

WHAT ARE DONORS, STATE AND THE CIVIL SOCIETY GETTING WRONG?

A “PARTNERSHIP-ORIENTED” APPROACH TO CIVIL SOCIETY DEVELOPMENT

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Background

Albania is touching down the third decade of political, economic and broader societal transformation efforts to join developed and western democratic polity model. Currently, consolidation of democratic institutions, accountability of governance system, citizen-oriented and participatory policy processes stand at the core of country's objectives that will help Albanian society to better position into and benefit from globalization processes. EU accession is deemed in this context a challenge and also a major opportunity to deliver on citizens' expectations for functioning democracy, sustainable development and prosperity.

Civil society (CS) has been struggling to add value to national transformation efforts, most often “invited” in such process by international partners “sponsoring” Albania's reforms in various areas such as democratization, human rights, good governance, civic engagement, and other sector-specific issues. Despite the importance attached to Albanian third sector and its role in democratic transformation of the country, civil society's own development challenges have only recently entered the agenda of key stakeholders – state and donor community. While the CS support in the 1990s and early 2000s was mostly driven by “emergency” needs with predominantly service-focused civil society organizations (CSOs), in the subsequent period CS development agenda is focusing more on substantial concerns over civic involvement in policy processes and impact. However, it is only in the recent years that the issue of CS development in terms of its sustainability has received greater attention, particularly under the last wave (2006 – 2008) of donors' withdrawal from the country and Albania's EU accession process.

Against these happenings, a concrete coordinated platform between the state, donors and civil society to ensure sustainability and stronger impact of Albanian third sector has been missing. As the policy discourse on these concerns has increased pace in the recent years, it seems that the key stakeholders – the state and donors – are still getting the wrong message out of a “civil society in search of citizens and impact” (CSI 2010).¹ Namely, by focusing on the consequences instead of the systemic root causes for such a situation, the key stakeholders are mostly easing the pain of the patient rather than helping full recovery. On the other hand, given the settings of only a formally enabling and yet, substantially discouraging environment, Albanian civil society appears too weak to act on its own internal development concerns that would help the sector to increase leverage, credibility and public expectations from a vibrant partner.

A partnership oriented approach to civil society development that is jointly designed and carried out by all three partners – state, civil society and the donor community – is the only “therapy” to ensure value added and, most significantly, a sustained role of Albanian civic sector in national reform processes and EU integration. European experiences and also best practices coming from the neighboring countries with a clear strategy for support of civil society in the EU accession period strongly suggest that such a partnership-oriented approach is the key to success. Few, though isolated initiatives of such partnerships in the recent years have proved remarkable results. The first step to transform such exceptions into a common practice in Albania must target the environment.

¹ IDM 2010, “Civil Society Index for Albania: In search of Citizens and Impact”.

The need for a substantially enabling environment

According to World Bank, the set of conditions that must be met in order to ensure an enabling environment for civil society includes legal, regulatory and policy framework that impact on the capacity of citizens and civil society organizations to engage in development processes in a sustained and effective manner, whether at the policy, program or project level.² While the existence of such framework is the minimal condition, their adequate enforcement is often a challenge especially in post-communist societies without a well-established tradition of democratic civic engagement and culture of active citizenry. The Balkan Civil Society development Network (BCSDN) has recently developed a monitoring matrix on enabling environment for civil society development³ targeting three core areas with significant impact on the third sector, as follows: the legal framework (Basic legal guarantees to freedoms); framework for CSOs' financial viability and sustainability; and the axis of Government-CSOs relationship.⁴

Based on this perspective of civil society development and sustainability, Albanian third sector scores relatively low in all three areas. According to USAID CSOs Sustainability Index (1997 – 2011) "Financial viability" and "Infrastructure" of civil society organizations are the least developed dimensions of civil society in Albania which suggest that the state approach and donors' support and exit strategies have failed to deliver on such essential pillars for sustainability of the third sector in the past decade or so. Furthermore, the "legal environment" in which CSOs operate, according to the same source notes a steady deterioration since 2004 up to date.⁵ This has led to a civil society sector that is quite limited to deliver tangible and sustainable impact at societal level, on policy processes, and ultimately on rerouting public trust towards the sector through constituency building and other efforts.

Formally, Albania fulfills the minimal conditions for an enabling legal framework (e.g. freedom of association, registration of CSOs, etc). However, inadequate enforcement of certain legal acts (e.g. on financial control and management, public benefit status etc.) or lack of clear legal rules regulating other essential aspects (e.g. on civil society involvement in consultation processes and parliamentary dealings, on social enterprises, reimbursement of VAT etc.) leaves significant space for mismanagement, unfair treatment and even state harassment.⁶ Ultimately, the "legal environment" area does not offer in practice optimum conditions of a typical enabling environment for civil society in Albania.

Despite some minimal improvements in state approach to the second area of BCSDN's matrix ("Framework for financial viability and sustainability"), optimum standards are far from reality. The state support through the Agency for the Support of Civil Society is at the best case committing the same mistakes as most donors – more specifically, by ignoring the challenge of "financial sustainability" for CSOs, local resource mobilization and endowment building.

² World Bank: <http://go.worldbank.org/Q3Y0AXDH10>

³ The matrix has been designed in cooperation with the International Center for Not-for-profit Law (ICNL) and European Center for Not-for-profit Law (ECNL)

⁴ A draft of the BCSDN Monitoring Matrix is available at http://www.balkancsd.net/images/112-3_Draft_Monitoring_Matrix_24th_Oct_for_BCSDN.pdf

⁵ For a full review of USAID CSOs Sustainability Index for Albania, country reports 1997 – 2011 visit http://transition.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/. For 2011 country report refer to: http://transition.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/reports/2011/2011CSOSI_Index_complete.pdf#page=23.

⁶ USAID CSOs Sustainability Index for Albania 2011 reports that "According to CSOs, the government exerts political pressure on CSOs by misusing laws introduced in 2010 on financial inspection, financial management, and control. For example, tax authorities fined Mjaft! on unclear grounds in 2011. Mjaft! has filed two cases in court against the fine and the tax authorities' report. Other CSOs have also reported inspections by tax authorities, but were not fined. Defamation laws were also used against civil society activists in 2011."

The same holds true also for the “Government-CSOs relationship” axis where Albanian experience shows that the range of CSOs’ services and their inputs to policy processes are not considered by state institutions while the state-CSOs cooperation is far from a strategic approach to CS development. The failure in this regard is evidenced by the Civil Society Index for Albania (2010) suggesting that state and policy processes are not receptive to civil society inputs while roughly 60% of surveyed CSOs state that “State-Civil Society” dialogue & exchange is non-existent or limited. USAID CSOs Sustainability Index offers additional evidence in this regard, with the “Advocacy” dimension’s evaluation noting a firm trend of decline in the past five years.

The nature of the environment where Albanian CSOs are expected to work in and be effective is largely defined by the state and also by the approach that the donor community takes to support civil society. The challenge remains relevant also for civic stakeholders to better link with the local context and constituencies. Against well evidenced trends of decline in the impact of civil society, efficiency of donors support program and state authorities’ approach to the third sector it seems that neither of these stakeholders is getting the right message.

What are donors, state and civil society getting wrong?

Donor strategies and assistance programs to Albanian civil society in most cases have been based on an external (to CS) target as a starting point and overarching objective. Namely, most of such strategies have been designed to serve to the “strengthening of civil society role / impact / involvement etc. in a given thematic area” (e.g. anticorruption, gender equality, EU integration, social inclusion etc). Accordingly, “strengthening civil society per se” to ensure sustainability and financial viability has almost never been the paramount single goal of any of such donor strategies. This, internal to CS, concern has at the best case been stated under a remote section of civil society support programs and it has almost always dismissed three crucial elements – real commitment by state actors; substantial involvement of CSOs in the full implementation cycle; and, coordination among the three stakeholders (CS, State, donor community at large).

Understandably, most foreign donors present in Albania design their multiyear strategies on the basis of their priorities for Albania (or WB region). Accordingly, the strategy design process goes in the direction of “integrating Albania’s priorities” under a “given thematic area” (e.g. environment, human rights, anti-trafficking etc.) into the donor’s “plans for intervention” rather than vice versa. The chances of “designing an intervention plan on the basis of local priorities” are even lower when the donor’s intervention strategy is designed at regional level. The low expectations from EU assistance programs (rated as the 4th possible financial supporter – after foreign non-EU funds, Government and Corporations) by Albanian CSOs may somehow illustrate the impact of such an approach to CS support strategy.⁷

The lack of coordination with key actors of the local context – state, other donors and civil society – usually leads to the third phase of “distilling” the relevance of genuinely local priorities. Most often, this requirement box (typical for an authentic participatory planning process) is ticked through the signing of the assistance program agreement with the Government and further exchange with the Donor Coordination Department (DEBASKON). In practice, neither of the two bodies (Government or DEBASKON) has ever carried out periodic inclusive consultations with the Albanian civil society which in return, has to adjust its agenda to what others have agreed. Exceptions from this rule are rare and often limited in time, sector and impact which explain why 75.3% of Albanian CSOs consider donors’ priorities as very important for setting their own agenda.⁸

⁷ Civil Society Index for Albania (IDM, 2010): “The main financial supporters in the next 5 years according to CSOs are foreign non-EU donors (57%), Government (17.8%), corporations (10%), EU programs (7.8%). Less than 7% of CSOs list alternative sources – membership fee, own services & individual donations.”

⁸ “Civil Society Index for Albania: In search of citizens and impact” (IDM, 2010)

The launch of the Agency for the support of CS (ASCS) by the Government and its performance in the past three years shows that the **state** too, in the best case, is committing the same mistake as most donors by providing additional funding to CSOs but not really facilitating the financial and other conditions that would lead to the sector's financial viability and sustainability. Local resource mobilization and philanthropy are only part of "what the government could do". In the context of the local consequences from the global crises (especially in country's remote areas) cost-effective partnerships with CSOs are not even considered by the state. Accordingly, the introduction of ASCS is a welcomed step, but this is mostly to fill in the gap of donors' withdrawal and to respond to the needs of local CSOs that are unable to "absorb" complex application and management rules of EU assistance programs – i.e. the largest donor for the Albanian CS.⁹ State actors are therefore responsible along with the donor community and civic stakeholders in the country to ensure that civil society continues to generate added value of its involvement in policy processes and societal transformation beyond the limitations of typical project based CSOs.

The challenge in this regard does not exclude **civil society** organizations and the broader civic stakeholders at the national and local level. Particularly in the context of Albania's EU accession process, civil society must look beyond project-based alternatives to address its own development and sustainability concerns. While it is true that sustained solutions to a large extent are conditioned by donor's and the state approach, the first move has to be taken by CSOs through addressing internal governance concerns (e.g. code of ethics, transparency standards etc.), better linking with the local context, building constituencies of supporters and finally through vertical and horizontal networking with broad coverage of thematic sectors and geographical areas. The creation of civic networks in Albania has so far been sponsored by various donors but, as a rule, the majority of them are active as long as external funding is available and in only few isolated cases they have kept the status of an "active player" beyond project's end. Such exceptions are only explained by the fact that, unlike the common practice in the country, they have been founded based on genuine local priorities, with a clear exit strategy and have also taken into full consideration CS development needs. Therefore the challenge of civil society actors is not to "register another network to comply with funding priorities" but rather to identify partners within the sector that will join the process of "defining funding priorities". Such a first step will not only help CSOs to ease the weight of difficulties they are experiencing through shared resources (among network members) but will also create a momentum to push state actors and the donor community to finally move towards a meaningful involvement of civil society in the planning and implementation of civil society support strategies targeting sector's development and sustainable impact.

A partnership-oriented approach to CS development and sustainability

An approach that is profoundly oriented towards civil society sustainable development and partnership with non state actors gives the deserved weight to formal processes of societal transformations in the course of reforms aiming at development and EU integration. As the civil society is increasingly becoming aware of the fact that "agenda-setting" phase starts with concrete steps to address internal organization, legitimacy and good governance concerns, the state has to lead the way for both, civil society and donor community partnership-oriented approach. A coordinated platform of actions must therefore focus on all three accounts as identified by BCSDN matrix – legal framework, CSOs' financial viability and sustainability; and the axis of Government-CSOs relationship.

Improving the legal and policy environment where civil society is expected to generate value and local inputs must therefore be the starting point of Government's action. However, this should not be limited to strictly-financial rules (ASCS, financial control legislation, public benefit status, VAT etc.) but rather an effort that is guided by the

⁹ Even in the context of EU assistance programs the Government must take over greater responsibilities and consider neighboring countries' experiences. For instance the Macedonian Government has committed to provide the 20% of co-funding for every CSOs' project approved under the EU funding schemes.

need to facilitate the way for citizens and private actors to encourage and fully employ the support and contribution coming from civil society. Equally important in this regard is the urgent need to restore the trust of civil society, non-state actors and citizens at large in participatory consultation processes at Executive and Parliament levels by enforcing clear and binding rules for ensuring broad consent and added-value of legal and policy reforms through consultations with non-state actors, affected groups and the public. Last but not least, deserved attention has to be paid to the role of DEBASKON in encouraging a continuous process of trilateral consultations between the state, donor community and civil society in order to ensure national relevance and CS sector-specific relevance of donor community's assistance to civil society.

The donor community and especially EU assistance programs (as the largest CS donor) must embark on local processes and needs as the only way to ensure greater efficiency of their support and sustainable impact that will be further advanced by strengthened local stakeholders beyond project-funding. In this regard, the past experience in Albania has often proved that foreign assistance has proved tremendous results in relatively short time but not necessarily sustainable impact in medium to long term. The only lesson learnt out this situation is that while donors have invested in the capacities on key actors to carry out a specific task they have often forgot to invest also in the broader environment that will make sure stakeholders remain an active player. The current state of affairs in the Albanian civil society and its sustainable development challenges are quite illustrative in this context.

The upcoming phase of Albania's EU integration process – candidate country status and accession negotiations – is an important opportunity for civil society to prove its added-value in overall development and consolidation processes at national level and especially in underdeveloped areas and marginalized communities. The challenge for the donor community in this regard is to learn from past experiences by embarking on local processes. The state on the other hand has the responsibility to facilitate inclusive efforts aiming at sustainable development of key players operating in an enabling environment.

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