**, with 55 national and international CSOs, initiated a **Shift-the-Power project** with six ICSOs to support local and national organisations to be better represented and to have a stronger voice in relevant humanitarian platforms and networks, working for two years with 55 selected local partners in five countries.[39] The outcomes of the project have been integrated into the practices of the six participating ICSOs.

e) The International Civil Society Centre, bringing together 13 major ICSOs, has developed an **Accelerate Inclusive Power Shift** initiative, which is accompanying its members "to foster more inclusive governance models, create more equitable partnerships, and support ICSOs in revising their future mandate while intensifying structured donor dialogues to achieve a meaningful power shift in the sector." It is assessing the inter-relationship of power dynamics, organisational intent and governance reform. It will be hosting avenues for "constructive dialogue between ICSOs and donors, and an opportunity to start jointly overcoming some of the structures and

[36] The Coalition for Feminists for Social Change defines feminist grant making as "a collaborative process of supporting and enabling those who are leading change to determine what success looks like, and to define impact as both attribution and contribution." [Coalition of Feminists for Social Change, 2021]

[37] See https://rightscolab.org/ringo/ See also RINGO, 2021.

[38] See https://www.partos.nl/activiteit/shift-the-power%E2%80%AF/. For the Power Awareness Tool see https://www.partos.nl/publicatie/the-power-awareness-tool/.

[39] See https://startnetwork.org/start-engage/shifting-the-power. The INGOs involved include CAFOD, Christian Aid, Tearfund, Oxfam, Concern, and led by ActionAid.

narratives that prevent more substantial and systemic power shift."[40] The International Centre is the lead agency for **Accountability Now** and the ***Global Standard for CSO Accountability***. Accountability Now is addressing ICSO accountability in the context of preparing for a power shift.[41]

While notions of locally led development and decolonization have entered the mainstream of development discourse in the past several years, with a range of practical initiatives to bring change, overall, a large gap still exists between global level policy discussions and realities on the ground across the global south. [ALNAP / ODI, 2022; Nuffield College, et al, 2022; RINGO, 2021] For ICSOs, this gap is substantive in their continued practices. But it is also the result of divergent views across ICSOs on the "localization" of their operations, the perception of major barriers to change, and different interpretations of power in development cooperation. [Nuffield College, et al, 2022]

3. Can ICSOs be both donors and partners?

How do ICSOs understand their role as donors in the global south? According to an affiliate of a large ICSO in the global south: "Whenever there is a funding opportunity, we apply together as partners. We are partners in building a country that is safer, more resilient, and more just. We want to share what we know and share our global platform and – yes – share other resources, but as partners rather than donors as we move forward together." [Ramdhani, et al., 2021]

Many ICSOs have transformed themselves into networked global organizations, with authority, power and leadership disbursed and shared across a network or confederation of offices and/or affiliates. [Kumar, 2021] On the other hand, a leader of a community based organization in the global south, asserts that "the biggest challenge I face revolves around navigating existing power structures, which are oftentimes subtle and invisible, but *always* prove to be extremely disempowering. [Cabot-Venton, 2021] Different vantage points, different perceptions of shared power from where they stand?

A review of models, approaches and challenges in localization suggests that current practices risk 'projectising' localization … instead of seeing it as a process that require systematic change. "International actors need to rethink their roles (and in some cases, even take a step back) so that local actors can pursue genuine locally led development … [which] might mean reduced funding channelled through [ICSO] intermediaries….It requires deep reflection among international actors on the role that they play now and in the future. It may necessitate a change in organizational structures, performance metrics, ways of working, mandates and staffing." [Banguois, 2021]

[40] See https://icscentre.org/our-work/global-governance-lab/.

[41] See https://accountablenow.org/ and https://icscentre.org/our-work/global-standard-for-cso-accountability/

Many ICSOs have indeed been reflecting on their global and local roles and practices as intermediaries in complex civil society ecosystems. One INGO sees diverse paths for national affiliation, with advantages for local/national civil society [Ramdhani, et al., 2021]:

- Affiliates created connections and access to global networks when agendas coincide;
- Affiliates must be guided by feminist principles of collaboration and solidarity, understanding its value-added to a country's civil society ecosystem;
- Both affiliates and local CSOs consider themselves candidates for improvement, capacity sharing, and sources of knowledge; and
- Affiliates create paths for local CSOs to global audiences they may need to achieve national policy goals.

Yet despite these notions of shared benefit, a recent survey of leaders of ICSOs clearly indicated that there are significant divergences in their reflections on localization, on the extent to which it is required, on the extent to which it is feasible, and on its practical manifestations. For some it meant hiring more local staff, for others it was extending their own global networks through moving south in establishing local affiliates, and for yet others it meant a fundamental shift in the role of ICSOs. [Nuffield College, et al., 2022]

As one respondent in this survey reflected, "I think in the end it is about power and accountability. … If the local entity has agency over its own future, what it does, how it programmes, writes its own strategy and reaches out to other parts of the INGO family for funding for that strategy, … and has the benefit of some of the resources from the wider organization, is that bad?' [Nuffield College, et al., 2022] But where in this reflection is considerations for the relationship of that affiliate with local/national civil society? Is it competing for resources and access to constituencies and governments in a highly uneven playing field?

What are the incentives and what is the capacity to change? Leaders of ICSOs suggest that the influence of their leadership alone over far-reaching change is often over-estimated, given the different stakeholders they manage, complex organizational structures, and external factors beyond their control. ICSO leaders, for example, see a major tension between the developing narratives and vision for a highly localized sector rooted in solidarity and what connects with the charitable mindset of a donating public in the global north. Are ICSOs too big and complex to change? Or will other actors in the global south come up with different approaches and independent avenues to resources to strengthening their sustainability as organizations in their own right, making ICSOs redundant? [Nuffield College, et al., 2022; Alexander, J., 2022]

4. Contesting notions of power in the localization narrative

The review by ODI of models and challenges in the journey to CSO localization provides an overview of highly varied approaches from networks and organizations in the global south. [Banguois, 2022] They range from movement building and collective action, supporting southern CSO leadership, shifting quality funding to the global south, and stimulating knowledge creation and sharing across the south. [Banguois, 2022, Figure 2] But they also conclude that the exercise of power in the current aid system, "shapes [not

only] the journey; [but] power also shapes the destination," which is locally led development. [Banguois, 2022, 10ff] Over the past decades, the power of ICSO actors to shape and limit the scope for independent southern CSO action has set the stage for ICSO approaches to address demands for "localization," equitable partnerships and decolonization today.

Locally led development implies a substantive shift of power to civil society actors in the global south, strengthening their leadership and ownership in development initiative and change in their country contexts. But is this shift of power one of instrumentalizing current structural hierarchies or is it one that enables transformational change in roles and dynamics between northern and southern CSOs? How are different stakeholders interpreting power and power shifts in the aid system? Various authors have reflected on different entry points and dimensions in answer to these questions.

- **Who shapes "localization" and locally led development?** Reflecting on a lack of progress to date, Hodgson observes that the design of transformation changes in the aid system should not reside in head offices of ICSOs in the north. It "must be sharped and led by those closest to the issues in different decision-making spaces." [Hodgson, 2022] She points to four important spaces where power is exercised, in varying degrees, and where power imbalances currently shape progress towards this goal:

  1) *Local CSO decision spaces* where local actors should (but often do not) have autonomous resources and primary accountability to local constituencies;
  2) *Regional and global decision spaces* where local and regional actors should come together (but are often limited) in building coalitions and movements for development change on shared agendas;
  3) *Partnership decision making spaces*, where unequal power of external actors and intermediaries limit decision making spaces for local actors; and
  4) *External decision spaces* where external actors (such as donors) in the global north make decisions among themselves separate from any engagement with local CSO actors. [Hodgson,2022]

  She argues that it is important to distinguish between recent efforts "to undo past practices ("shifting the power") on the one hand, and the emergence of more bottom-up, demand driven approaches (e.g. #ShiftThePower) on the other, with many of the latter having emerged outside, or despite of, the dominant system", i.e. from within the first and second decision spaces above. [Hodgson, 2022]

- **Progress is challenged by different interpretations of the meaning of shifting power among northern ICSOs.** Some ICSO leaders understand localization as the shifting organizational structures to the global south, but with continued reliance, either formally or informally, on head offices in the north. [Nuffield College, et al., 2022] But for some CSOs in the global south, shifting existing power structures in aid, largely unreformed and duplicated at the local level, "maintains echoes of colonialism, whereby local actors achieve formal power only by modeling Western dominated values and frameworks;" it is seen as "a means by which international agencies could localize while retaining [northern] power and resources." [ALNAP/ODI, 2022]

- **ICSO leaders have identified many external and institutional barriers to "shifting power"** – the risk and compliance requirements place on them by donors, ICSO perceptions of local actors' capacities, and mindsets of ICSO management, governance structures and supporters, rooted in charity and the "white gaze". In the words of one ICSO informant: "Are we willing to let go? Do we genuinely believe that our local partners know better and they have the innate leadership and knowledge to be able to effect change that they want to see? … Both mindset and funding barriers are getting in the way, and I wonder which is the strongest actually." [Nuffield College, et al., 2022] On the other, "I feel like sometimes INGOs or organizations are hiding behind that excuse not to go further. We're hiding behind 'the donors are saying this; this organization is not able to do that.' Well, maybe they are and maybe…yes, the risk will remain with us, but I still think we need to do it." [Nuffield College, et al., 2022]

- **While ICSO leaders see many institutional / compliance barriers to change, organizations in the global south understand these barriers as invisible paths for the continued exercise of ICSO power.** In a survey of more than 600 southern CSOs, RINGO found that 86% responded that ICSO practices based on "western defined systems and models" had a negative impact on their efficiency and sustainability. These practices include "projectisizing" development with complex programming requirements, reporting models, monitoring and evaluation requirements, short timelines for "results", and unrealistic log frames and standards of operations. [RINGO, 2021] Compliance-based accountability, in their view, perpetuates power through northern actors diminishing local actors that are unable to meet these compliance and accountability expectations, perpetuating inequalities that undermine locating power in local decision-making spaces. [ALNAP/ODI, 2022]

Focusing only on structures and/or the transfer of resources to the global south miss the essential important of both situating 'agency', i.e. the power to act, in southern civil society, and transforming ways of engaging and roles among ICSOs and southern CSOs. It means acknowledging the collective strengthens of southern civil society, as actors in their own right, which will be unique to each country context. [Banguois, 2022]

In the words of a southern CSO leader, "understanding the power and analyzing which part of the power and system local actors belong to, and how they create linkages and networks with different power structures is important. This will help [southern CSOs] figure out how they benefit from the power and how they prepare themselves to negotiate with the different power systems and structures to strengthen their capacity of resource mobilization." He emphasizes "when local actors realize they have power, they can create a collaborative advantage to impact the community." [Global Summit on Local Leadership, 2022]

In a recorded comment from a RINGO Learning Festival (November 2022), a southern CSO participant underlined the multi-dimensional nature of power: "The call here is to repurpose the power that we have. We all have power in varying degrees. Even local NGOs have power in their own context relative to their communities. The power of power is empowerment of others. Power must be used for serving the needs

of others: political power, financial power, resource-power. So possibly we need to delve deep into grappling with various concepts: from power shifts, power sharing, relinquishing power, etc. The bigger shift must start with shift in attitudes and mindsets, rather than just shift in power."[42]

5. Transitions to local leadership

Oxfam International staff contend that "it is possible for nationally registered INGOs to have a net positive effect on local leadership." But they also argue that "national affiliates of INGOs that fail to stand in solidarity with their local and national counterparts – including around fundraising – are bound to undermine the strength, voice and space of local actors." [Ramdhani, et al., 2022] What evidence is there to substantiate ICSO approaches to transitions that puts in practice solidarity and accompaniment? While several major ICSOs have made transitions over the past decade in rooting their organizational structures in the global south, others have experiences in supporting transition processes in the shifting of responsibility, ownership, resources and power to local partners.[43]

A review of 20 "successful" ICSO transitions, in which the recipe for success varied, concludes with a cautionary note:

> "[T]here is a rich conversation about how 'local' an entity that transitions away from an INGO can truly be. Indeed, there are documented and ever present potential negative impacts that establishing a new local entity through a transition can have on pre-existing local dynamics and actors. Largely due to their prior relationships with external and national actors, newly established organizations are often afforded higher visibility and legitimacy among funders and can thus have greater access to financial and other resources. As such, smaller, local organizations with less visibility outside of their communities inevitably face disadvantages for resource opportunities and are at risk of being 'crowded out' of the local development space.
>
> "Acknowledging and mitigating these dynamics are a practical application of INGO commitments to do no harm when transitioning out of a context and a local entity is being established." [Peace Direct, et al., 2020, 385 – 386]

What are some of the lessons for effective transitions from these documented experiences?

- **The quality of partnerships matter.** ICSOs that have promoted from the beginning local leadership, through partnerships based on trust and solidarity, result in more sustainable transitions. [Peace Direct, et al., 2020] These foundations will set the stage for future post-transition relationships and engagements.

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[42] Victor Mughogho, Executive Director, Eagles Relief and Development Programme International, Malawi, comment recorded by the author in a RINGO Zoom Session of the RINGO Learning Festival, November 1, 2022. For the RINGO Learning Festival see https://rightscolab.org/ringo-learning-festival-oct-31-nov-3-2022/.

[43] Interestingly, while there are a number of independent assessments of transitions to local organizations [Peace Direct et al., 2020; Stopping as Success (https://www.stoppingassuccess.org/about-us/);Banguois, 2022], the author has found no published independent evaluation of the process of the earlier process of shifting INGO location and governance to the global south (e.g. ActionAid, Oxfam, Amnesty, etc.).

- **Addressing fundamental issues of power and legitimacy is essential.** Transitions must be driven by a shared vision in which the local organization participates fully and leads in the design of the new organization or affiliate. [Ramdhani, et. al., 2021; Banguois, et. al., 2021] Transitions are processes for mutual transformation. There should be clear milestones for the transfer of ICSO powers and resources to the local organization, derived from 'organizational business plans' in which the ICSO is reducing its traditional country organizational footprint. [Peace Direct, 2021] The ICSO must also be clear about its revised roles, which will increasingly focus on being critical friends, facilitators and catalysts. [Zamaere Smith, 2022]. ICSO comparative advantages are important, but should also reinforce the legitimacy of local actors across civil society with policy makers and other national and international stakeholders. [Croome, 2022b; Halais, 2022; Gender and Development Network, 2022] These transitions involve new ways of working on both sides and require time, flexibility and appropriate accompaniment, to emerge. [Hodgson, 2022; Gender and Development Network, 2022]
- **Understanding the country's CSO and donor ecosystem is crucial.** A transition is complicated by existing ICSO competition with one another as well as with local civil society organizations. The local CSO ecosystem is often characterized by diversity and fragmentation. [ALNAP, 2022] Being clear how the new CSO will add value in strengthening local civil society is a key element. Oxfam's office in Colombia, for example, consulted more than 200 local actors, involving more than 50 CSOs, was the basis for the move towards an Oxfam Colombia affiliate. These interlocuters strongly suggested collective initiatives in support of peace and a commitment to not compete with them for funding. [Ramdhani, et al., 2021]
- **Mutual learning and sharing experience in the transition process is vital**. A successful transition requires deliberate *unlearning* behaviour and practice, which is mutual, involving listening to issues of racism and patriarchy in organizational culture, and addressing hierarchical approaches and mindsets. [Kumar, 2021; Croome, 2022b] On the part of local actors, engagement in learning has been shaped by a history of partnerships with ICSOs that has seldom allowed the resources for organizational learning, nor even learning among local actors and sectors in the same country. [Croome, 2022a]

In summary, Peace Direct has developed a very useful framework for understanding alternative roles for ICSOs beyond their traditional implementing roles in developing countries, derived from their experience working with ICSOs over the past twenty years: Interpreter of donor policies; Knowledge broker and producer; Trainer, coach, and co-learner; Convenor of civil society in difficult civic spaces; Connector and eco-system builder; Advocate and amplifier; Watchdog of governments and multilateral institutions; Critical friend; and Sidekick (a subordinate supporting role for local civil society). [Peace Direct, 2023]

6. Recommendations for Ways Forward

A number of recommendations to strengthen civil society in local led development emerge from this literature review. These focus on actions that should be taken by intermediary ICSOs, bilateral and multilateral donors, and all development actors.

Intermediary ICSOs

1. **Make locally led development a priority** by working on necessary systemic and organizational changes in close consultation with existing partnerships and the broader civil society ecosystem in countries concerned. [Banguois, et. al., 2021] This involves reimagining the identity of ICSOs and implementing new roles in brokering in networked models. [Aly, 2022a; Kumar, 2021; RINGO, 2021; Banguois, et al., 2021; Ramdhani, et al., 2021] Positive intermediation can mean one that stresses "opening doors," quality partnering as a default, or comparative advantages as value-added in local contexts. [Croome, 2022b] Implement clear milestones, with related strategies, for the transfer or power and resources to local organizations. [Peace Direct, 2021]
2. **Promote relationships of "solidarity" or "common cause",** by focusing on holding northern governments, powerful institutions, and corporations to account. This advocacy should be southern-led or southern-anchored, taking the lead from those most affected, even if their experience might be different. Solidarity is "each of us using the power we have, where it is most effective, in support of one another" in collective action. Northern CSO-driven campaigns risk side-lining local CSO priorities in national policies by pulling the most effective activists away to be part of global advocacy. [Gender and Development Network, 2022]
3. **Avoid competition with local CSOs for donor funding and for access to government policy makers.** ICSOs should develop inclusive and collaborative initiative for funding with counterparts in the global south, in which the latter take the lead in structuring the main priorities, building on ICSOs' technical capacities and potential access to donor resources. [Coalition of Feminists for Social Change, 2021; Ramdhani, et al., 2021]
4. **Implement participatory and transparent funding decisions.** Consistent with feminist principles guiding funding relationships, ICSOs should engage and dialogue with long standing counterparts in the global south on priorities for funding allocations, including full transparency on program and core organizational budget allocations. In one example, a feminist grant maker found that 50% of their potential grantees decided to step back from funding after self assessing their position relative to other potential grantees. They concluded that "an approach grounded in mutual trust and collaboration can produce different and more impactful results for the achievement of our common goals." [d'Almeida, et al., 2022]
5. **Support organizational sustainability.** ICSOs can support funding diversification for counterparts, through social enterprise and other revenue streams for greater long-term sustainability. [Recrear, et al, 2022; Civicus and Impactia, 2022] Sustainability is more than financial resource streams; "it's mostly about the capacity to cultivate and sustain simultaneously diverse relationships….It's also about … the infrastructures which enable different funding steams." [Recrear, et al., 2022]
6. **ICSOs should ensure that all local CSO partners should have their indirect and direct costs fully covered.** Most CSOs in the global south face high levels of instability in staffing and infrastructure due to financing limited to program activities of interest to each donor. Local and national CSOs

receive most international funding through ICSO intermediaries. Of 13 ICSOs recently reviewed, only 2 had policies on providing overhead revenue to southern counterparts (although nearly all were in the process of developing a policy). [Inter-Agency Standing Committee, 2022a] ICSOs must develop business practices that pass a fair and equitable share of donor cost recovery finance to counterparts implementing these programs. [ALNAP, 2022; Civicus and Impactia, 2022; Inter-Agency Standing Committee, 2022b]

7. **Engage and hold accountable bilateral and multilateral donors** to reform donor practices that are essential enablers for locally led development – long-term program and core financial support, funding local CSO-determined priorities (taking account the many relevant provisions of the *DAC Recommendation on Enabling Civil Society*), while exchanging and building on good practice, in inclusive processes with civil society [Banguois, et al., 2021; Norad, 2022, US AID & Norad]
8. **Support and broker knowledge relationships and learning focusing on locally led development**, with leadership by colleagues from southern civil society, learning from existing experiences and innovations that can acceleration new initiatives. [Banguois, et al., 2021] Peer learning and networking among southern CSO constituencies reduces isolation and enables the sharing of southern experiences, stories, lessons from grounded approaches, and ways forward. [Soto, 2022; Lijfering, et al., 2021; Global Summit on Local Leadership, 2022]
9. **Implement ICSO leadership and governance incentives that prioritize institutional transformational change.** ICSOs and donors have no incentives "to let go" [ALNAP, 2022] Some organizations have "made a very clear shift from growth towards quality and towards focus and strategic interventions" in favour of local partners. "The devolution of power inherent in localization is also a personal challenge for leaders as it means rejecting many of the traditional metrics of successful leadership." [Nuffield College, et al., 2022; Alexander, J., 2022]

Bilateral and Multilateral Donors

1. **Avoid turning localization into a project or one-off pilot**, by developing an institutional vision and plan, reviewing current policies that lead to system-wide reforms in support of localization and locally led CSO development initiatives (consistent with the *DAC Recommendation*, Pillar Two, §4) [Banguois, et. al., 2021; OECD DAC, 2021] Donors are urged to fund courageously and trust generously. [Peace Direct, 2021]
2. **Encourage collaboration not competition for resources.** Develop innovative funding modalities that support longer term programmatic and core support for CSOs, especially for CSOs in the global south (consistent with the *DAC Recommendation*, Pillar Two, §3 and §4) [Global Summit on Local Leadership, 2022; OECD DAC, 2021] Reconsider calls-for-proposal mechanisms in light of significant limitations for sustained locally led development.
3. **Create appropriate modalities and systems of support that enable local civil society to be funded directly.** A recent review (unpublished) found that just over half of reporting DAC donors had financial support mechanisms directly accessible to partner country CSOs, but all of these were only available at the partner country level. All reviewed DAC donors restricted funding to

their own CSOs, both for core support and program/project funding. [Peace Direct, 2023, forthcoming]

Patrick Fine notes that it is not local CSOs that lack capacity to work with USAID, but USAID lacks capacity in its operating systems to work with local CSOs. USAID's 'Automated Directives System' has over 70 pages of standard provisions, rules and regulations. [Fine, 2022] Appropriate modalities accessed for southern CSOs entails reconsideration of risk tolerance policies and frameworks, appropriate demands for due diligence information and complex technical contract compliance, and the adoption of locally-determined results frameworks. [Recrear, et al., 2022; Civicus and Impactia, 2022] Measures are needed to reduce access barriers, with greater collaboration among donors to harmonized requirements according to types of local CSOs – simplify application forms, funding commiserate with CSO needs, friendlier monitoring and reporting options, give preference to groups rather than themes. [Soto, 2022] Donors should work with the local CSOs and communities, "by co-creating the selection and funding distribution processes and investing in inclusive spaces where they can cultivate lasting relationships and foster channels of direct dialogue with targeted groups." [Civicus and Impactia, 2022]

4. **Develop policies, guidance and training for staff to ensure full and fair cost recovery by southern CSOs.** CSOs in partner countries have very limited options for unrestricted revenue sources, condemning them to a permanent cycle of "institutional starvation." Both donors and ICSO intermediaries should provide training and coaching for southern CSOs on cost recovery practices needed to secure sustainability of their organizations. Donors and ICSOs should earmark a portion of restricted funding agreements for unrestricted use beyond immediate cost recovery. [Boyes-Watson et al., 2022; Recrear, et al., 2022; Inter-Agency Standing Committee, 2022a and 2022b]
5. **Redefine risk.** Donors pass risk compliance and management frameworks to ICSO intermediaries, while the latter pass operational and financial risks to local actors, often with little compensation to mitigate these risks. [ALNAP, 2022] In funding local civil society, particularly organizations represent the vulnerable and women's rights groups, working in restrictive environments, risk analyses and frameworks need to be adapted to this context: "understanding [also] the risk of *not* being able to fund key feminist agents of change." [d'Almeida, et. al., 2022] Donors should develop approaches and modalities (pooled funding) to mitigate risks in granting to smaller, less known entities. [Coalition of Feminists for Social Change, 2021]
6. **Be transparent.** Donor/ICSO transparency for southern CSOs about funding modalities in support of local CSO development actors is essential for full accessibility to these funds. Transparent data on donor flows to CSOs in partner countries, including to and through ICSOs as intermediaries, enables donor policies and accountability to the *DAC Recommendation on Enabling Civil Society*. [Banguois, et al., 2021; OECD DAC, 2021]
7. **Invest in evidence and learning processes,** deepening and learning from existing efforts in promoting locally led development, which are inclusive of civil society at all levels, particularly in the global south. [Lijfering, et al., 2021; Banguois, et. al., 2021]

All Development Actors

1. **Strengthen the bargaining power of local CSO actors,** by supporting national and local CSO platforms in the global south, connecting local leaders and practitioners across a wide network of CSOs. [Banguois, et. al., 2021]
2. **Build on existing efforts towards locally led development.** Initiatives to promote localization and locally led development should be informed by the knowledge of existing networks to ensure sustainable transformations and to further collaboration and trust-building. While unique to each country and organizational circumstance, donors should not start a "localization project" from scratch. [Banguois, et. al., 2021; d'Almeida, et al., 2022]
3. **Focus on trust.** What do current funding modalities, with high levels of compliance and technical accountability to donors, imply about the way counterparts are trusted? "A good partner stays through difficult times and builds long-lasting relationships based on trust." [Recrear, et al., 2022] Trust is key: "Local residents are the ones who are going to be impacted the most by the social transformation of a neighborhood. They are the ones who should be trusted the most! Instead, normally we are not even told what is to happen in our neighborhood. … We are not told when or why things go wrong, so we don't get the opportunity to learn from success or failure." [Recrear, et al., 2022]
4. **Promote, support and implement processes that ensure dynamic accountability** in ICSO / local CSO partnerships. There are many and diverse mechanisms (self regulation mechanisms, governance board, standards for disclosure, consultative mechanisms) that have emerged over time to ensure CSOs are answerable to their stakeholders for their actions, decisions and development results. But such accountability is often skewed towards those stakeholders with power and influence. On the other hand, when accountability include those most affected by CSO actions, "ownership and legitimacy are enhanced" and "results in greater justice and effectiveness in social change interventions." [Giaquinta and Cruz, 2022] Accountability is not a static action, but dynamic, taking account of "the need to make a whole organization's way of working adaptive to [affected] stakeholder needs." Accountability stops "being seen as a tool for control and regulation of power, but rather as a tool to redistribute power." [Giaquinta and Cruz, 2022][44]
5. **Address critical issues of racism, patriarchy and power that have been evident in current (neo-colonial) patterns of behaviour and mindsets.** Acknowledging a collective responsibility for structural racism in development cooperation and encouraging a culture of open critique and space for hard conversations within organizations is essential. It is important to "create space for change, especially for those with marginal identities, and expect and encourage those groups to question the current system and the power relations that underpin it." [Peace Direct, 2021]

[44] The Global Standard for CSO Accountability consolidates the concepts and practices relating to dynamic accountability. See https://accountablenow.org/the-global-standard-for-cso-accountability/.

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Annex Seven

A) List of Interviewees

1. Chernor Bah, Co-Founder and Co-CEO, We are Purposeful, Sierra Leone
2. Jeroo Billimoria, Founder, One Family Foundation, the Netherlands
3. Clara Bosco, Senior Advisor, Civil Society Resourcing, Civicus
4. Anabel Cruz, Director, Communication and Development Institute (ICD), Uruguay
5. Frank Kasonga, Country Director, World Connect, Malawi
6. Casey Kelso, Senior Advocacy Officer, WINGS, Global Network
7. Joshua Kyallo, Managing Director & Vice President of International Programs/Partnerships · Community Rising Africa Network (CRANE), Regional Organization, Africa
8. Alex Martins, Consultant (ODI Study, Are We There Yet?), United Kingdom
9. Vitalice Meja, Executive Director, Reality of Aid Africa, Africa Regional Organization
10. Mauricio Miller, Founder and Executive Director, Community Independence Initiative, USA
11. Brian Njoroge, Director of Programs at Udugu Ufanisi Ustawi wa Jamii (3UJ) Development Ltd
12. Julia Sanchez, Independent (formerly Chief Executive, ActionAid International)
13. Izabella Toth, Director of Institutional Fundraising and Donor Relations, Cordaid, the Netherlands
14. Margit van Wessel, Academic, Wageningen University, the Netherlands

B) Reference Group

1. Anabel Cruz, Director, Communication and Development Institute (ICD), Uruguay
2. Regina Opondo, Executive Secretary of CRECO, Kenya
3. Roberto Plnauin, Executive Secretary, CSO Platform for Development Effectiveness
4. Jennifer del Rosario-Malonzo, Executive Director, IBON International, Philippines
5. Mandeep Tiwana, Chief Programmes Officer, CIVICUS
6. Izabella Toth, Director of Institutional Fundraising and Donor Relations, Cordaid, the Netherlands

Annex Eight
Interview Schedule of Questions

A. Introduction to the Research

The overarching purpose of the research is to gather the cognitive understanding and the current practices of the ICSO sector in realising the Istanbul Principles for CSO Development Effectiveness and the recent DAC *Recommendation on Enabling Civil Society* through the lens of effectiveness principles. We seek to highlight examples of ICSO reforms and behaviour change, and gain an understanding on how INGOs have taken up key principles in development effectiveness in their partnerships, with respect to

- shifting power to national / local organizations in the global south?
- strengthening peoples' empowerment in addressing their own priorities? and
- practicing / facilitating dynamic accountability and transparency?

How are these norms being interpreted by INGOs, by national and local CSOs in the global south?
What are the challenges going forward in their implementation by INGOs in their organizational practices?

We are seeking different CSO perspectives on these questions, particularly from CSO colleagues in the global south with experience partnering with INGOs and synthesize the results in a short report.

The research is intended to inform a dialogue with INGOs on progress in implementing these norms through their participation in the global CSO Partnership for Development Effectiveness, which will be organizing CSO participation and reflections in a multi-stakeholder Global Summit on Development Effectiveness in December 2022.

While CSOs have been advocating for significant reforms in policy and practice to advance the effectiveness of donor development cooperation, **CSOs have also committed to examine their own practices and implement change.**

In doing so, CSOs have agreed to align with the 2010 I**stanbul Principles on CSO development effectiveness**. Donors have recently agreed to adhere to 28 commitments to facilitate this agenda with CSOs through the **OECD DAC Recommendation on Enabling Civil Society**, which also has implications for INGOs as funding organizations.

B. Interview Questions

1. Understanding the notion of equitable partnerships.

Background: CSOs have been talking about, and seeking, "equitable partnerships" for many decades. This notion is now embedded in norms and discourse that everyone agrees should govern the relationships and engagement between INGOs and national and local CSOs in the global south.

[Reference the Istanbul Principles and the DAC Recommendation if relevant to the interviewee.]

- **Reflecting on your experience with development cooperation, how would you define an "equitable partnership"?**
- **<u>For national CSOs</u>: What vision do you have for your organization's partnerships, and how INGOs can support that vision?**
- **<u>For INGOs:</u> Do you think your organization's current practices are consistent with "equitable partnerships"? If so, how? If not, what needs to change?**

2. Blind spots in the process of change

Background: Despite many years of reflection on issues, which many group under the notion of localization or decolonization, which include,

- Democratic national ownership of development priorities.
- Relationships of solidarity that are respectful of local knowledge, focus on common but differentiated realities, and give priority to the leading roles for local actors in facilitating sustainable development.
- values-based program and core financing rooted in trust and dialogue.
- recognition and support for southern-based self-regulatory, quality assurance, and accountability mechanisms.

There is a widely shared perception (among southern CSOs) and evidence that change for INGOs along these lines has been slow and challenging.

- **What do you think are the main "blind spots," barriers, or challenges in bringing about change in INGO partnerships and practices along these lines?**
- **What are some ways that INGOs can overcome these barriers?**
- **<u>For national/local CSOs:</u> What are some organizational (internal) challenges for national and local CSOs in working with international partners along these lines?**

3. Financing partnerships through INGOs

Background: Funding relationships are a very important dimension of equitable partnerships in the context of decolonization. The DAC *Recommendation on a CSO Enabling Environment* commits donors to promote and invest in leadership of local civil society by increasing accessible, flexible, and predictable support, including core support and program support, to enable financial independence, sustainability and local ownership of national/local CSOs. While official donors may do so through increasing direct support to national/local CSOs, much of donor's current finance for CSOs work with/through CSO intermediaries in the donor country and/or INGOs. This current reality embeds complex funding instruments and compliance conditions for CSOs in all levels of the aid chain.

For national/local CSOs

- **What has been your experiences with INGOs (positive and challenging), including CSOs as funders from donor countries, as sources of finance for your programs?**
    - **How have these sources of finance affected your organization's independence as a development actor in your country?**
    - **Has it affected your relationships with local constituencies relevant to your mandate?**
- **What have been the main modalities for this INGO finance? –**
    - **Support for individual projects, determined by your organization? Or by determined largely by the donor CSO?**
    - **Multi-year programmatic support for the priorities of your organization, negotiated in a transparent process with the INGO?**
- **What are the challenges in financing the core costs of your organization (office and salaries, governance structure)? Have INGOs responded to these concerns in their financing with your organization?**
- **What would you suggest for reform of existing INGO financing practices? What might be some alternative models for financing CSOs in the Global South? What are the barriers for realizing these alternatives?**

For INGOs:

- **How have your policies and practices in financing national / local organizations changed in the past five years?**
- **Do you think that your current programs in the global south strengthen the leadership of national/local CSOs? If so, how?**
- **What do you think are your main challenges as an INGO in structuring your financing of your partnerships in ways that promote localization and decolonization?**

4. Strengths and Opportunities in INGO partnerships

Background: Most INGOs are very much aware of the importance of equitable partnerships, the strengths of national/local CSOs in meeting development challenges in their countries and regions, and the synergies in international collaboration in seeking policies to reduce poverty and inequalities.

- **National/Local CSOs: What do you think are the main advantages in your collaborations with INGOs at the national/local level?**
- **INGOs: What strengths do INGOs bring to partnerships in the global south?**
- **What needs to change to maximize these synergies in INGO partnerships and collaborations with national/local CSOs in the global south?**

5. Strengthening accountabilities and transparency

Background: We know that accountability in development cooperation is largely unidirectional and hierarchical prioritizing the interests, needs and risks of the donor, irrespective of often-heard narratives of mutual accountabilities and shared interests. INGOs are affected by these rigid compliance donor requirements when accessing donor resources, and often reproduce them in their partnerships. INGOs are also shaped by their accountable to their governance and management structures, which in many cases remain northern driven. They can have a large impact on independence of southern CSOs and their representation of communities and constituencies. They devalue local CSO platforms and mechanisms for self-regulation, quality assurance and accountabilities at the country level. Transparency is also biased in favour of the donor in the aid system, with southern CSOs facing significant challenges in accessing comprehensive information from INGO counterparts that should be the foundation of equitable partnerships.

- **What reforms in the enabling environment and in INGO current practices might enable greater dynamic accountability in ways that strengthen accountability of national/local CSOs to their own mandate and direct constituencies?**
- **What levels of transparency in INGO practices are critical to meeting the conditions of equitable partnerships and local ownership?**