

# Design Document



AusAID Philippines

Coalitions For Change Program (CFC)

Revised Design Document

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## **Executive Summary**

### **Analysis and Strategic Content**

The causes and characteristics of poverty in the Philippines are complex. There is a disconnect between the position of the Philippines as a lower-middle-income country with reasonable recent economic growth, and translating that growth into sustained reduction in poverty or equitable access to public services. This suggests that poverty reduction will result not just from addressing resource gaps, but through improving the efficiency of resource allocation, and improvements in the enabling policy and institutional environment for the robust and equitable transmission of growth into poverty reduction and social outcomes.

Australia has a long history of involvement with civil society in the Philippines, largely in aid of critical service delivery functions. However, the size of the Australian aid contribution to the Philippines is small in relation to Government's own budgets and expenditures. Given the size of the country, and the expense of providing services to its population, there will never be enough Australian money to make a significant (MDG-scale) contribution to poverty reduction simply through the financing of service delivery.

This suggests the need for a more transformative agenda, targeting change in the institutions that ultimately determine the quality of governance and service delivery, as opposed to direct service delivery support. Strategically-identified transformational investments which are able to leverage Government's own expenditures have the potential for far greater impact than Australian money can deliver on its own.

The majority of AusAID's funding at present is directed towards strengthening government systems and processes by working with government. Whilst this focus is appropriate, the history of reform in the Philippines shows that non-government actors have traditionally played critical roles, particularly in advancing a poverty reduction or social protection agenda. The Philippines has a relatively mature relationship between government and non-government actors, as evidenced by legal and functional relationships across all sectors.

Therefore, it is important for Australia's assistance to the Philippines to include support to building alliances between civil society and government, and to adopt a coherent agenda for incorporating partnerships with civil society into the key activities of the country portfolio, and a clear agenda for strengthening the role of civil society in enhancing the transparency, accountability and responsiveness of government.

### **Rationale for Australia's involvement**

The proposed Program is designed to be the primary vehicle for Australian support to civil society in the Philippines. It is designed as a cross-cutting program which ensures that engagement with civil society through the Program is strategically oriented and

effectively supported. It will support the current and future objectives of the country program and will work in support of the other AusAID activities, while also pursuing interesting directions identified through its own activities.

To fulfil this role the Program has the following features:

- Its scope is defined by the expected priority development outcomes of the future Statement of Commitment;
- It will introduce new areas and types of engagement with civil society and provide additional support to existing Australian-funded civil society organization (CSO) engagements;
- It will have an explicit reform agenda rather than a service delivery agenda, although it retains a Small Grants Scheme similar to that applied in Philippine Australia Community Assistance Program-Responsive Assistance Scheme (PACAP-RAS);
- Its focus is specifically structured around bringing together government and civil society within facilitated processes of constructive engagement;
- It has a number of design features, which ensure that it acts in a coordinated way across the country program, in pursuit of agreed Australian development objectives.

The justification for Australian engagement in this way is as follows:

- The proposed support is fully consistent with the legal framework in the Philippines, with the current Medium Term Philippines Development Plan (2004 – 2010), and policy statements of the Aquino Administration;
- The proposed Program responds to a clear problem analysis and its approach is supported by key civil society and government stakeholders;
- Entry points for constructive engagement of CSOs and government exist, as do recent encouraging precedents for CSO contribution to progressive policy reform and existing programs sharing elements of the proposed approach within the current Australian program;
- Australia has a long and well-regarded history of engagement with civil society in the Philippines which it would like to continue, with improvements based on lessons learned to date;
- There are no comparable initiatives of scale in the current Australian program, which is predominantly working with Government agencies;
- This proposed Program will consolidate and provide coherence to Australian support for civil society, which is currently fragmented; and
- Without Australian support to kickstart the process, the proposed approach is unlikely to be implemented; Australian support will assist in the development of new and more effective models of CSO and government interaction which, if successful, may be escalated to a much larger scale.

## Program Description

The Program brings together both the demand side for reform and the supply side of reform into ‘**Coalitions for Change**’, **built on partnership principles**. Government and CSOs will work together in these multi-stakeholder coalitions, with the aim of introducing change that assists government to better meet the needs of its poorer and more marginalised citizens.

The name of the proposed Program is the **Coalitions for Change Program, CFC**. The higher-level objectives for the Program, and the Components required to achieve them are summarised here.

The **Goal**<sup>1</sup> is: *To improve policy-making and implementation to better meet the needs of poorer citizens.*

The **Purpose**<sup>2</sup> is: *To improve policy and implementation for key areas of governance and service delivery within the scope of AusAID country program objectives*

The three **Components** that need to be delivered in order to achieve the Purpose and contribute to the Goal correspond to the Program components, and these are:

1. To **establish** effective government - civil society **coalitions** for change based on identified strategic entry points
2. To effectively use **evidence**-based analysis, driven by the needs of government - civil society coalitions
3. To **facilitate and build the capacity of** effective government-civil society coalitions for change

To achieve these Components the Program will need these critical support functions:

- (i) To deliver efficient **funding and management** of all support required for effective government - civil society coalitions
- (ii) To achieve effective **coordination** and complementarity of civil society-government support across the AusAID country program

The overall process is as follows:

- a) An analytical and consultative process identifies critical policy or operational issues that constrain development, within the sphere of interest of the Australian country program, and from which a number of potential strategic entry points for reform are identified

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<sup>1</sup> The Goal represents the higher level objective to which the proposed support contributes but cannot achieve on its own. Note that this may change to nest into future strategic plans for Australian support to the Philippines.

<sup>2</sup> The Purpose represents the primary objective of the proposed support, and can be achieved through the efforts of this program

- b) Multi-stakeholder coalitions of CSOs and Government are established, ensuring that the right players are included
- c) The partnerships are facilitated by the Program to plan and execute a process which will result in positive reform of the identified strategic issue, and institutionalisation of new approaches

CFC will be implemented through a governance structure comprising a Program Management Team (PMT), overseen by a CFC Board. The PMT is responsible for implementation of the Program, and the Board will play an advisory strategic oversight role to steer the overall Program.

The overall Program budget assumes that the future Australian program of support has four thematic focus areas, and that the Program supports four different issues in each theme, with one coalition per issue.

The complexity and the experimental nature of the program requires phased implementation, with a staggered start up in the first three years. The estimated budget for the first three years will be A\$9.35 million.

The budget for the succeeding two years will depend on the results of the independent review done 24-26 months into the implementation but would potentially be up to A\$31.8 million.

The Program is designed to be sufficiently flexible to adjust to scale up or down from these estimates as required.

# 1. Analysis and Strategic Content

## 1.1 Country and sector context and challenge

### 1.1.1 Economic and Poverty Performance

1. The Philippines is a middle income country with a GDP per capita in 2009 of approximately USD\$3,300.<sup>3</sup> Since 2001, the Philippines has been achieving consistently positive economic growth, and has been surprisingly resilient to external shocks. Buoyed by growing remittances from overseas workers, the Philippines has been able to avoid the scale of recession experienced by most neighbours.

2. However, this overall performance has not translated into significant and sustained poverty reduction. Government data reveals that between 2003 and 2006, poverty increased from 30% to 32.9% of the population, the equivalent of over 30 million people living on less than US\$2 a day.<sup>4</sup> Over twelve million people are considered to be food-poor, and living on US\$1 per day, with the majority of those poor living in remote and rural areas. As a result of these trends, the poverty rate for the East Asia and Pacific region as a whole is now below the Philippine rate, even though it was nearly twice as high just two decades ago. In addition the World Bank's Development Indicators shows that income inequality in the Philippines is the worst among East Asian middle-income countries, whether measured by the Gini coefficient or the relative shares earned by the richest and lowest quintiles of the population.

3. Progress towards the Millennium Development Goals (MDGs) is also mixed. Continuing inequality and challenges in meeting MDG targets exist particularly in education, maternal mortality and reproductive health services. Gains made against the other MDGs on a national level, however, hide large disparities between the regions, with lower results in Mindanao and greater achievements towards MDGs in Luzon.<sup>5</sup>

4. The overall governance challenges for the Philippines are well documented, and all post Marcos period administrations have faced a similar range of impediments to reform. High levels of corruption, patronage and elite capture, intractable conflicts with both Moro and Communist rebel groups, weak faith in the electoral system, a poorly resourced law and justice sector with impunity for the most extreme legal violations, weak oversight agencies in government, and largely unhindered executive powers all contribute to restricting reform.

5. At the same time there is strong public demand for good governance. Corruption and improving governance consistently rate as some of the most important issues for

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<sup>3</sup> National Statistics Office Philippines (2010); UNDP (2009) Human Development Report; World Bank (2008) Gross National Income Per Capita.

<sup>4</sup> ADB (2009) Poverty in the Philippines: Causes Constraints and Opportunities, p. 1

<sup>5</sup> UNDP (2007) Philippines Midterm Progress Report on the Millennium Development Goals.



both Philippine citizens and opinion makers. There have been a number of civil society initiatives to bring greater oversight to critical governance questions, and to greater transparency in key expenditure sectors, including AusAID supported activities in education and public infrastructure.

6. The conflict and post-conflict environment in large areas of Mindanao warrants special attention, as it is characterised by extreme poverty, high population growth, a crisis in education and general government services, continued presence of violent extremist groups, unresolved autonomy arrangements between the central government and the Moro National Liberation Front (MNLF) and Moro Islamic Liberation Front (MILF), and limited opportunities for civil society organisations (CSOs) to engage constructively with relatively weak local governments. Implications of the crisis of governance include a large number of transitional and quasi-legal structures with poor capacity, overlapping jurisdictions and uncertainty over internal administrative borders. This results in erosion of the legal environment for CSOs to be active participants in governance issues, particularly where governance is weakest.

7. The overall challenge of weak governance remains a key constraint to all the key development challenges for the Philippines. A 2008 World Bank survey identified “improving governance” as one of the top two priorities for poverty reduction in the Philippines, and the Philippines was the only country in East Asia where ‘improving governance’ was nominated as the most important means to generate faster growth.<sup>6</sup>

### **1.1.2 Civil Society in the Philippines**

8. Civil society can be defined as ‘groups which occupy a space between the household, State and private sector’. This includes: associations, non-profit media organisations, trade unions, networks, coalitions, churches and faith-based organisations, membership-based organisations, people’s organisations, cooperatives, recreational groups, think tanks, and non-government organisations. A more informal understanding and definition of civil society is ‘group(s) of motivated individuals with a common vision and goal to address the needs and concerns of the society’.

9. While it is recognised that the scope and definition of civil society is a contested issue, the proposed coalitions will include as appropriate any actors beyond government that may have an interest in policy and implementation reform. This might for example include the private sector, despite them being outside the definitions of civil society.<sup>7</sup> Government actors in the proposed Program will be those that are receptive to working closely together with civil society actors in pursuit of shared objectives.

10. Although there is no definitive source of accurate figures and much contrary evidence, there are around 500,000 CSOs in the Philippines. See Annex 3 for more detailed description of the sector based on work commissioned to inform the design of

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<sup>6</sup> World Bank Country Assistance Strategy For The Philippines 2010-2012.

<sup>7</sup> Consideration was given to the use of ‘non-state actors’ as a descriptor, however this was considered to be too biased towards security-centric analyses.

the proposed Program. The total CSO estimate includes: non-government organisations (NGOs)–perhaps 50,000; Cooperatives–77,000, of which 30% are operational; think tanks/research institutes–less than 200; media organisations–less than 1,000; and the remainder are People’s Organisations (POs).

11. In the Philippines, CSOs have been in existence since Spanish rule. However, CSOs became most visible in the country’s democratisation process post-Marcos. While many social and political groups were instrumental in ending the Marcos dictatorship in 1986 through the EDSA People Power Revolution, these groups came to be popularly identified as CSOs only in its aftermath – when there was space to recognise the legitimacy of groups that were outside and beyond state control. This history influences their current state and interactions with government.

12. The 1986 revolt against the Marcos regime provided a radically changed *milieu* for state-civil society relations, in which the legal framework was permanently altered in favour of CSOs. The 1987 Philippine Constitution explicitly recognises NGOs and POs as the extension of ‘people’s power’ and enshrines their right to participate at all levels of decision-making. The Constitution includes the following clauses:

‘the State shall encourage nongovernmental, community-based, or sectoral organisations that promote the welfare of the nation.’

‘the State shall respect the role of independent people’s organisations to enable the people to pursue and protect, within the democratic framework, their legitimate and collective interests and aspirations through peaceful and lawful means’, and

‘the right of the people and their organisations to effective and reasonable participation at all levels of social, political and economic decision-making shall not be abridged.’

13. The Local Government Code of 1991 further institutionalises in law the role of CSOs in local processes. It provides for CSO participation in many arenas. Under the Code, CSOs which passed accreditation by local legislative assembly or *sanggunian* are accorded membership in Local Special Bodies<sup>8</sup>. The Code also provides for CSO representation in local legislative bodies and processes, partnership with government in joint ventures in development projects, and as recipients of funds as well as other forms of State assistance. Implementation has however been patchy as many local government units (LGUs) are still resistant to genuine CSO partnership.

14. Recent national plans are similarly supportive, with effective inclusion of civil society in holding government to account an explicit policy in the last Medium Term Philippine Development Plan (MTPDP).<sup>9</sup>

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<sup>8</sup> These include the Local Development Councils, Local Prequalification Bids and Awards Committees, Local Health Boards, Local School Boards, Local Peace and Order Councils, and the People’s Law Enforcement Boards

<sup>9</sup> See <http://www.neda.gov.ph/ads/mtpdp/MTPDP2004-2010/PDF/MTPDP2004-2010.html>

15. Whether this highly enabling legal and policy framework translates into active voice of CSOs and accountability of government to citizens in practice is subject to some debate. While there is lots of literature, including the recent AusAID-supported review by the Civil Society Resources Institute (see Annex 3), there has been no recent substantial assessment of the CSO sector in the Philippines. An assessment using the CIVICUS Civil Society Index is currently underway through Caucus of Development NGO (CODE-NGO), the country's largest NGO network.

16. Drawing on existing sources, a summary assessment using the World Bank 'ARVIN' framework<sup>10</sup> suggests the following:

**Association:** *the freedom of citizens to associate.* With this right protected in the Constitution the Philippines scores well in this respect. Recent International Labour Organization studies note some concerns about intimidation of labour organisers, but generally positive assessments.<sup>11</sup>

**Resources:** *the ability of CSOs to mobilise resources.* There are concerns at a perceived reduction in donor support to CSOs and potential unsustainability among non-membership organisations. Meanwhile alternative sources of funds such as from private sector foundations have grown.

**Voice:** *CSOs' ability to formulate and express opinion.* Media is very strong in the Philippines which suggests a high score in this respect, though recent reports suggest a gradual decline in breadth and depth of CSO voice, and a concurrent decline in the accountability of government.<sup>12</sup> The continuing number of journalists killed in the Philippines also highlights the restrictions on freedom of expression.

**Information:** *CSO access to information.* There is an ongoing struggle to establish rights to information. With the last Congress failing to ratify a Freedom of Information (FoI) Bill current access to critical information (e.g. budget allocations and expenditure) remains at the discretion of government offices. Some successful initiatives have been based on CSO monitoring but even these struggle to access information from their government partners. Early indications suggest positive prospects for FoI Bill under the Aquino administration.

**Negotiation:** *the existence of space and rules for engagement, negotiation, participation and public debate.* Despite the highly enabling policy and legal environment CSOs have struggled to fully occupy the space provided by law and existing policies in practice. This is attributed to a culture of mutual mistrust between CSOs and government based on their historical relations and continuing

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<sup>10</sup> ARVIN details: <http://go.worldbank.org/378AB9OH00>

<sup>11</sup> See [http://www.ilo.org/asia/info/public/pr/lang--en/WCMS\\_114275/index.htm](http://www.ilo.org/asia/info/public/pr/lang--en/WCMS_114275/index.htm)

<sup>12</sup> See WBI Philippines data on voice and accountability at [http://info.worldbank.org/governance/wgi/sc\\_chart.asp](http://info.worldbank.org/governance/wgi/sc_chart.asp)

actions, capacity constraints on both sides, and the consequent limits of meaningful avenues through which to express ‘voice’. In many cases the CSO representation on local development councils is simply for compliance, and there are few opportunities provided by political leaders for genuine CSO contributions.

17. Nevertheless, there are many examples where crucial reforms, including key legislation, have been successfully instituted with CSOs as the main drivers and stakeholders. These include: the law on Violence Against Women and Children; Magna Carta on Women; extension of the Comprehensive Agrarian Reform; Fisheries Code; Urban Development and Housing Act; Renewable Energy Bill; Juvenile Justice Law; Overseas Absentee Voting Act; the Law Against Torture; and the Philippine Cooperative Code of 2008. Other important policies such as the FoI Bill and the Reproductive Rights Bill are currently being pushed by several CSOs, though with no success to date.

18. Most of the ‘success stories’ mentioned above relied on a high level of unity and organisation of CSOs, and a high level of media projection; institutionalised spaces for participation and contestation such as in the National Anti-Poverty Commission (NAPC) and the local special bodies; the capacity of CSOs to engage effectively being adequate; and pro-reform allies in Government supporting the CSO agenda.

19. In summary the Philippines context is one in which poverty is higher than it need be in a country with such resources and economic performance, and a large part of the reason for this is weak governance.

20. However, civil society in the Philippines has a good historical record in holding government to account in the struggle for democracy, and exists in a strongly enabling policy and legal environment, along with a relatively strong and free media. The challenge remains for CSOs to translate these strengths into effective participation in decision-making, and influencing at scale.

## **1.2 Consultation process**

21. During preparation of this design, consultations were held with a range of CSOs, including separate roundtable discussions with representatives from NGOs, cooperatives, research institutes and academe and media. Discussions were held with CSO representatives from Luzon, Visayas and Mindanao to understand regional variances. In addition, there is ongoing research about POs and CSOs in the Autonomous Region of Muslim Mindanao (ARMM) due to the unique characteristics of the ARMM environment. See Annex 3 for a summary of the consultations.

22. In addition, the design team met with government and CSO representatives to listen to the identification of needs, and to test ideas proposed in this design. This included field visits to existing AusAID projects with CSOs.

23. However, the design does not claim to respond to all the needs identified by CSOs and government. The design team chose to focus on facilitating resolution of

some of the issues identified during those consultations, namely the constraints to effective collaboration between various stakeholders for change.

24. The supporting environment for these kind of collaborations has improved markedly during the period of this design. The Aquino campaign for President had notable support from civil society, and a number of key Cabinet members came from CSO backgrounds. The first months of the Aquino Administration has demonstrated a willingness to engage with CSOs on critical policy issues (e.g. decentralisation, transparency in expenditure, social protection) which suggests the enabling environment for the proposed Coalitions for Change has greatly improved.

### **1.3 Other relevant activities**

25. Support for NGOs and other CSOs has been a regular element of Development Partner investments in the Philippines, although it has typically focused more on service delivery rather than CSOs' role in good governance and reform. However, the following sources have each provided relevant experience which has informed the proposed design.

26. **PACAP.** Australian support to civil society has primarily been through the Philippines-Australia Community Assistance Program (PACAP), which has run continuously for 24 years, and to which the proposed Program is a successor. PACAP has had two components: the Responsive Assistance Scheme (RAS) and Focal Community Assistance Scheme (FOCAS). RAS focused mainly on service delivery through the provision of small grants to CSOs; FOCAS supported selected Provinces to implement their priority plans, in particular by providing opportunities for provincial government to partner with CSOs on addressing those priorities.

27. The current Program builds on the experience of both of these elements of PACAP. FOCAS was successful in building effective partnerships between LGUs and CSOs, which was highly valued by Provincial Governments, in the absence of many appropriate models for such relationships. RAS developed effective mechanisms for identifying, screening, funding and monitoring small grants. These established successes will inform the detailed implementation of funding arrangements for the proposed Program. Both were excellent at building relationships and providing informal influence on local development.

28. **Other CSO engagement in Philippines.** In addition, the current Australian program in the Philippines also has the following engagement with CSOs:

- RoadWatch (Bantay Lansangan) in the roads sector, focusing on good governance in roadbuilding under the Philippine Economic Governance Reform Program
- Procurement Watch Inc. (Bantay Eskwela) in the Education sector, focusing on better procurement for school-related supplies

29. The proposed Program has been significantly informed by these experiences, which build enhanced transparency of performance within a collaborative approach between CSOs and government agencies. They illustrate that entry points for constructive engagement between CSOs and Government are possible, even where they involve scrutiny of one by the other.

30. Two further AusAID programs with CSO components have been approved but not yet started:

- The Public Financial Management Program (PFMP) has a specific component focused on CSO engagement in PFM issues. Connections will be developed between this Program and the proposed Program;
- The Human Resource and Organisational Development Facility (HRODF) will provide organisational development support to all AusAID partners. While these are primarily Government of the Republic of the Philippines (GRP) partners, there may also be some CSO partners who will qualify for training or scholarships. This provides a complementary capacity building function to the proposed Program, and it is expected that the CFC team and HRODF team will work closely together to maximise the value of scholarships and other capacity building support for key coalition partners.

31. **Other donor programs in the Philippines.** A number of other Development Partner-supported programs have direct relevance to the model proposed here:

- The Asia Foundation, implementing a series of projects on behalf of USAID in economic governance reform, has facilitated relationships between civil society, private sector and government. The Asia Foundation support for land titling issues provided some of the key elements in recent legislation, complementing AusAID's technical assistance to GRP.
- The Economic Policy Reform and Advocacy Project (EPRA) was a USAID-supported program in the 1990s aiming for strategic reforms in economic policy through civil society engagement.
- The Governance and Local Democracy (GOLD) Project of USAID also had some relevant lessons in LGU-CSO relations, and itself informed the design of EPRA.
- A Canadian International Development Agency (CIDA) civil society support program with some similarities to the CFC Program, but with a greater focus on CSO capacity. The CIDA Local Government Support Program (LGSP) was also a reference point for LGU-CSO cooperation.

32. **CSO managed activities.** The Peace and Equity Foundation (PEF) was formed as an independent non-profit foundation by the CODE-NGO to support the work of civil society in eradicating poverty and marginalisation. PEF's support to CSOs provides some lessons on the capacity of Philippine CSOs.

33. **Other AusAID programs.** The Program is also informed by experience from the following AusAID-funded programs outside the Philippines:

- Pacific Leadership Program, and its approach to civil society leaders and partnership development
- PNG Church Partnership Program, and the inclusive approach to civil society with clear partnership arrangements
- The Indonesian Knowledge Sector Program, and its strategic use of evidence to influence policy and attempts to strengthen policy capacity in CSOs
- Solomon Islands NGO Partnership Agreement (SINPA), for targeted support to one sector of civil society with clear objectives.

34. **Other influences.** The design was also influenced by a host of broader global experiences in working with CSOs in pursuit of accountability outcomes, including DFID application of the Drivers of Change (DoC) approach, CSO programs in Ghana, Nigeria and elsewhere, the World Bank Demand for Good Governance Program in Cambodia, and others.

35. DFID have been implementing a similar program in Nigeria since 2007 (Coalitions 4 Change, or C4C), with the objective of achieving “significant positive changes in selected institutions leading to effective management of public resources and stronger formal accountability”. The program operates through eight issue-based projects on issues such as Extractive Industries Transparency Initiative, Gender Affirmative Action, Affirmation of Rights of Persons Living with Disabilities, and Anti-corruption.

36. Specific program lessons from the implementation phase of C4C include: (i) working flexibly to adapt to fluid situations without losing focus on the goal; (ii) planning for the future by engaging the young; (iii) communicating to all partners is vitally important, including strategic identification of appropriate audiences and messages at coalition level; (iv) ensuring participation through adopting principles of democracy and developing a shared vision; and (v) managing expectations through sharing any concerns of partners early. These have influenced the lessons outlined in the following section.

37. Finally, the proposed design was influenced by recent discussion within AusAID on ‘Good Practice Donor Engagement with Civil Society’, with which it is highly consistent, and the 2007 AusAID guidance on ‘Building Demand for Better Governance’.

## 1.4 Lessons Learned

38. The proposed Program is a relatively new and innovative approach to enhancing the ways that civil society, government and other partners can work together in policy and institutional influencing. There are few relevant examples in the Philippines from which to draw lessons directly, although those that do exist – notably EPRA, Procurement Watch Inc and RoadWatch – provide confidence that conditions exist in the Philippines for success of the proposed approach. There are equally few

international examples which have been able to take the proposed approach, largely because they have been constrained by less-enabling environments for CSO engagement in policy and implementation than that found in the Philippines and have been forced to set their sights lower.

39. The rationale for this approach comes from direct experiences of the possibilities but also from lessons on what approaches would be ideal. It is based on lessons learned on the evolution of approaches, including what did not work and why it did not work – and consequently how it might be able to work better.

**Overview of international lessons:**

40. Supporting and strengthening the space in which civil society and government interact has currency as an international strategy in developed and developing countries. Previous lessons learned from both civil society and donors highlight two broad lessons:

- (i) An adversarial and demand-driven approach achieved greater awareness, voice and knowledge within certain civil society groups, but with less opportunity to influence and input into decision-making processes around policy reform.
- (ii) Strengthening CSOs' understanding of the policy context and how policy processes work, as well as an understanding of what current mechanisms and opportunities exist for engagement and advocacy is critical. Similarly, providing government with examples of positive results from engaging CSOs in policy processes is important in helping create the space required. Both these elements are currently lacking in the sector.

41. The demand side of governance reform is important, and is a piece of the governance equation as knowledge, awareness and voice is a significant step towards empowerment for many excluded and marginalised groups. However, a focus on these demand side elements alone rarely builds meaningful long lasting change as it does not necessarily create the space between civil society and government for constructive engagement. It mainly strengthens only rights being 'voiced' but not claimed, responded to, or actualised. Civil society lessons highlight that there is a large gap in their advocacy strategy as government responsiveness and accountability continues to be lacking, and that advocacy approaches are not working overall. The usual 'bottlenecks' are experienced, where civil society cannot leverage government to respond, nor does civil society understand the entry points which exist for engagement.

42. CFC is a program which recognises and builds on these international lessons and the need for a more open and consistent engagement between all partners for influencing policy change. CFC seeks to strike a balance by providing targeted support to a number of issue-based coalitions to build a critical mass in areas where traction is most likely. This approach marries the demand and supply side actors within a specific area or theme, aiming to act as a catalyst (rather than a driver) brokering linkages between CSOs, the media and government on issues defined and prioritised by them, rather than pre-defined by AusAID or the management team.



43. A summary of specific important lessons is outlined below:

**1. A demand-side focus for civil society support is more adversarial and probably less effective than an approach, which brings both supply and demand sides together**

44. There has been much international interest in recent years in studying civil society engagement in reform processes, from the ODI 'Research and Policy in Development' program<sup>13</sup> and others, and recent efforts by ODE to distil best practice for CSO engagement in AusAID<sup>14</sup>. Current thinking suggests that developing partnerships has the possibility to transform relationships from adversarial ones based on suspicion towards cooperation based on growing trust. An ODI survey of best practice suggested that most successful examples of CSO influence have included some form of long-term engagement with government, rather than confrontation. Equally, ODE's paper finds that inclusion of CSOs in policy dialogue enhanced the possibility that policy will reflect a diversity of needs, and empowers CSOs to monitor the accountability and transparency of governments.

**2. Entry points where government welcomes more effective CSO engagement and values a close working relationship with CSOs exist in the Philippines**

45. A key requirement for the success of the proposed approach is that government is willing to engage constructively with CSOs. Evidence in the Philippines suggests this condition is not universal but will be well-fulfilled. AusAID has two examples in its current portfolio that illustrate the opportunities to different degrees. The engagement with civil society in Procurement Watch Inc is well appreciated by the Department of Education and has blossomed into a very constructive relationship. Despite a less conducive relationship with the Department of Public Works and Highways, the civil society group Roadwatch has still been able to make gains in transparency and accountability of road investments.

46. The USAID EPRA program provided further evidence that constructive relationships can be built in the Philippines, through the establishment of six lines of CSO-government engagement on economic policy in which government agencies were generally found to respond positively to civil society participation in policy reforms. The participatory but non-confrontational character of engagement facilitated mutual respect and good relationships over time. The Renewable Energy Coalition provides another example, including members from civil society, private sector, academe and government, all of which played a key role in passing the Renewable Energy Act 2008.

47. In discussions during the design process for this Program, several government agencies agreed that it was time for a more constructive engagement with CSOs and

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<sup>13</sup> See <http://www.odi.org.uk/work/programmes/rapid/default.asp>

<sup>14</sup> See ODE report at <http://www.ode.usaid.gov.au/publications/pdf/donor-engagement2010.pdf>

that they had strengths and comparative advantage in some areas that would be useful to government. Key members of the incoming Aquino administration have also made public statements about the critical need for all stakeholders to work together for reform.

### **3. Important change can result from government-CSO collaboration, and civil society does influence policy**

48. As described in para 17 above, the Philippines has a good record of CSO engagement in successful policy reform processes. The current Program seeks to build on those successes by adding to the predominantly advocacy-based approach one based on partnerships. This reflects current thinking (e.g. OECD/DAC) on civil society engagement that where possible international actors should work with reformers in government and civil society to develop a shared analysis of challenges and priorities.

49. Procurement Watch, EPRA and C4C all provide examples of successful outcomes from this approach, in terms of policy reform, large savings made from program-inspired changes, and transformed relationships between government and civil society actors. PACAP-FOCAS provides further evidence of the value, as perceived by Provincial government, of constructive engagement by CSOs in issues that are important to government.

### **4. There are a lack of venues, or forums, by which CSOs can constructively engage with government at a policy level**

50. Despite the enabling institutional environment for CSO engagement as described in Section 1.1.2, the review of CSOs in the Philippines summarised in Annex 3 and consultations conducted as part of this work found that there remain in practice few venues or forums, for effective CSO engagement in policy-making and implementation. This reflects the lack of mutual trust between government and CSOs, and the ability of government organisations to avoid such processes if desired.

51. Outside parties such as AusAID have an important role in facilitating such venues through the proposed Program, as illustrated by the examples described so far in this section. But it is the view of both CSOs and government organisations consulted that these forums will not take-off automatically; they will require facilitation to ensure that good working practice and a culture of mutual respect is developed. They will also require financial support.

### **5. Lack of an adequate evidence-base is a key constraint to good policy-making**

52. There is considerable current focus on the role of knowledge generation and knowledge management in development, aimed at supporting evidenced-based decision-making in development processes.

53. It is widely perceived that CSOs are frequently weak users of evidence, largely because they do not have access to timely and relevant information that they may be able to use. The AusAID Knowledge Sector Strategy in Indonesia is a very interesting approach to strengthening public policy through contestable research and policy analysis, in response to expressed demand in Indonesia for such input.

54. While the Philippines' civil society and academic structure is relatively strong, it is not very focused on providing active policy processes with the information for decision-making. Often such groups lack resources to do so, and would benefit from continuing international experience in methods and quality of analysis. The EPRA program was able to successfully provide such support, which enriched policy discussions and policy-making, and were well received by government agencies. The added benefit was a more trusting relationship and greater reliance on EPRA-supported CSOs.

## 6. Appropriate facilitation can assist reform processes

55. The EPRA project provided some lessons on what is needed for successful policy reform in the Philippines through CFC-type processes. One key lesson was that prospects for reform are greatly enhanced if appropriate facilitators are identified. Such facilitators can be found from amongst CSOs, academe or private sector. The characteristics of a successful policy reform facilitator are:

- a) **Competence on the issue.** A facilitator's mastery of the policy issue determines how it will manoeuvre through the maze of interests in the sector to organise its work. Ideally, the facilitator has been a reform champion on the policy issue for a number of years, which has given it the necessary insights to know the limits and possibility of reforms in that sector. It would also then know who the key actors in the sector are, who are open to working collectively with other stakeholders, and which groups will be unproductive to work with.
- b) **Ability to mobilise civil society constituency.** Ideally, the facilitator already has a built-in civil society constituency, which it can readily mobilise to engage other stakeholders in the sector. But with or without a built-in constituency, the facilitator must have the ability to mobilise other CSOs to participate actively in the coalition and promote the civil society agenda in the process of decision-making, if not decision-making.
- c) **Manage consensus-building process to achieve desired policy reform of key stakeholders.** As a reform champion, the facilitator would have their own biases on the subject of reform. However, the facilitator must have the ability to be objective and be able to put the interest of the coalition above its own to achieve a collective decision among key stakeholders.
- d) **Can devote needed attention to the change process.** The facilitator's function demands time, energy, resources and experience. It is difficult to achieve the objectives of the coalition if the facilitator's designated coordinator for the coalition is performing concurrent functions in the organisation he or she represents, as is the case in most of the facilitators.

56. Lessons from EPRA highlighted the time required to achieve the changes envisaged as a key constraint to the Program. It showed that it takes longer than

the three years of the EPRA funding to build relationship among different actors, develop their capacity to effectively engage and influence government and to allow government to appropriately respond.

### **7. Neither CSOs nor government in the Philippines have adequate skills in cooperative working**

57. Discussions with both government agencies and CSOs, and the review of CSOs in the Philippines in Annex 3 suggest that neither are well-equipped with the skills to engage effectively with each other. The historical mistrust, the reliance on advocacy by most CSOs, and the lack of venues and experience for effective collaboration mean that skills will need to be built in both government and CSOs to take advantage of willingness to engage.

58. This is consistent with the AusAID good practice review which suggests that as well as technical capacity of CSOs, attention should also be paid to political capacity of both State and non-State actors – the capacity to forge alliances, provide evidence, contribute to the decision-making process, and influence others to make change happen.

### **8. The importance of basing reform strategy on in-depth analysis of the political context**

59. Current thinking on facilitation of policy reform, including the role of CSOs in that process, highlights the need for a deeper understanding of the context within which programs are working and to design interventions deliberately to match.

60. DFID's global experience with the DoC approach to political economy analysis informed the adoption of the approach by AusAID in Vanuatu (and PNG), with direct effects on the design of the governance partnership program. Use of DoC at the planning stage is considered to be good practice in the AusAID review paper.

61. Other lessons from experience in the Philippines and elsewhere include:

- **Institutionalisation of reforms is an important factor in sustainability and success of reform.** The DepEd procurement reforms were driven by the Republic Act 9184 and DepEd order 59 in 2007 institutionalised the participation of civil society in procurement – so that reforms could not be readily reversed. One of the critiques of PACAP was that its efforts fell outside mainstream structures and processes. The institutionalisation of change is a key pillar in the disciplines of institutional economics and change management – which state that change needs to be brought within the formal and informal rules if it is to be sustained. This is a further reason for good governance requiring both demand and supply sides, since institutionalisation is largely a supply-side function.

- **CSO engagement can be complementary to wider sector support processes.** Procurement watch is an example in which donor support to civil society runs alongside wider supply side engagement in the education sector, contributing to success in the wider program
- **The outcome of reform-oriented governance measures like this is uncertain but can be successful.** Some EPRA reforms were blocked at the last minute, while others succeeded.

62. The lessons described above are built on in this document to propose a Program which:

- Brings together government and CSOs to work together in partnership
- Provides a facilitation role to identify and create venues for dialogue
- Invests in provision of relevant evidence to inform dialogue and advocacy
- Build capacity of government and CSOs to work together effectively
- Provides broad-based funding to facilitate dialogue, maintain momentum, learn lessons, and build relationships

## 1.5 Consistency with Country Strategy

### 1.5.1 New institutional architecture

63. The current Australian Development Assistance Strategy (DAS) for the Philippines covers the period 2007 to 2011, and so will be nearing its end at the time the proposed Program begins. The AusAID country management team expect that the proposed Program will be an important element of that future direction.

64. Furthermore, the institutional architecture for AusAID country-level planning has changed, and will follow these steps:

1. A Country Situation Analysis (CSA) will describe why AusAID engages in a particular country, and in what context;
2. A Statement of Commitment (SoC) at country level will describe a set of priority outcomes to be achieved through AusAID support;
3. Delivery Strategies (DS), one per SoC outcome area, will explain how each outcome is to be achieved;
4. Specific programs will be designed to implement each Delivery Strategy.

65. These four steps are intended to be conducted in sequential order. The proposed Program fits at level 4, but prior to steps 1 – 3 having been conducted. It has therefore been designed in anticipation of future priorities, including a planned role in the Country Strategy for consolidated civil society engagement, but also retains sufficient flexibility in

its approach to ensure the technical content of that support can adjust to the emerging SoC and DS picture.

### **1.5.2 Working with CSOs in the country strategy**

66. AusAID support to CSOs to date has been fragmented and lacking coherence. The proposed Program provides an opportunity to consolidate CSO support into a vehicle that will contribute more effectively to strengthening civil society's role in development challenges, CSO ability to work effectively with government, and will also strengthen the role CSOs play in achieving future AusAID objectives in the Philippines.

67. The proposed Program is designed to be the primary vehicle for Australian support to civil society in the Philippines. It is designed as a cross-cutting Program which ensures that engagement with civil society through the Program is strategically oriented and effectively supported. It will support the current and future objectives of the country program and will work in support of the other AusAID activities, while also pursuing interesting directions identified through its own activities.

68. To fulfil this role the Program has the following features:

- While its purpose is policy influence and institutional reform, its scope is defined by the expected outcomes of the future Statement of Commitment;
- It will introduce new areas and types of engagement with civil society and provide additional support to existing Australian-funded CSO engagements;
- It will have an explicit reform agenda rather than a service delivery agenda, although it retains a Small Grants Scheme similar to that applied in PACAP-RAS;
- Its focus is specifically on supporting effective CSO engagement in reform processes;
- It has a number of design features which ensure that it acts in a coordinated way across the country program, in pursuit of agreed Australian development objectives.

## **1.6 Justification for AusAID involvement**

69. The size of the Australian aid contribution to the Philippines is small in relation to GRP's own budgets and expenditures. Given the size of the country, and the expense of providing services to its population, there will never be enough Australian money to make a significant (MDG-scale) contribution to poverty reduction simply through the financing of service delivery.

70. A more appropriate approach, which builds on Australia's comparative advantage, is to apply Australian funds and expertise in pursuit of targeted change. Strategically-identified transformational investments which are able to leverage Government's own expenditures have the potential for far greater impact than Australian money can deliver on its own.

71. As described in the sections above, there are a number of fundamental reasons why poverty persists in the Philippines despite reasonable levels of economic growth. At the heart of the analysis is declining performance in governance, and the weak accountability of Government to its citizens. This analysis creates an agenda in which a number of important policy and governance reforms are required.

72. The current Australian aid program to the Philippines directs a significant majority of its budget through government channels. Part of its aim is to support supply-side reform in the areas of education, public financial management, local governance, health, peace and conflict issues, disaster risk-reduction and others.

73. The focus on government to government support is appropriate for the bilateral relationship of the Philippines-Australia aid program. However, there is scope for a greater balance in addressing broad development needs, and the role of non-government actors in development. The proposed Program provides a balance to Australia's predominantly supply side support. It supports the Philippines Constitution that enshrined the place of civil society in governance processes. It also recognises the Philippines' history showing the critical role of civil society in bringing about reform. It focuses on strengthening the interaction between the demand for and supply of reform, with the objective of enhancing the effectiveness of reform processes in selected focus areas. It will support CSOs and government to work effectively together with other partners in pursuit of important reform agendas that fit with Australia's agreed areas of focus in the Philippines.

74. Strengthening civil society's role to engage and consult with government in an influencing way is both timely and well received, by both CSOs and government. CSO representatives were very supportive during the consultations. Initial feedback from the Aquino Administration indicates strong support for the Program. The experience of key officials in the Administration working with and within CSOs reflects a general (positive) change in attitudes at the highest levels to collaboration between government and civil society.

75. The justification for Australian engagement in this way is as follows:

- The proposed support is fully consistent with the legal framework in the Philippines, with the current Medium Term Philippines Development Plan (2004 – 2010) and policy statements of the Aquino Administration;
- The proposed Program responds to a clear problem analysis and its approach is supported by key civil society and government stakeholders;
- Entry points for constructive engagement of CSOs and government exist, as do recent encouraging precedents for CSO contribution to progressive policy reform and existing programs sharing elements of the proposed approach within the current Australian program;

- Australia has a long and well-regarded history of engagement with civil society in the Philippines which it would like to continue, with improvements based on lessons learned to date;
- There are no comparable initiatives of scale in the current Australian aid to the Philippines, which is predominantly working with Government agencies;
- This proposed Program will consolidate and provide coherence to Australian support for civil society, which is currently fragmented; and
- Without Australian support to kickstart the process, the proposed approach is unlikely to be implemented; Australian support will assist in the development of new and more effective models of CSO and government interaction which, if successful, may be escalated to a much larger scale.

## 2. Program Description

### 2.1 The Basic Idea

76. The proposed Program will enhance governance of key sectors important for poverty reduction. Good governance requires both demand and supply sides to work together to enhance accountability and responsiveness of all stakeholders.

77. The Program brings together both the demand-side and the supply side of reform into '**Coalitions for Change**', **built on partnership principles**. Government and CSOs will work together in these multi-stakeholder coalitions, with the aim of introducing change that assists government to better meet the needs of its poorer and more marginalised citizens.

78. This approach incorporates lessons from experience to date which suggest:

- The desirability of government and civil society working together in harmony rather than facing-off in an antagonistic and adversarial way
- The potential interest from both government and civil society to engage more effectively together, and consequent entry points for this approach
- The need for 'venues', or processes, through which such constructive dialogue can take place, and the important role of effective facilitation of this dialogue
- The need for better evidence to inform decision-making, and of capacity development to allow both government and civil society to be more effective participants in effective dialogue

#### 2.1.1 Coalition principles

79. For such an approach to be effective, meaningful coalitions must be built. Coalitions will therefore be guided by the following principles:



1. **Partnership.** Demand and supply sides working together in multi-stakeholder coalitions, both government and civil society, together with private sector.
2. **Shared objectives.** All partners in a coalition sharing an agenda for positive change;
3. **Recognition of contributions.** The partnership must be based on the recognition that each partner has a contribution to make, and comparative advantage in some areas, and that working together will maximise the complementarities between those contributions;
4. **Trust.** Partnerships must be based on trust, which will need to be built in each case, that each partner is engaged in the coalition in good faith. This implies mutual accountability between partners, serious engagement by all, and professionalism in the way partners engage.

### 2.1.2 Coalition approach

80. Program coalitions will be working in the difficult and unpredictable arena of introducing reform. If they are to be successful they will need to be:

- **Focussed.** Working on a single issue will enable a clear focus and simplifies membership.
- **Flexible and opportunistic.** The nature of change processes is that they are unpredictable; the coalition will need to be responsive to needs and adjust as required. Not all beneficial strategic activities will be able to be foreseen – coalitions will need to recognise opportunities as they arise, and take them, In particular it will be important to ‘work with the grain’, to take opportunities where reformers or internal actors have already demonstrated some traction.
- **Strategic and outcome-oriented.** It will be important for coalitions to be clear on what they are trying to achieve and focus on that objective so that they do not get lost in the myriad of other challenges or in the detail of pressing for change, and are clear how their various activities are contributing to the end-game;
- **Constructive.** Credible, constructive policy options need to be at the heart of the coalitions’ work. Frustrations are likely during the course of the coalitions’ work, and they will need to respond to challenges constructively at all times to maintain positive relationships and move on together in pursuit of their objectives;
- **Temporary.** Coalitions should exist only to achieve a specific objective; once it is achieved their work is done, although capacity and interest among CSOs to engage may continue;
- **Creative.** Particularly in the use of media to apply public pressure and educate the public, as well as in the means to achieve the policy or implementation reform.

## 2.2 Program objectives

81. The name of the proposed Program is the **Coalitions for Change Program, or CFC**. The higher-level objectives for the Program, and the Components required to achieve them are summarised here:

82. The **Goal**<sup>15</sup> is:

*To improve policy-making and implementation to better meet the needs of poorer citizens.*

83. The **Purpose**<sup>16</sup> is:

*To improve policy and implementation for key areas of governance and service delivery within the scope of AusAID country program objectives*

84. The **Components** that need to be delivered in order to achieve the Purpose and contribute to the Goal correspond to the Program components described below, and are:

1. To **establish** effective government-civil society **coalitions** for change based on identified strategic entry points
2. To effectively use **evidence** based analysis, driven by the needs of government - civil society coalitions
3. To **facilitate and build the capacity** of effective government-civil society coalitions for change

The critical support functions required to underpin these Components are:

- (i) Efficient **funding and management** of all support required for effective government – civil society coalitions
- (ii) Effective **coordination** and complementation of civil society-government support across the AusAID country program

85. All three Components and the two critical support functions need to be incorporated into the Performance Management System to ensure all the elements of success for the Program are covered.

## 2.3 Theory of Change

86. CFC is a governance program, which targets specific funds and technical support to civil society–government partnerships to address challenges and constraints in supply side accountability and responsiveness.

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<sup>15</sup> The Goal represents the higher level objective to which the proposed support contributes but cannot achieve on its own. Note that this may change to nest into future strategic plans for Australian support to the Philippines.

<sup>16</sup> The Purpose represents the primary objective of the proposed support, and can be achieved through the efforts of this program

87. The relationship between transparency, voice, accountability and responsiveness is that awareness and transparency of particular issues helps civil society to express their voice, which in turn helps government to become more aware of the issues that it should be accountable and responsive towards. However, the tipping point for responsiveness is not in the demand against government, the capability to express voice, or the ability to regularly hold government to account. The shift happens most often from a combination of the above factors leading to a transformational change in approach, attitude and behaviours – when progressive positive approaches become institutionalised.

88. A more constructive engagement is likely when mechanisms for dialogue between civil society and government, and inclusion of civil society in decision-making, are in place. An approach that only emphasises building civil society capacity and strengthening its demand side approaches will leave a gap in accountability and responsiveness outcomes.

89. The CFC will therefore develop a partnership and facilitative approach, which has both government and civil society working together on specific issues, building effective voice and capability where needed so that inclusive and people-centred policy development and implementation reform can occur. The Program does not aim to address voice, capability, accountability and responsiveness constraints in wider society. Rather it offers an approach to enhancement of governance which could be replicated beyond Program coalitions and the lifetime of the Program.

90. The CFC adopts an approach in which change occurs through the following process:

- a) AusAID and GRP define the areas of focus of the Philippine program, which provides the broad parameters for CFC;
- b) Several options and entry points within these areas of focus are identified early on through a consultative political economy analysis;
- c) Issues and partners (change agents within government and civil society) are identified and form an issue-based coalition for change;
- d) Issue based coalitions receive resources and capacity-building technical support in order to establish and effectively work in a facilitative process;

so that

- e) Quality evidence and engagement from the issue-based partnership effectively inform and change policy development and implementation;

Additional change processes, beyond specific Program objectives, include:

- f) The positive experience with CSO-government partnership causes Program partners to continue the approach beyond the Program life, and other Government bodies and CSOs to adopt the approach; and
- g) This results in a deeper spread of voice, transparency, accountability and responsiveness within governance of the Philippines.

91. The key role of AusAID is to provide support to facilitate this process, in the absence of forums where such an approach is possible, and to assist the approach to be successful.

92. In moving from Purpose to Goal level, it is expected that the new approach to coalitions for change developed by this Program will influence CSOs in their approach to advocacy, and also influence government in its approach to consultation. Hence, these approaches are likely to be **spread** within government and CSOs; to **improve** existing processes in both direct CFC partners and other organisations; and to **introduce** new approaches into other organisations. Though this evolution may occur organically, the Program logic assumes that institutional change occurs most readily when facilitated, and that additional actions by government and CSOs beyond the direct control of CFC will be required to meaningfully establish these processes.

## 2.4 Coalition for Change Program components

93. The key structure for CFC is the Coalitions themselves. All else revolves around the Coalitions and the steps required to ensure vibrant, proactive Coalitions have the greatest chance of influencing change. Experience from other activities suggests that Coalitions need a few key elements to succeed, and these are echoed in the three components which combine to achieve the expected objective as expressed in the Program Purpose statement. These are:

1. **Establishing coalitions for change.** Establishment of multi-stakeholder coalitions for change based on partnership principles
2. **Evidence base.** Creation and use of evidence required to support change
3. **Facilitating and building capacity of coalitions.** Facilitation of coalitions with adequate capacity to pursue change

94. Each of these is described in sections below.

95. These components will be underpinned by appropriate management of funds and resources, and practical steps to ensure coordination within the AusAID country program for the Philippines (see Section 3).

### 2.4.1 Component 1: Establishing coalitions for change

96. Component 1 includes the identification and establishment of **coalitions for change, using a partnership approach**, as the central Program vehicle. The objective of Component 1 is:

*To establish effective civil society-government partnerships based on identified strategic entry points.*

97. The overall process is as follows:

- a) An analytical and consultative process identifies critical policy or operational issues that constrain development, within the sphere of interest of the Australian country program, and from which a number of potential strategic entry points for reform are identified;
- b) Multi-stakeholder coalitions of CSOs, Government and private sector are established, or support extended to existing coalitions if identified, ensuring that the right players are included;
- c) The coalitions are facilitated by the Program to plan a process, which will result in positive reform of the identified strategic issue, and institutionalisation of new approaches (leading into implementing that plan under Component 3).

### **a) Analytical process and identification of entry points**

98. Entry points are identified through a consultative and analytical process with four elements:

- Consultation with AusAID pillar teams to establish priority issues within their pillars and the wider country program
- Consultation with CSOs and other stakeholders to identify key priorities for reform
- Consultation with government to identify key priorities for reform where a partnership approach would be beneficial
- A political economy analysis to identify which key issues and interventions have potential for change, coupled with potential for large scale impact (see Annex 5 for more detail).

99. This process is described further in section 3.2.

### **b) Establishment of Coalitions for Change**

100. Based on the identification of entry points the Program will identify actors who are active in the relevant area, and are interested in working together to form the basis of the coalition. These will be organisations which:

- Have experience in the issue identified and something to contribute
- Are interested in working together (or are already doing so) in a multi-stakeholder partnership for reform
- Are willing to sign up to the partnership rules of engagement, which commit them to working together
- Are available to engage as needed.

101. The choice of partners will depend on the needs of the particular issue, but they are likely to include passionate, motivated individuals and groups from the following:

- Relevant government stakeholders close to the issue and with an interest in reform
- Reform-oriented policy advocacy CSOs
- Civil society think-tanks or academic institutions
- Media partners with an interest in the issue
- Others as relevant including private sector, specialist NGOs, etc

### c) Preparing and planning Coalition activities

102. Each coalition will develop its own mode of operating, in order to most effectively achieve its own objectives, but a generic set of activities might include the following:

- **Understand** political economy of the issue, the identified entry point, and key players
- **Identify process** for partner engagement, and bring key players together, as well as agreeing on exit strategies
- **Inception:** team building, building trust, skills ... influencing, advocacy, negotiation, partnerships
- **Develop a strategic plan and action plans** for change

103. Identification of specific entry points and coalitions will be driven by the process described in a) above. However, for the purposes of estimating the size and scope of CFC it is likely that the Program will support the following:

- Approximately 16 different issue-based coalitions for change, from the anticipated Outcome areas in the future Australian country program<sup>17</sup>.
- A wide diversity of levels of entry points which might include broad national policy issues, national sectoral or subsectoral policy issues, operational issues related to implementation of national policy in practice, engagement in local governance, area-specific issues (such as conflict affected areas of Mindanao), or specific thematic issues (such as people with disabilities).
- A spread of 'level of difficulty' in terms of likelihood of good working partnerships between CSOs and government, covering a spectrum of contexts from enabling to difficult. This will allow the learning of lessons on what works in different situations. Each of these types of partnership will require different approaches, strategies, tools and tactics to reform. Close monitoring of these will allow the derivation of further lessons on what works across the Program.

## 2.4.2 Component 2: Evidence Base

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<sup>17</sup> The specific detail here will be driven by future developments in the country program from 2011 onwards, and cost parameters

104. All good reform processes need an evidence base to inform discussions and ensure good decisions can be taken. Component 2 is concerned with the information needs of the coalitions for change, and with lessons derived from them. The objective of the evidence base component is:

*To ensure that coalitions for change are informed by appropriate evidence*

105. The key requirement in this component is that the coalitions drive the information requirements so that they have access to information they require to support their objectives and ensure effective reform. Equipped with useful information, coalitions for change will be able to plan implementation strategies that use the information to maximum effect.

106. Five categories of evidence are envisaged under this component:

- **Planning information.** As described above the identification of entry points will be informed by political economy analysis. The delivery of this analysis will be managed under Component 2 of the Program. Other information needs for planning will be identified and commissioned through the partnership process.
- **Monitoring information.** This includes two sub-categories of activity – transparency and performance management:
  - An important element of good governance is transparency, so that information is disseminated as broadly as possible among stakeholders. This might include budget monitoring as currently utilised in the AusAID-funded Procurement Watch Inc. in the education sector, or implementation monitoring as used in the AusAID-funded Roadwatch activities.
  - The Program is designed with a well-resourced performance management system, to track implementation and also progress in delivery of results (Components) and achievement of objectives (Purpose), and to feed management information back to improve implementation.
- **Analytical studies.** Coalitions are likely to identify the need for specific studies to inform their advocacy. These may include policy analysis, identification of policy options, further political analysis, research into reform strategy or advocacy strategy, more detailed research into the nature of specific constraints, synthesis of existing studies, and others.
- **Lesson learning.** This is an innovative Program with the potential to inform development partner engagement with civil society for reform in the Philippines and elsewhere. It adopts a number of new approaches. It will therefore be supported by a well-resourced mechanism for learning lessons to: a) inform Program implementation to enhance its effectiveness, and b) provide lessons for application elsewhere.
- **Dissemination and communication.** A key activity will be to publicise the evidence, knowledge and lessons generated from this Program with the aim of

positively influencing governance, both within the Program and beyond. Creative use of the media will be necessary to extend the messages to partners and the public as appropriate.

107. Information will be commissioned from service providers by the Program, through the coalition process, with some examples of overall Program-level commissioning.

108. In many cases evidence will be provided by organisations that are partners in, and have a specific expertise in, the reform issue concerned. Such partners may be commissioned over a period of time to meet information requirements that emerge through partnership processes, rather than for specified studies.

109. Support may also be provided to enhance the capacity of these organisations to conduct their role effectively. Such support may include tie-ups with international research organisations, also supported by the Program.

110. In this context, it is highly likely that some long-term relationships with key research institutes or think-tanks will be developed. This will enable long-term capacity building relationship with these organisations, and the opportunity to build effective links over time with international research organisations. Core funding to such organisations would be considered as one means of support. In particular links between relevant Australian organisations or universities and Philippine partners will be encouraged. There is an opportunity with CFC (together with PAHRODF) to build long-term research linkages between Australia and the Philippines on issues central to the Australian aid program.

### **2.4.3 Component 3: Facilitating and building capacity of coalitions**

111. Component 3 is the facilitation of the coalitions for change established in Component 1, and building the capacity of those coalitions to effect change. The coalitions will be facilitated by the Program to plan and execute a process which will result in positive reform of the identified strategic issue, and institutionalisation of new approaches. The objective of this component is:

*To facilitate coalitions for change so they are equipped with all the knowledge, skills, processes, attitudes and behaviours they need to be effective at achieving their objectives.*

112. The agenda for capacity development is therefore driven by the needs of the multi-stakeholder coalitions established. This is distinct from a program, which would aim to specifically build CSO capacity. This approach ensures that capacity support has a clear objective and focus.

113. Since the demands of the coalitions drive the facilitation requirements, Component 3 extends its support to all members of the partnership. This includes both CSO and government partners and others requiring capacity support in order to play their agreed role in the coalition effectively.



114. The inclusion of attitudes and behaviours in the scope of potential Component 3 focus is significant because it orients the whole approach towards what partnerships need to be effective and does not limit itself to technical skills and capacities. The inclusion of knowledge, skills, attitudes, and behaviours will help focus on the gradual institutionalisation of improved practices in partner organisations.

115. The focus on facilitation also recognises that the working process for coalitions will not necessarily be a simple linear progress. The reform issues will most likely be contentious with some sections of society, and the problems being addressed are complex and challenging. Therefore it will be important to maintain flexibility in the facilitation and capacity building.

116. Capacity support may be provided from within the Program management team or beyond, with external support contracted as necessary. It is expected that close links will be established with the existing PAHRODF, including some activities for core partner organisations being identified through CFC and funded through PAHRODF (e.g. scholarships).

117. Indicative activities supported under Component 3 include:

- Development and implementation of the coalition strategic plan and action plan for change
- Regular formal and informal meetings, planning, re-planning, review, strategising, sharing, networking
- Commission studies, monitoring, lesson learning, capacity building
- Policy development and implementation influencing – formal and informal
- Linking to service delivery in practice – connect service delivery experience with policy analysis, coordinate with service delivery organisations
- Support reform processes in practice, providing technical support and facilitation to amend policy, procedures, formal and informal rules
- Team building and partnership strengthening
- Training of partners in skills, perspectives, attitudes and behaviours required for effective engagement
- Development of processes and procedures to guide coalitions
- Mentoring the coalition
- Shared learning exercises

## **2.5 Expected Impacts**

118. The expected Purpose level success will be defined by progress within specific policy development and implementation reform processes, in the following areas:

1. **Voice** : Citizens' ability to effectively dialogue in policy processes
2. **Transparency** : Openness in creating and sharing important information
3. **Accountability of Government**: Openness and willingness to engage seriously, valuing and enabling CSO policy dialogue, committing to address identified policy and implementation weaknesses
4. **Responsiveness of Government**: Institutionalised change to improve procedures, policy change, reallocated budgets, improvement of implementation in practice

119. At Goal level, the focus is less on specific policy changes and more on broader positive governance changes:

1. **Spread** new and improved governance models for CSO-government interaction further within partner organisations, beyond CFC
2. **Improve** governance processes existing already in partner and non-partner organisations, beyond CFC
3. **Introduce** new and improved governance models to new non-CFC organisations, beyond CFC

120. More detail is provided on these expected impacts in discussion of the Performance Management System in section 3.5, and in Annex 8.

## **2.6 Summary of overall approach**

121. Pulling together the elements of the Program description above, all the components fit together as described in Figure 1 below.

**Figure 1: Overview of the CFC Program**



## 2.7 Forms of Aid

122. As a signatory to the Paris Declaration on Harmonisation and the Accra Agenda for Action, Australia is committed to the principles enshrined in both these agreements.

123. The CFC Program is a standalone project, rather than an example of either pooled funding or budget support. As described in Section 2 the Program is aligned behind the national legal, policy framework, the latest MTPDP and policy statement of the Aquino Administration. But it is not a program in which development partner support is harmonised.

124. Since the Program is not in direct support of government public expenditure, Budget Support is not justified. Furthermore at present the CFC is experimental, and hopes to demonstrate effectiveness of new ways of working from both CSO and government perspectives. As such it was agreed following discussion with other development partners that it is appropriate for CFC to be led by Australia alone.

125. If successful, and the approaches developed by CFC prove to be beneficial, it is possible that a further phase of support will be forthcoming, to develop the approaches beyond the scope of CFC. It would then be appropriate to consider multi-donor harmonised support.

## 2.8 Working with Government

126. Central to this initiative is a multi-stakeholder partnership approach, in which government is an important partner. The Program is structured around bringing together government and civil society within facilitated processes of constructive engagement.

127. The means by which government is engaged in this Program is through partnerships with civil society organisations in mutually-beneficial coalitions for change. These coalitions draw on the contributions and comparative advantage of both government and CSOs to introduce positive change. The Program moves beyond conventional approaches to civil society engagement based on the enhancement of demand for good governance. It recognises that positive government reforms can arise from choice and positive influence from partners, not only critical voice or sustained advocacy. Good governance is a choice and both government and stakeholders from wider society have a role in defining its direction.

128. The Program is fully consistent with government policy on civil society. As with Australia's earlier support to PACAP the contact government agency for this Program is the National Economic and Development Authority (NEDA). In addition to engagement in coalitions, Government has a role in the Program Board.

## **2.9 Estimated Budget and timing**

129. The CFC Program is designed with a life of 10 years, reflecting the long-term and iterative nature of policy reform. It will be implemented in two five-year phases. However given the complexity of the Program, it will have a phased implementation, with a staggered start up in the first three years, and a specific Program review after two years of implementation in the first phase. In this way, Australia can evaluate the impact of the Program and redirect it as needed, while providing the consistent, long-term resources that are required. Important reviews and external inputs to monitoring performance and quality will include:

- A short 'orientation review' mid-way through the Inception Phase to ensure a common understanding of objectives and priorities;
- A review of the proposed Whole-of-Program-Life Workplan to be produced by the end of the Inception Phase;
- Independent Peer Review inputs at 6, 12 and 24 months into the main Implementation Phase, and thereafter every 12 months between more substantive 3-yearly Independent Progress Reviews.
- A substantive Independent Progress Review at 2, 6 and 9 years into the main Implementation Phase.
- A final evaluation to be determined following the streamlining of AusAID.

130. The proposed grant financing from the Australian aid program for CFC is up to A\$31.8 million (indicative estimate) for an initial five years from 2011 to 2015. Estimated Program costs are based on the continuation of some small grant activities funded previously under PACAP and the implementation of new activities as set out in Section 2 of this document. Actual Program expenditure will depend on the extent to which effective use of the funding can be demonstrated.

131. The Program budget assumes that Australia’s future country strategy has four thematic areas, and that the CFC Program supports four different issues in each theme, with one coalition per issue. As explained elsewhere, the Program is designed to be sufficiently flexible to adjust to future direction and/or scale-up.

132. Given the complexity and experimental nature of the Program, it will have a phased implementation, with a staggered start up in the first two years. The estimated budget for the first three years will be as per the table below.

Coalitions for Change Program Budget Estimate	
<b>ACTIVITY FUNDING</b>	
Establishing coalitions	1,250,000.00
Generating & using evidence	2,000,000.00
Building capacity	1,000,000.00
Small grants	5,100,000.00
<b>TOTAL CONTRACT COSTS</b>	<b>9,350,000.00</b>
<b>TOTAL CFC PROGRAM</b>	<b>9,350,000.00</b>

133. The budget for the succeeding two years will depend on the results of the review done 24-26 months into implementation but would potentially be up to A\$31.8 million.

134. Costs for implementation have been estimated based on experience operating PACAP in the Philippines from 2004 to 2010 and a similar previous initiative.

### 2.9.1 Personnel Inputs

135. It is envisaged that the CFC implementing team will have an office in Manila with a total of approximately 8-10 professional staff. The staff will be phased in over the first 12 months of the Program, building from the baseline studies and early analysis towards implementation of a full range of coalitions across the country program focus areas. In addition, the CFC team will engage a number of administrative staff and short term consultants. It is anticipated that the majority of the Philippines-based staff (long and short term) will be Filipino.

### 2.9.2 Equipment

136. The Program will be able to provide modest equipment or technological support to partner organisations. As part of the CFC Operation Guidelines, the team will outline the conditions for which equipment may be provided. This may include, for example:

- When equipment (including technological support) is regarded as an integral part of the assistance;
- When the equipment (and its use) are regarded as sustainable (including capacity to replace the equipment, if necessary); and
- When the organisation makes a commitment to maintain the equipment and use it as part of its regular functions.

### **2.9.3 Government of Australia Costs**

137. The GOA will provide a grant contribution to the Program tentatively estimated at A\$31.8 million over a period of five years, the majority of which will be directed to the activities of the three components.

### **2.9.4 Partner Inputs**

138. The contributions to the Program of coalition partners will vary depending on the nature of the coalition being supported, the length of the proposed activity, and the requirements of the coalition to achieve the stated objectives. The kinds of contributions that coalition partners might contribute include:

- The provision of personnel required for Secretariat functions of their coalition;
- Costs associated with providing the Secretariat services;
- The continuation of salaries and other allowances paid to any government or CSO employees involved in the coalition work;
- The provision of venues for CFC Program meetings;
- The provision of training venues, administrative support and other inputs (to be negotiated on a case-by-case basis for each coalition).

## **3. Implementation Arrangements**

### **3.1 Management and Governance Arrangements and Structure**

139. The nature of CFC requires a management and governance structure which will reinforce the central principles of partnership, shared objectives, recognition of contributions, and trust. The essential characteristics of coalitions (i.e. focussed, flexible and opportunistic, strategic and outcome-oriented, constructive, temporary, creative) will determine to a substantial degree the CFC management structure.

140. The main implications for the management structure providing support to the kinds of coalitions envisaged will be the need for flexibility to adapt to evolving situations, the need for appropriate facilitation roles to ensure the right support and partnership with coalitions, the need to structure the team around appropriate coalition thematic issues, and provision of all the essential support functions to underpin the work

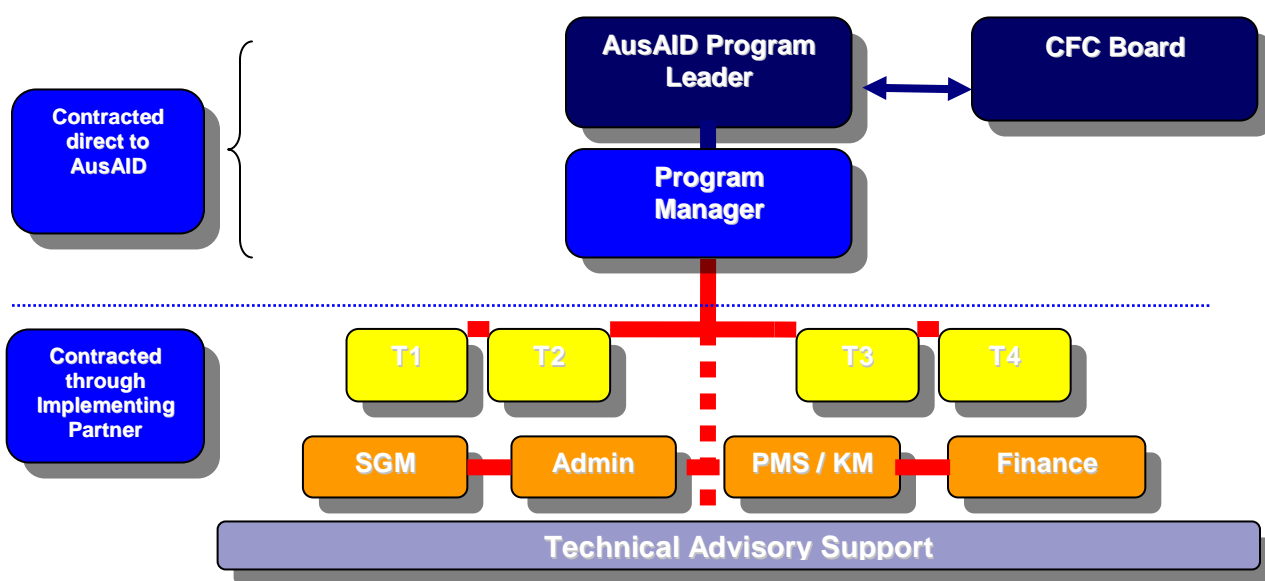
of the coalitions (including knowledge management, good monitoring and evaluation, prudent management of funds and resources, management of grants).

141. On the basis of these considerations, the implementation partner for management of CFC will be a CSO<sup>18</sup>. An AusAID-CSO partnership for implementation (rather than implementation through a managing contractor) offers some advantages:

- It will help ground the Program in a deep understanding and empathy with CSO needs;
- Build the credibility of the Program with CSOs by anchoring implementation directly with a respected CSO partner;
- Provide maximum flexibility in the Program support through a partnership mechanism;
- Maximize the learning opportunities through broad sharing of lessons within the CSO community.

142. Given these implementation arrangements, CFC’s governance structure will comprise a Program Management Team (PMT), overseen by a CFC Board. The PMT will be responsible for implementation of the Program, and the Board will play an advisory and strategic oversight role to steer the overall Program.

**Figure 2. CFC Management and oversight arrangements**



### 3.1.1 Structure of the PMT

<sup>18</sup> See Section 3.1.5 below for further explanation

143. The key positions in the Manila-based PMT are as follows. Positions contracted directly under AusAID:

- **AusAID Program Leader.** This position provides overall leadership for the Program, setting the direction and strategy in coordination with the Board. The PL will supervise the Program Manager in decision-making and planning, as well as ensuring coordination within AusAID. The Program Leader will be an AusAID staff member, for three reasons: a) to provide clear AusAID ownership and leadership for a program which requires proactive, engaged leadership to be effective; b) to manage risks to the Australian country program and ensure that CFC activities do not compromise Australian interests; and c) to ensure strong linkages and coordination between CFC activities and the rest of the country program. This person will also be responsible for bringing international experience and support to bear on the Program. The PL will be located with the CFC team, but will also spend a significant amount of time in AusAID.
- **Program Manager.** This role involves responsibility for delivering a successful and well-managed program, coordinating the team on a day-to-day basis. The PM will report direct to the PL.

144. The Implementing Partner is expected to provide the following positions:

- **Four Theme Leaders (TL).** These are critical and highly challenging roles. Within each identified CFC thematic area, which are themselves based on the wider Australian support to the Philippines, the TL will be responsible for managing all portfolios and other activities. This includes leading the political economy analysis and identification of entry points, engagement in the establishment of coalitions and identification of partners, briefing and facilitation of coalitions, advising and mentoring coalitions, and being active at networking, influencing, and chasing change across the thematic area. TLs may be already working within relevant CSOs, in which case their involvement in CFC can be coursed through that CSO partner, so as to ensure the long-term growth of the CSO whilst benefitting from their expertise in the implementation of CFC. The identification of four posts here assumes four themes in the Australian program (the actual number will be determined once the country strategy is complete). Two TLs will start at the outset of the Program, other TLs will be phased in over the first 12 months to allow for a staggered start-up and to respond to needs as identified.
- **Four Specialists** covering the fields of Performance Management/Knowledge Management, Small Grants Management, Administration, and Finance. These people are responsible for specific technical areas across the Program, supporting the TLs and their respective coalitions. Each will manage small teams of either PMT staff or service providers to deliver results in their area.
- The PMT will also have access to **Technical Advisory Support** on a consultancy basis for support to PMT-level (rather than coalition-level, which has its own budget) agendas. This support may be appropriate for support to developing communication strategies (how to use media for advocacy), or



support on over-arching policy issues (e.g. analysing impact of gender issues, or implications of inclusive policies for people with disabilities).

- **Program support staff** including drivers and administrative/finance assistants.

145. Effective delivery of CFC funding will require a skilled and effective management team. The management team will require the following attributes:

- Capacity to engage effectively, support and lead technical discussions related to partnership agendas
- Planning, management and administration of a flexible reform-oriented and process-oriented program
- Management of a variety of, and large number of, tendering, contracting and funding arrangements.

### **3.1.2 Structure of the Board**

146. The Board will comprise of:

- Civil Society Representatives;
- Senior GRP Agency Representative/s;
- Senior AusAID staff member;
- CFC Program Leader; and
- prominent and respected Filipino representatives from academia and the private sector.

147. The role of the Board is two-fold, representing inward and outward areas of focus. In its inward focus, the role of the Board is to provide strategic oversight to the PMT, and to assist it to develop effective overall strategy to achieve CFC objectives. Its role is not one of approval of specific management decisions but to assist with overall direction setting to which each specific management decision contributes. Responsibility for management decisions within the agreed direction lies with the Program Leader and the Program Manager.

148. The Board's outward focus involves using its position to further the objective of the Program. This will involve supporting and pushing for CFC agendas at senior levels within each Board member's sphere, whether in Government, civil society, or among development partners. In this sense, the Board is a key instrument for gaining 'political' support for CFC reforms, and Board members will be expected to play this role actively, and where needed. Board member selection will therefore be an important process.

### **3.1.3 Facilitating coalitions**

149. The key facilitator of coalitions at their outset is the Theme Leader. In this role the TL draws on other members of the PMT and service providers as needed. The

focus will be on ensuring the coalition has all the attributes necessary to influence change in their chosen area. TLs will themselves work in a joined up way across the PMT to ensure they are in line with shared CFC frameworks, and to promote cross-learning.

150. Each coalition will be resourced through a small Secretariat where needed. The Secretariat will be one of the Coalition members. As the Secretariat becomes accustomed to facilitating the coalition, the role of the TL will evolve to one of adviser, mentor and monitor for that coalition in addition to the broader role of advocate for reform in the theme. See Annex 1 on 'How coalitions will work' for further details.

### **3.1.4 AusAID leadership and internal coordination**

151. This Program responds to AusAID's desire to have a more coherent and targeted engagement with civil society in the Philippines. Civil society engagement has been, and continues to be, a part of the existing country portfolio. This Program is designed to provide the focus for civil society engagement across the country portfolio, supporting and harmonising existing AusAID engagements as well as introducing new engagement where appropriate. It is important that this support is provided in a coherent, 'joined-up' way which adds value to existing commitments, and does not leave this coordination to chance.

152. Therefore, the key staff will be directly contracted to AusAID rather than through an implementing partner. Time and resources have been allocated to ensuring that coordination is a recognised task of the PMT.

153. It is envisaged that the proposed Program will cut across most, if not all, of the future Delivery Strategies identified for development outcomes prioritised under the Statement of Commitment. Functionally, this means it focuses on the main thematic areas defined by the future Delivery Strategies, and any cross-cutting issues within the SoC which bind those.

154. CFC links to civil society engagement in the wider Country Strategy as follows:

- It focuses on outcomes identified in the future Statement of Commitment
- It contributes to coalition dimensions of future agreed Delivery Strategies
- It supports existing CSO engagement in the Program to enhance quality
- It introduces additional CSO engagement within future identified outcome areas, consistent with the Statement of Commitment, driven by its own prioritisation process as described above.

155. The following linkages between the PMT and the AusAID country team will provide the practical coordination mechanisms:

- The Program Leader is a member of the AusAID country team and will participate in team activities as per other members, including the monthly meetings with

various sections. This will enable the PL to maintain an understanding of events, analysis and direction of the country program.

- The Program Leader will maintain dialogue on strategic matters with the AusAID Counsellors and Portfolio Managers and reflect this in CFC decisions.
- The country team will be involved in political economy analysis and entry point selection, as well as providers of advice on coalition membership and service providers.
- The PMT will provide support to existing and new CSO-related activities in the country program.
- The PMT will lead lesson-learning exercises between CFC and the country team.
- The Program Leader will be located part of the time in the AusAID office.

### **3.1.5 Combining AusAID and Implementing Partner roles**

156. Providing the right mix of AusAID leadership and coordination with the practical support roles required to implement the Program will be achieved through a combination of direct AusAID staff and Implementing Partner staff. Whilst AusAID is in a position to directly contract some of the key roles it is not practical to house all the staff internally. There are many potential Implementing Partners experienced in program management who can provide the critical support roles required for a Program of this size and nature.

157. Therefore, a mix of the key leadership roles provided direct by AusAID with support roles contracted through an Implementing Partner is deemed the most appropriate mix.

### **3.1.5 Selecting an appropriate CSO implementing partner**

158. The CFC Program Design Document was peer reviewed on 26<sup>th</sup> October 2010 and approved, subject to a number of revisions. One important decision in response to peer review comments is a recommendation to shift away from procuring the services of a managing contractor to implement the program towards establishing a direct partnership arrangement based on a mutually agreed grant agreement. The rationale for this change is based on three considerations:

- a CSO would be the most appropriate form of organisation for AusAID to partner with, given the strong focus of CFC on developing the capacity of CSOs to play a more effective role in the process of policy formulation and implementation, and the need to establish a high level of credibility among diverse stakeholders;
- need for the potential partner to be an organisation that has a specific commitment to the objective of coalition building for reform. In addition the partner organisation will need to have the necessary in-house competence and facilitation skills to directly support and guide coalitions, expertise and experience on political economy analysis, established local and international civil society networks, and ability to manage a program of CFC's scale while maintaining a high level of flexibility;

- the principles of CFC suggest the importance of being able to demonstrate a relationship that emphasises trust, mutual confidence and respect rather than a commercially-driven engagement.

159. For CFC to have credibility with potential coalition participants, it would be important for an NGO itself to take the lead role in managing the program. However, it was also recognised that many NGOs active in the Philippines (both local and international) often have either strong specific advocacies or close associations with particular groups or networks that may compromise their impartiality and/or willingness to respond to AusAID's views and concerns.

160. It is also recognised that a program of this nature has significant financial requirements to operate month-to-month, requirements that would be beyond the capacity of most national organisations to finance.

161. To address these concerns and review the market of possible partners for the CFC program, Manila Post carried out an assessment of 15 local and international CSOs to determine if a potential organisation can be identified to implement key elements of the CFC program. The result of that assessment was that there were a number of suitable local and international CSOs.

### **3.2 Identification of entry points**

162. Effective selection of entry points will be an important influence on the success of the Program, which justifies the 4-part analytical and consultative process described in Section 2.4.1 above.

163. This approach will also ensure that the identification of entry points is not conducted prescriptively. It will be important for the Program to retain flexibility to follow opportunities for coalitions that arise outside the formal analytical process, for example through convincing suggestions by CSOs.

164. Selected entry points will need to score well against the following selection criteria:

1. Consistency with AusAID program objectives (including impact on poverty);
2. Scale and significance of potential impact if the reform objective is achieved; and
3. Likelihood of success, given the nature of the issue and the proposed reform in the political context; and the quality of the partnership able to be constructed.

165. TLs will be selected for their expertise and familiarity of the Philippines context in the thematic areas relevant to the Australian country program. This raises a number of issues:

- Many coalitions, probably the majority, will fall within specific themes, such as basic education; climate change, environment and Disaster Risk Reduction;

governance, or peace and conflict-affected areas. However some coalitions may be selected which cross-cut these themes, or perhaps relate to higher level objectives, such as for example gender issues, disabilities, or social inclusion. The Program will need to ensure it has the capacity required to support such cases.

- One of the themes is likely to relate to conflict-affected Mindanao. The Program design allows for the same coalition-based approach to be pursued in this situation, despite the additional challenges of working in this context. In this case, the TL selected would be experienced in the specific context, and coalition partners would be the relevant government and CSOs parties to the extent possible. An important consideration would be how the CFC process coordinated with other ongoing processes, to avoid duplication or dilution, but this would be addressed in the political economy and entry point analysis, and in early coalition planning.

166. The justification for the CFC Program is that there are likely to be cases where a partnership approach is feasible, and in particular that Government will be willing to engage. The entry point assessment process will identify cases where there is an enabling environment for reform through the partnership approach. This might be where:

- There is an ongoing policy reform process, such as BESRA in the education sector;
- There is an enabling Act which is ahead of actual implementation in practice – as was the case with the Procurement Law;
- The reform is in line with the legal and policy framework. For example in line with the national development plan;
- There is demand from Government agencies or Local Government offices for CSO engagement.

167. However there will be cases where an enabling environment for reform does not exist. In these situations, not all coalitions will necessarily involve government partners.

168. While it is not the intention of the Program to circumscribe CSO advocacy activities, there may be adversarial or sensitive advocacy agendas which impact on effective functioning of the partnership, to a point beyond which the partnership can no longer be supported by AusAID. This point is defined as the limit of the rules of engagement that all partners sign up to at the beginning of the process.

### **3.3 CFC Funding**

169. Funding through CFC will be to support the work of the coalitions, and the overall management of the Program. The focus of fund management for CFC team will be:

*To ensure that the Program is effectively managed and that coalitions for change have access to the resources they need to be effective.*

170. With the choice of a CSO as Implementing Partner, the primary funding mechanism will be through a grant agreement. The amount of the grant will be approved on an annual basis, based on the work plan and budget for that year. Actual payments will be in tranches throughout the year.

171. There are five main funding streams the Implementing Partner will use to achieve effective management of the Program resources:

- (i) Direct funding of the Program Management Team (PMT) and the CFC Board and their operations
- (ii) Support to the activities of coalitions for change under Components 1, 2 and 3.
- (iii) Funding allocated to specific organisations to support their engagement under Component 2
- (iv) Funding of specific service delivery functions for coalition partners through a Small Grant Scheme
- (v) A fifth funding stream is for small grants which are not directly linked to the coalition agenda, similar to the current PACAP RAS. See section 3.3.5 below for more details.

### **3.3.1 Direct funding of PMT and Board**

172. This funding will be provided through a reimbursable costs arrangement, following the agreed budget outlined in Section 2.9. The budget will be reviewed annually and adjusted as necessary through discussion between the PMT and AusAID.

### **3.3.2 Funding for Coalition Activities**

173. This is the largest budget item, and it covers most activities under Components 1, 2, and 3. Funding for coalition activities will be either provided direct to the Secretariat after approval of a workplan by the PMT, or through smaller sub-projects prepared by the PMT, for example for provision of a training course to coalition members for an agreed capacity building agenda.

174. Some subprojects will be identified by the PMT in discussion with partners, especially near the beginning of coalition processes. However as the coalition matures, plans and recommendations will be made by the coalition members in consultation with the PMT.

175. Subcontracts may be filled by three possible methods:

- Direct contract, following selection overseen by the PMT

- Limited competition, and
- Open competition

176. The appropriateness of each of these will vary depending on the need, and will be identified by the PMT:

- When specific organisations need to provide the services then direct contract may be preferred.
- When there are a range of possible service providers, where it would be desirable to compare a small number of service providers, or where the contract is large then limited competition may be preferred
- When there are many possible service providers, or where there is value to the Program of soliciting a range of ideas or proposals, then open competition may be preferred.

### **3.3.3 Funding to Coalition Support Organisations**

177. The coalitions established by CFC will largely comprise organisations which engage and contribute as part of their normal functions, with payments contributing to core activities of those organisations. These will include individual CSOs or representative bodies with a focus or interest in the specific area in question, government organisations with responsibility in that area, or other organisations with common interests such as Chambers of Commerce.

178. However these coalitions of interested parties will also require some specific support roles, for which service providers would be engaged. Provision is made for short-term and long-term engagements within the budget line described in 3.3.2, but there is also provision for longer-term and more substantial contracts with the objectives of: a) providing the required services, and b) building Philippine capacity to support reform processes effectively for CFC and also beyond.

179. The main anticipated demand for such support is likely to arise within Component 2, to ensure that capacity is developed and maintained at a sufficient quality to deliver evidence to coalitions that they need to support their case for reform. There may also be demand within Component 3 for support in capacity development.

180. Recipients of such support are likely to be Philippine-based academic bodies or think-tanks, whose capacity can be developed for greater national benefit. There may be a case for linking such selected organisations with regional or Australian organisations to assist with their development. It is hoped that CFC will foster long-term relationships between Philippine academic bodies or think-tanks and comparable regional and Australian organisations.

### **3.3.4 Partnership-oriented Small Grants**

181. These Partnership Small Grants are intended to support activities, such as service delivery, by partners. They are specifically intended to provide experience and lessons that will enable the partner to be more effective in their engagement, and hence increase the effectiveness of the partnership. They are not intended as simply a means of enhancing the direct coverage of service delivery, although they will also have that effect. The choice of project will be carefully selected to maximise the lessons learned, and directed in an area where more experience is needed. Judicious use of these grants should enable the Program to assist passionate, motivated CSOs that are operating within the sphere of some of the focus areas but are not yet well established.

182. While the grants may be used as an incentive for effective engagement by CSOs in some cases, these grants will be the exception rather than the rule – they will be reserved for situations where a clear justification for linking up service delivery with the partnership’s reform agenda exists.

183. A beneficial side-effect will be the connections such support will provide with sub-national stakeholders, and especially sub-national governments in receipt of such support. PACAP-FOCAS demonstrated the value of such support in developing good relations at LGU level, and it is expected that the momentum and dynamic of the reform processes supported by CFC will equally benefit from the connections and goodwill made.

### **3.3.5 Independent Small Grants**

184. This second category of small grants exists aside from the rest of the Program, and is a continuation of the PACAP-RAS small grants scheme. Each project will be assessed for quality, but not necessarily for direct contribution to CFC, although many projects are expected to be within areas of CFC interest. The objectives are to finance good work on a small scale, to allow flexibility to respond to requests to the Australian Embassy for support, and to provide visibility for Australian Aid across the Philippines.

185. Like with the Partnership-oriented small grants a valuable expected side-effect of this element of CFC will be the relationships made with sub-national governments and the resulting access and goodwill which will be helpful to CFC reform processes.

186. Further detail on the operation of these funding mechanisms will be elaborated during the inception phase, drawing heavily on the comprehensive manuals developed under PACAP.

187. Both the Partnership-oriented small grants and the independent small grants can be scaled up and down on a yearly basis to absorb expenditure variations from the rest of CFC activities. This flexibility provides a useful funding ‘pressure valve’ to offset any unexpected delays in expenditure.

## **3.4 Implementation Plan**



188. An implementation chart which focuses in particular on priority Activities within the first 6 months of the Program is at Annex 6. This section summarises the activities in the inception and subsequent phases.

189. The key focus of Program management in the first 6 months will be as follows:

1. Establishing the team and its ability to operate within an agreed set of rules
2. Induction and training of the team – the demands on staff raised by the facilitated and reform-oriented approach will be greater than in more routine project implementation modalities. There is lots to learn, lots of strategy to develop, and it is important to build shared understanding and vision within the team
3. Analysis of current situation and prospects for reform
4. Identification of key entry points and establishment of the initial batch of coalitions

190. There are four stages within the inception phase (0 – 6 months):

**Start up** – team mobilisation, initial briefings with key stakeholders and common understanding of objectives of the Program.

**Initial Priority Tasks** – Office and Board established, CFC logo, website, info materials, draft operation manuals/guidelines, fiduciary risk assessment, strategic planning on thematic areas through DoC analysis.

**Development of Plans / Systems** – Performance Management System designed, plans for capacity building prepared, cost work plans created, baseline, grant procedures developed.

**Finalised work plan** – agreed work plans and budget for year 1 – 2, Board meeting, identify key partners and issues, grants to issue based partnerships delivered.

191. After the inception phase are the following phases:

**6 – 12 months:** identify and prepare activities, conduct procurement process and initiate early start up / starters

**Month 12:** first periodic AusAID review aimed at considering emerging approach and directions, amending as necessary

**Months 12 - 36:** continued implementation of established activities, establishment of new projects, sub-projects to enhance effectiveness of achieving objectives, scope with continual review and improvement by PMT, annual and independent program reviews including a formal independent Program review to assess progress prior to 24<sup>th</sup> month.

**Months 36 – 60:** cementing governance achievement(s), spreading scale and scope of project successes, lesson learning, mid-term review month 48

### 3.5 Performance Management System

192. An approach to monitoring performance is set out in Annex 8. CFC's Performance Management System will, from the start, reflect the new architecture of the country strategy, which places Delivery Strategies for the country program's priority *outcomes* at the centre of the analysis. These delivery strategies are yet to be defined, but they are likely to relate to outcomes in strengthening essential services for the poor (including education and sub-national governance), and reducing vulnerabilities (conflict, climate change and natural disasters). CFC's performance will therefore be largely measured in terms of its **contribution** to these higher-level outcomes.

193. Three levels of performance monitoring are proposed (expanded in Annex 8):

- I. CFC's contribution to bringing about positive **change** (in **institutions, organisations and in citizens'** lives and livelihoods), and to testing the **theory of change**, in target areas related to country program Delivery Strategies.
- II. The quality of **processes of civil society engagement** (supported by CFC) in governance, and the response of government and others to that. It will employ normal DAC evaluative criteria to progress within established voice and accountability frameworks.
- III. The quality, scope and scale of **partnerships and coalitions** fostered and supported by AusAID through its CFC Program.

194. Much of CFC's PMS will therefore be qualitative, but no less robust or useful for informing policy dialogue and continuous learning and improvement. Techniques such as *Contribution Analysis* are likely to be central to CFC's performance monitoring system. Stakeholder participation in the identification and analysis of outcomes will be essential.

195. A fulltime Performance Management Specialist will be recruited by the implementing partner, who will develop performance frameworks appropriate to measuring CFC's contribution to country program Delivery Strategies (as they are developed) and bring innovation, best practice and lessons to the process to enable cross-learning among coalitions and inform other program areas of AusAID. Periodic independent<sup>19</sup> peer review of performance is also provided for, as are more substantive Independent Progress Reviews at three-yearly intervals.

196. The PL and the Performance Management Specialist will lead the CFC team in developing a strategic planning framework, integrated with the PMS.

### 3.6 Sustainability

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<sup>19</sup> Although whether this should be retained as an AusAID function will be discussed further

197. The CFC Program is designed to promote a collaborative way of working between civil society, government, and other partners in critical areas of reform in the Philippines. It is envisaged that concrete reforms will result from CFC activities, and the ability of Philippine organisations to influence reform processes will be improved.

198. Therefore, the focus in all aspects of the Program should be on sustainability – of the way of working, of the capacity to work in this way, and of the actual reforms.

199. However, it is expected that both the direct and higher-level impacts of this Program would be resilient over time.

- Direct impacts will materialise in specific policy and implementation changes which will be institutionalised and so would be expected to be sustained over time
- Direct impacts in terms of improved processes within Program partners (government and also non-government) will be institutionalised through Program activities and therefore will persist
- Higher level impacts will require further support in order to be realised, although it is possible that the approaches introduced by this Program will be spread, improved and introduced beyond the Program (see section 2.5).

200. A further possibility is that the approaches adopted by the Program prove to be effective and are adopted by future development partner programs, or by Government itself at scale. In this event, there will be the possibility of addressing new reform priorities as they emerge. The focus on lesson learning within Component 2 will assist this possibility. It is also expected that through the proposed program, CSOs are better able to organize and work together and effectively engage with GRP beyond the program.

### **2.6.1 Defining sustainability**

201. AusAID broadly defines sustainability as: “*the continuation of benefits after major assistance has been completed*”. In relation to the CFC Program sustainability is therefore the likelihood that beneficial outcomes of the Program, such as improved skills, enhanced knowledge, broader and deeper networks, changes in policy or modes of implementing policy will persist for an extended period beyond program implementation.

202. Coalitions may or may not last beyond the life of the Program, depending on their performance and the success of the Coalition against the specific objectives. Sustainability for Coalitions will be measured by what they achieve in embedding new ways of working, and achievements in reforms, rather than life-span of the Coalition itself.

### **2.6.2 Critical Factors for Sustainability**

203. For the CFC Program the following factors will be the critical determinants for achieving sustainability:

- Embedding new ways of working within government and CSOs;
- Development of networking and technical capacity through improved skills and knowledge;
- Ownership of coalitions by driven, focussed groups of people with a commitment to the reform agenda;
- Achieving successful reforms in policy or implementation of existing policies for better service delivery;
- External political and economic factors.

See Annex 2 for further examination of sustainability for CFC.

### **3.7 Overarching Policy Issues**

204. This section discusses six overarching policy issues: partnership, gender, environment, anti-corruption, research, and disability.

205. Overall responsibility for ensuring the overarching policy issues are properly addressed is with the Program Leader. In addition, the PL will identify team members to be responsible for ensuring that each particular policy issue is integrated into the Program activities. This may include developing cross-cutting theme strategies and engaging relevant technical expertise, where needed, in the course of implementation. The Performance Management System that will be developed in the early phase of implementation should include and be able to capture data or information relevant to these cross-cutting themes.

#### **3.7.1 Partnership**

206. The concept of 'partnership' in development is changing. For AusAID innovative programs such as the Pacific Leadership Program, and the PNG Church Partnership Program are challenging what partnership means in power relationships between donors and civil society, and between elected leaders and society. In a broader aid environment the nature of political economy analysis required to have an appropriate level of understanding of the various partners in development reforms is also evolving, with the World Bank, DFID and others leading the impetus on 'thinking politically'.

207. Within this evolving understanding of partnership, CFC is an attempt to adapt some of the best ideas in partnering, in particular for enhancing the relationship of AusAID with Philippine civil society actors, and between civil society and GRP. CFC will be effective in partnership building. Firstly, through capacity building and strategic facilitative support by enhancing civil society capacity to monitor, engage, gather evidence and support a people oriented policy environment. Secondly, and importantly, underpinning the Program itself is a partnership approach and process towards specific advocacy issues (see Component 1) making the partnership process fundamental to the successful outcomes of the Program overall. Finally, the CFC strengthening smaller organisations and their capacity to provide appropriate and relevant services to

vulnerable people through the small grants scheme will be a way to continue to support partnerships built from a long well established and known program – PACAP.

### **3.7.2 Gender**

208. Gender will be built into the Program process from the beginning in the following ways (see Annex 7 for the gender analysis):

1. CFC will allocate resources to address gender governance issues and opportunities identified in the DoC analysis.
2. Identify the gender targets / impacts of each component and issue based partnership.
3. Each partnership will consider within their advocacy issue the gender approaches and processes to achieve greater success in women's empowerment and gender responsive governance.

209. CFC ensures both outcomes and impacts of advocacy projects are gendered, as gender considerations will have occurred from the beginning of the process and the steps and analysis will happen along the way. Taking off from the gender analysis (Annex 7), DoC analysis, identification of issues, formation of partnerships, evidence gathering (disaggregating data) and other coalition activities should be gender sensitive and responsive to ensure that outcomes and impacts of the proposed program are 'gendered'. Gathering information and data on gender equality will be part of the CFC Performance Management System and will also be the responsibility of the partnerships themselves to inform CFC's performance and effectiveness towards women's empowerment and gender responsive governance. The Program will ensure coalitions are aware of the recently launched implementing rules and regulations of the Magna Carta of Women, and the existing Philippine policies and tools like the Philippine Plan on Gender and Development, and the Harmonised Gender and Development Guidelines as these provide the practical tools for ensuring gender concerns are formally addressed.

210. The partnership process itself advocates for the inclusion and ability of both men and women to engage, influence and participate in decision making processes. The implementing partners will include in their reports gender specific information and data. This includes the indicators of progress towards contributing to gender goals, objectives and outcomes.

### **3.7.3 Anti-corruption**

211. This issue is central to CFC's approach. CFC's objective aims for accountability and responsiveness of Government to its citizens. Therefore CFC will specifically address through issue-based partnerships the lack of accountability and the symptoms surrounding poor governance and accountability – corruption, inefficiency and bad performance.

To maintain credibility of coalitions, governance principles should be adhered in the operations of the coalitions. A system promoting accountability of coalition members should be agreed upon among the members at the onset.

Consistent with AusAID-Manila's Anti-Corruption Action Plan, financial management assessments would be conducted to allow AusAID to give assistance, where needed, to the partners for them to do effective financial management.

### **3.7.4 Environment - Climate Change**

212. One of the likely thematic areas for future Australian support is environment and climate change, dependent on the evolving focus of the country program. There is growing scope for a coherent dialogue around climate change and disaster risk management as part of the overall development dialogue in the Philippines. There is need for long-term support to build capacities of civil society and CSOs in policy formulation and implementation around environment and climate change as it is emerging. CFC will give consideration to both environment and specifically climate change policy as a key pillar. This should build on existing Program knowledge, existing platforms, sector budget support, emerging climate change and disaster risk reduction issues.

213. Each coalition will be assessed against the environmental considerations in AusAID's Environmental Management System. Where activities are in an environmentally sensitive location, or where activities will have any positive or negative impact on the environment, unexpected environmental impacts should be monitored and responded to accordingly.

### **3.7.5 Research**

214. As one of CFC's key components is building effective evidence for citizen-government engagement, joining up with the AusAID Research Fund to link national and international research partnerships will be important. The overlap of both the Research Fund and CFC is seen as complementarily as opposed to duplicating, as CFC will draw from research and knowledge which the Research Fund acquires within its own activities. Coordination and sharing of information as well as research partners (e.g. International Think Tanks or Universities) will be key to building a solid foundation of analysis in civil society – government engagement processes.

### **3.7.6 Disability**

215. Disabled People's Organisations (DPOs) are an important part of broader civil society, and have a valuable voice for particularly vulnerable groups. AusAID has a good track record of working with a limited number of DPOs. A Disability Situational Analysis of the Philippines undertaken by AusAID in late 2009 included a recommendation that there should be a strong focus within the Philippines program on working in support of non-government agencies including DPOs and service providers

in partnership with Government. The Situational Analysis notes examples of strong and effective programs implemented through partnerships between Government and non-government regarding disability at local and national as well as effective national and regional multi-stakeholder processes. These include recent consultations on the National Human Rights Action Plan and a recent National Disability Summit organised by the National Council on Disability Affairs. The Program seeks reform on critical policy and implementation issues related to poverty and social exclusion, and supporting partnerships between DPOs and government, at local and central levels would offer an excellent opportunity for the scaling up of good practice.

216. The specific disabilities issues addressed in the Program will be determined during the first six months of implementation, and then on an ongoing basis thereafter. If disabilities will not be a focus area, where appropriate, DPOs will be consulted and disability issues integrated into the Program process across sectors. The program will consider, where appropriate, building disability into Program components and processes in the identification of issues, formation of partnerships, and evidence gathering (disaggregating data).

### **3.8 Risks / Risk Management Strategy**

217. The goal and objectives of the Program are ambitious: achieving policy influence in the Philippines has proven to be difficult for AusAID. While we have a long track record of strong relationships with civil society partners, those relationships have most often been short term in nature and tied to a specific service delivery or output (i.e. primarily transactional as opposed to transformation oriented). Longer-term engagement as envisaged in this Program – which attempts to gather coalitions of committed, active partners from all sides of society to work together on key reform issues – is inherently risky.

218. Drawing together disparate partners to work on complex development issues, over a period of time, with intentions to effect real change, has many significant risks. Tackling critical governance issues such as corruption, accountability to local communities, or providing space for the voice of the marginalised in policy decisions, is difficult. There is much scope for misunderstanding, for government or civil society to retreat from engagement and return to adversarial positions. Overcoming those risks requires a combination of clear communication, positive leadership, sound understanding of the challenges and key agents, and perhaps a little luck.

219. The risk management strategy will therefore be founded on clear, open communications with all partners. The principles of partnership (see Section 2.1) are key to successful implementation, and key to preventing the occurrence of many of the significant risks. One of the most significant principles is that the activities are done ‘in partnership’, meaning each partner must contribute. Having an NGO as the Implementing Partner for CFC will assist in developing this partnership approach.

220. In-depth analysis of the thematic sectors, including stakeholder analysis of the key agents, will also be key to preventing many of the identified risks from impacting on the Program.

221. The AusAID guidance on the five-step process for risk management forms the detailed support framework for the team in managing risks during implementation: (i) Communicate and consult; (ii) Assess the operating environment and context; (iii) Identify the risks, analyse risks, evaluate risks; (iv) Treat risks; and (v) Document, monitor and review.

222. Some of the key risks identified are the following:

- a) AusAID could be accused of interfering in the internal affairs of the Philippines or supporting adversarial to the Government, which could strain the Australia and Philippines bilateral relationship
  - Response: AusAID will partner with CSO operating in the Philippines, which will take the lead in implementing CfC activities thereby enabling AusAID to be involved in policy processes without being over-exposed to such political risks. CfC Advisory Board composed of AusAID and senior and well-respective representatives of civil society, academe, private sector and government, will provide strategic direction, recommendations on approaches of coalitions and advice on risks and will advocate for reforms. Specific reform issues would be anchored on the DAS priorities and will be identified through upfront in-depth political economy analyses. The coalitions will also be facilitated in the context of partnership principles such that partners are expected to adhere to agreed partnership principles and to own the reforms.
- b) Lack of political and/or bureaucratic commitment to reform.
  - Response: clear principles and guidelines for engaging relevant government agency in the coalition. Developing multiple avenues for coalition links to bureaucracy. Robust up-front assessment of the likelihood of commitment to reform.
- c) CFC unable to reach sufficient impact to contribute to significant development change.
  - Response: each coalition will be selected for funding based in part on an assessment of likely impact, and likelihood of achieving the stated objective. Regular monitoring. A clear performance and quality framework for the Program which will include keeping updated on progress against the intended impact.
- d) Coalition approach to policy change may not be successful
  - Response: AusAID will partner with CSO that has the competence in facilitating partnership, expertise and experience on political economy analysis, established local and international civil society networks, and the



ability to manage a program of scale and nature of CfC while maintaining sufficient flexibility. Advice will be sought from Advisory Board. Review will be done periodically including an independent review of the program after 24-26 months of implementation. Implementation will be phased with support beyond third year contingent on the progress towards achieving the expected outcomes. Program will be mobilised in 2011, increasing the chances of success as it timely responds to the Aquino Administration's policy pronouncement for CSO to participate in governance.

- e) Program outcomes (voice, accountability, transparency, responsiveness) are not institutionalised (product and process).
  - Response: the agreements at the outset of the coalition formation will include details on what outcomes are expected to be institutionalised. Regular monitoring will maintain focus on whether those institutionalisation steps are occurring.
  
- f) A CFC supported advocacy project polarises debate in “sensitive” sectors.
  - Response: Solid initial screening and appraisal of projects to confirm project intentions, especially when the project supports advocacy in sensitive areas. Ensure that all sides of a contentious issue have the opportunity to comment on future CFC proposals (and are involved as partners if possible). Intensify facilitation support to work through the issue constructively. Ensure future projects focus on information, dialogue and thinking that empowers (rather than polarises) the debate.
  
- g) Resistance to reform from vested interests means partnerships cannot achieve policy or service delivery objectives.
  - Response: Identify through proactive screening the potential areas for partnerships, including analysis of key stakeholders. Keep abreast of changes in key stakeholders for partnership areas to signal change in environment. Accept that not all coalitions will achieve their objectives. Develop clear exit strategy for coalitions with deteriorating chance of success.
  
- h) Fraud and financial risks
  - Response: Due diligence will be done on the systems of the main CSO implementing partner. Due diligence on the financial systems of CSO grantees would also be done as part of the required process prior to finalising the grant agreements. Basic financial and accounting training could also be provided to CSO partners. Annual audit will be done.



## **Annexes**

1. How Coalitions Will Work
2. Sustainability for CFC Program
3. Summary Paper on CSO status
4. Definitions of Governance Terms
5. Guidance on Political Economy Analysis
6. Implementation schedule
7. Gender Analysis
8. Approach to Monitoring Performance

## Annex 1: How Coalitions Will Work

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This Annex sets out a summary of the ways Coalitions are expected to function. There will be significant variation between Coalitions, given that they will respond to many different policy, institutional and situational needs. They will most likely vary from small groups to large national networks, from working on quite narrow agendas to broader ambitions of change on a large scale. However some elements of the Coalitions will be common, including the principles outlined here below.

### **Coalition principles:**

Coalitions will be guided by the following principles:

1. **Partnership.** Demand and supply sides working together in multi-stakeholder coalitions, both government and civil society, together with private sector.
2. **Shared objectives.** All partners in a coalition sharing an agenda for positive change, around the coalition issue;
3. **Recognition of contributions.** The partnership must be based on the recognition that each partner has a contribution to make, and comparative advantage in some areas, and that working together will maximise the complementarities between those contributions;
4. **Trust.** Partnerships must be based on trust, which will need to be built in each case, that each partner is engaged in the coalition in good faith. This implies mutual accountability between partners, serious engagement by all, and professionalism in the way partners engage.

### **Coalition approach:**

Program coalitions will be working in the difficult and unpredictable arena of introducing reform. If they are to be successful they will need to be:

- **Focussed.** Working on a single issue will enable a clear focus and simplifies membership.
- **Flexible.** The nature of change processes is that they are unpredictable; the coalition will need to be responsive to needs and adjust as required;
- **Strategic and outcome-oriented.** It will be important for coalitions to be clear on what they are trying to achieve and focus on that objective so that they do not get lost in the myriad of other challenges or in the detail of pressing for change, and are clear how their various activities are contributing to the end-game;
- **Problem-solving.** As problems arise, coalitions will need to be able to resolve them and move on together in pursuit of their objectives;
- **Opportunistic.** Not all beneficial strategic activities will be able to be foreseen – coalitions will need to recognise opportunities as they arise, and take them, In

particular it will be important to ‘work with the grain’, to take opportunities where reformers or internal actors have already demonstrated some traction.

- **Constructive.** Credible, constructive policy options need to be at the heart of the coalition work. Frustrations are likely during the course of the coalitions’ work, and they will need to respond to challenges constructively at all times to maintain positive relationships;
- **Temporary.** Coalitions should exist only to achieve a specific objective; once it is achieved their work is done, although capacity and interest among CSOs to engage may continue;
- **Facilitated.** Acting in all these ways will require considered approaches, resolution of disagreements, frequent decisions, financial management, and some administrative load. All of these will be easier to achieve if coalitions are facilitated.
- **Creative.** Particularly in the use of media to apply public pressure and educate the public, as well as in the means to achieve the policy or implementation reform.

## Funding

Initial funding for exploring Coalitions may be provided to civil society organisations with a proven track record in an area of clear interest for Australia’s aid program in the Philippines. However to move beyond the initial exploratory funding a Coalition will need to present evidence of a realistic strategy and a committed and representative membership with appropriate political influence to achieve their aims.

Funding may be provided for internal capacity building of the Coalition members to improve their ability to exercise change (e.g. to develop policy options, or to build a communication strategy). Funding may also be provided for external support to advance the Coalition agenda (e.g. to commission policy papers, or conduct a public awareness campaign).

Funding parameters will need to be flexible to cover many different ways of working on usually intractable issues, but the Program and Coalition partners will have to be mindful of the Australian Government rules on expenditure of Commonwealth funds. See Section 3.3 of the main text for further funding parameters.

## Assessing prospects for success

In order for Coalitions to have clear objectives the Partners must agree on what conditions would satisfy success for the Coalition, and similarly agree on what conditions will signal that the Coalition has failed (e.g. certain period without progress, lack of linkage or influence with decision makers). If the conditions that signal progress are not met, the Secretariat will have the authority to fold up the Coalition activities.

An assessment of the prospects for success of each Coalition will be conducted by the CFC team in collaboration with Coalition members. The assessment will cover characteristics such as the following bullet points, assessed against both national and sub-national levels depending on the desired level of impact:

- Access to knowledge and evidence-generation on the issue
- Linkages to the constituency affected by the issue
- Linkages and influence with decision makers
- Ability to raise awareness of the issue in the public
- Monitoring implementation of changes

### **Membership/Size**

There is no set size or membership - Coalitions may be small groups, or may be broad national groupings. Small, concentrated groups will most likely be appropriate for the initial phases, expanding as needed once the basic issue analysis is complete and a strategy for reform identified.

The Secretariat will be tasked with assessing which organisations have genuine interests in the issue, and inviting new partners and assessing the capacity of potential partners. Having these responsibilities within the Secretariat will encourage them to police membership as they will also have a vested interest in only engaging with serious partners.

### **Secretariat functions**

Coalitions stand most chance of success where they are driven by local actors who clearly understand the political economy of change for their area of interest. Therefore, the CFC team will be a facilitator and catalyst for Coalitions, but once established it is vital that the drive for the Coalition comes from within the Coalition members.

In order to have a properly functioning Coalition it is envisaged that each will need a formal Secretariat nominated from within the membership. This may be an organisation or in some cases individuals. It may be a fixed role or rotate amongst members. The only conditions from the Program are that the Program team will need to approve the choice of Secretariat (as funding will be channelled through the Secretariat for coalition activities), and there must be a clear terms of reference for the Secretariat so that all members are clear about the limits of Secretariat functions.

### **Grievance Process**

The principle of partnership will guide resolution of disputes within the Coalitions. Each member of the Coalition will be expected to sign up to a Partnership Agreement, and the content of that Agreement will be the product of upfront discussion amongst Coalition members.

Each Partner organisation will have the right to exit the Coalition at any time. Should a Partner wish to change the direction, strategy or focus of the Coalition the issue should be discussed amongst all members at the regular Coalition meeting. The important principle is that issues are addressed in terms of a partnership, so that all voices are equally heard, not just AusAID or the Secretariat or the dominant member. If members of a Coalition are not able to resolve their internal disagreements they will be able to request the Program team to facilitate discussions amongst Coalition members. Should this step fail to resolve the disputes the members shall decide whether to close the Coalition or to continue with different members.

### **Exit Strategy**

All Coalitions will come to a close at some point. Some Coalitions will continue beyond the life of the Program, while others may complete their work or wrap up from lack of progress during the Program. Acknowledging this at the outset will help members with the discussion around time frames for achieving change.

An exit strategy is an agreed series of actions to be taken to close down a Coalition when certain conditions are met, either positive or negative. For example if the desired policy or implementation reform is achieved, or if conditions change and the focus of a Coalition is no longer relevant.

Exit strategies will be part of the initial partnership discussions for each Coalition so that Partners are clear what conditions (either positive or negative) will constitute reasons for closing down a Coalition.

## **Annex 2: Sustainability for CFC Program**

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### **Background**

The CFC Program is designed to promote a collaborative way of working between civil society, government, and other partners in critical areas of reform in the Philippines. It is envisaged that concrete reforms will result from CFC activities, and the ability of Philippine organisations to influence reform processes will be improved.

Therefore the focus in all aspects of the Program should be on sustainability – of the way of working, of the capacity to work in this way, and of the actual reforms.

This Annex is designed to provide an overview of the approach to achieving sustainability for the Program through a brief outline of the sustainability strategy, and a matrix which outlines the specific steps undertaken at each level to implement that strategy.

### **Defining sustainability**

AusAID broadly defines sustainability as: “*the continuation of benefits after major assistance has been completed*”. In relation to the CFC Program sustainability is therefore the likelihood that beneficial outcomes of the Program, such as improved skills, enhanced knowledge, broader and deeper networks, changes in policy or modes of implementing policy will persist for an extended period beyond program implementation.

Coalitions may or may not last beyond the life of the Program, depending on their performance and the success of the Coalition against the specific objectives. Sustainability for Coalitions will be measured by what they achieve in embedding new ways of working, and achievements in reforms, rather than life-span of the Coalition itself.

### **Means of building sustainability within CFC activities**

There are a number of important ‘foundations’ of sustainability which form the basis for the targeting of Program strategies:

- i) Individual capacity (skills, knowledge, attitudes)
- ii) Institutional and organisational capacity (including applicable systems, processes and procedures)
- iii) Effective relationships (partnerships)
- iv) Effective leadership (formal and informal)

The CFC Program team will use these foundations in conducting sustainability assessments of each of the coalitions.



### Critical Factors for Sustainability

For the CFC Program the following factors will be the critical determinants for achieving sustainability:

- Embedding new ways of working within government and CSOs;
- Development of networking and technical capacity through improved skills and knowledge;
- Ownership of coalitions by driven, focussed groups of people with a commitment to the reform agenda;
- Achieving successful reforms in policy or implementation of existing policies for better service delivery;
- External political and economic factors.

The long-term critical factors for sustainability as outlined above form a series of reference points that were considered in the design of the CFC Program. The steps to address each critical factor are summarised below:

Critical Factor	Sustainability Strategy
Embedding new ways of working within government and CSOs	<ul style="list-style-type: none"> <li>▪ Coalitions will be established on a foundation of partnership, with Partnership Agreements negotiated and signed amongst coalition members as the first step. This will clearly state what each partner can expect from others, and enshrines the new relationships between coalition partners.</li> <li>▪ CFC staff will reinforce collaborative ways of working within coalitions through all the capacity building efforts of the Program.</li> <li>▪ Coalitions will utilise existing structures for CSO-government collaboration where appropriate, and overlay new partnerships and the partnership agreements on those structures. For governments formal instruments (e.g. department order) can be used to reinforce new ways of working.</li> <li>▪ As coalitions mature CFC staff will reduce involvement, Thematic Leaders will move back from direct involvement in coalitions to mentoring and advising roles.</li> <li>▪ Secretariat role will be undertaken by a coalition partner, overtime this will embed the facilitation skills within member organisation.</li> </ul>
Achieving successful reforms in policy or implementation of existing policies for better service delivery	<ul style="list-style-type: none"> <li>▪ The political economy analysis will identify likely areas of traction in reform processes. These will be critical to ensuring time and resources are directed to appropriate reforms with some likelihood of success.</li> <li>▪ Assessing coalitions against the likely success factors such as their links and influence with decision makers, their links to the constituency affected by the issue, and their access to knowledge and evidence-generation on the issue will help</li> </ul>

	<p>identify what coalitions need to be able to effectively pursue their chosen reform agenda.</p>
<p>Ownership of coalitions by driven, focussed groups of people with a commitment to the reform agenda</p>	<ul style="list-style-type: none"> <li>▪ Stakeholder analysis by CFC team of the issue will identify active, driven groups with a commitment to promoting change.</li> <li>▪ Coalition members plan, implement and manage their own agenda with CFC assistance.</li> <li>▪ CFC support is to facilitate all the elements required for effective coalitions, but the drive for coalitions will come from member organisations.</li> <li>▪ Funding for coalition activities will be mostly provided direct to Secretariat based on proposals developed by the coalitions, with review and oversight functions from CFC team. Therefore the activity management skills will be developed within member organisations rather than within CFC team.</li> </ul>
<p>Development of networking and technical capacity through effective skills transfer</p>	<ul style="list-style-type: none"> <li>▪ Thematic Leaders will assist in establishing practical connections between relevant coalition partners.</li> <li>▪ Capacity building will be through direct mentoring and coaching, or specific training activities targeted to address identified needs, and provided either through the CFC team or by external providers when required.</li> <li>▪ Capacity building needs will be identified through internal consultations within coalitions, with CFC team providing suggestions based on international and national comparisons.</li> <li>▪ Peer to peer learning will be encouraged, so that coalition member organisations learn from each other and are able to build on complementary strengths.</li> <li>▪ Each coalition will be assisted to complete an upfront assessment of internal capacity needs for member organisations.</li> </ul>
<p>External political and economic factors</p>	<ul style="list-style-type: none"> <li>▪ Changes in political leadership at national or sub-national levels can dramatically alter the likely sustainability of Program efforts. Building awareness of such potential changes into the way member organisations work will help in improving ability of members to take advantage of evolving external factors.</li> <li>▪ The Program Risk Matrix identifies key external risk factors, and will be updated regularly as the external factors change.</li> </ul>

## **Annex 3: Summary Paper on CSO Status**

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### **A PRELIMINARY MAP AND ANALYSIS OF THE CURRENT STATE OF PHILIPPINE CIVIL SOCIETY ORGANISATIONS (Integrative Paper)**

#### **INTRODUCTION**

This document seeks to synthesise the findings of four separate but related studies on the current state of the following civil society sub-sectors in the Philippines: (i) development non-government organisations (NGOs) (ii) think tanks (iii) cooperatives, and (iv) media civil society organisations (CSOs). The studies, which contain a mapping and a S-W-O-T (strengths-weaknesses-opportunities-threats) analysis of each of the sub-sectors, were done by fellows and consultants of the Civil Society Resource Institute (CSRI) as commissioned work for AusAid – as part of the latter’s design process for a “Civil Society Fund”, a funding mechanism envisioned to focus on the demand for “good governance” by civil society organisations.<sup>20</sup>

#### **About the AusAID “Civil Society Fund”**

The Civil Society Fund is intended to be the successor of PACAP, an AusAID funding mechanism focused on the delivery of social services that is ending this year. The aim of the new mechanism is to assist CSOs in their goal of demanding and achieving good governance -- transparency in governance, more accountable institutions, sound and responsive public policy, effective policy implementation, better service delivery – towards the direction of systems-wide change.

The studies on the four sub-sectors were deemed necessary in the crafting of the new initiative. Thus far, the studies have been validated by a number of key informants through individual interviews and focus group discussions (FGDs) for NCR-based CSOs organised by AusAID and CSRI on March 5-6, 2010.<sup>21</sup> Initial findings are to be examined further by an AusAID Mission in mid-March and another round of FGDs will be conducted by the end of the month, this time, to consult key informants from CSOs that are based in the Visayas and Mindanao. The papers and the FGDs are expected to inform the design process of the AusAID Mission.

#### **About This Paper<sup>22</sup>**

This paper draws heavily from abovementioned studies and FGD results. The goal of this paper is not to present additional data or analysis, rather, to capture the highlights and synthesize the

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<sup>20</sup> Dr. Fernando Aldaba and Annie de Leon-Yuson have been the main representatives of CSRI for this project.

<sup>21</sup> The list of key informants is found in the studies and the documentation of the FGDs.

<sup>22</sup> This paper was written by Carmel V. Abao, faculty member of the Political Science Department of the Ateneo de Manila University, for the CSRI.

major findings of the four studies so as to provide AusAID with the “big picture” of the current state of CSOs in the country.

The paper is organised into four major sections. The first section (this section) discusses the objectives of AusAID in commissioning this paper as well as the objectives and organisation of this particular document. The second section presents the framing of the location and role of CSOs in Philippine democracy and development. In this section, a broad, all-encompassing definition and description is presented, followed by a more specific framing of the role of each of the four subsectoral CSOs. The third section presents a summary of the various S-W-O-T (strengths, weaknesses, opportunities, threats) analyses done by the different researchers.<sup>23</sup> It is organised along three main themes (i) on the presence and location of CSOs (ii) on the external environment: interplay of CSOs with government, interplay with business and inter-civil society dynamics, and (iii) on internal development and organisational capacities. Common or cross-sectoral trends and issues are presented in this section. The fourth and final section discusses the implications of ideas presented in the preceding sections on AusAID’s design process. The ideas therein are culled largely from recommendations generated during the focus group discussions.

## **ROLE OF CSOs IN PHILIPPINE DEMOCRACY AND DEVELOPMENT: A LOOK AT FOUR SUB-SECTORS**

### **Broad Framing:**

#### **The Meaning Of “Civil Society” And The Role Of Philippine CSOs**

Although “civil society” is a highly contested political concept, it is often broadly defined as the “space” or “arena” or “sector” that is “between the state and the market”. Civil society organisations (CSOs) are thus defined as groups that “are organised independently of” and “operate outside of” but “interact with” the state and the market. The most fundamental attributes of CSOs lie in their nature as voluntary, non-governmental, non-profit groups, and, in their *raison d’etre*, that of making claims and demands on government based on certain organisational principles and interests<sup>24</sup>. In operational terms, this broad definition means that civil society engagements are borne out of internal, organisational thought-and-decision-making processes that are autonomous or free from external impositions. This framing can be considered as a catch-all definition that encompasses a variety of non-government and non-profit groups that interact with government and business: socio-civic organisations, professional organisations, academe, media, churches, people’s organisations (POs), non-governmental organisations (NGOs) and cooperatives.<sup>25</sup>

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<sup>23</sup> The researchers are: (i) Randy Tuano (of CSRI and the Ateneo de Manila Economics Department) for the study on NGOs (ii) Jennifer Santiago-Oreta and Carmel Abao (of the Ateneo de Manila Political Science Department) for the study on think tanks (iii) Roberto Mina (of CSRI) for the study on cooperatives, and (iv) Jeremiaiah Openiano (of the OFW Journalism Consortium) for the study on media CSOs.

<sup>24</sup> Sometimes, these organizational principles and interests are couched in ideological terms. Others frame them as developmental-political objectives and/or humanitarian aims.

<sup>25</sup> These categories can be found in Randy Tuano’s subsectoral study on NGOs. Also found in Miram Coronel-Ferrer (1997), titled “Civil Society: An Operational Definition.”

It is this “autonomy-interaction dynamic” that is often examined in the many debates and studies on civil society (this study included). It is also within this dynamic that the diversity of types and roles of CSOs – as well as the varying degrees of interaction with each other, with government and with business -- become discernible.

From the “autonomy” lens, several issues often come to the fore. Firstly, there is the issue of government regulation because while CSOs are not supposed to be organised much less run by government, they fall within the ambit of social regulation. *What then is acceptable (non-interventionist) governmental regulation? Shouldn't CSOs be self-regulating?* Secondly, the internal governance of CSOs is often held into account: *How do CSOs make decisions? Are CSOs democratic? To whom are they accountable and are there clear mechanisms to hold them accountable? How do CSOs sustain themselves financially? How do CSOs strengthen themselves organisationally?* From the “interaction” lens, the issue of cooptation is often deemed crucial. *Where is the line between pressure politics, negotiation and cooptation? What is the role of CSOs in partisan politics, particularly in leadership change (elections)?* In other words, CSOs can be viewed and analysed based on their organisational and political standing in society particularly vis-à-vis societal change or reform processes.<sup>26</sup>

In the Philippine context, CSOs became most visible in the country's democratisation process post-Marcos. While many social and political groups were instrumental in ending the Marcos dictatorship in 1986, similar groups came to be popularly identified as CSOs only in the aftermath of this dark side of Philippine history – when there was space to recognise the legitimacy of groups that were outside and beyond state control. Philippine civil society thus reflects the multiplicity and contestation of ideas often associated with the process of consolidating a democracy. Most, if not all Philippine CSOs – regardless of (official and/or self-) definition, size, interests, ideology, physical base, areas of operation and other such particularities -- are involved in the diffusion or redistribution of power and wealth in Philippine society. They are key non-state stakeholders in Philippine democracy and development.

As mentioned earlier, the overarching goal of CSOs is to make claims and demands on government based on certain organisational principles and interests. In the Philippine setting, two important additions to this proposition have to be made: (i) CSOs often serve as an “alternative” to government in terms of service provision that the latter fails to deliver sufficiently and/or effectively; claim-making thus becomes a matter of “alternative model-building”, and (ii) CSOs may also serve as self-help organisations where members engage in mutual aid regardless of the absence/presence of assistance from government or the private sector (business). In other words, in terms of the delivery of certain services and the institution of particular reforms, the presence of Philippine CSOs can be felt on both the demand and supply side of the equation.

Furthermore, it must be noted that in the Philippine setting, the boundaries of CSO organisational and political action are defined by a policy or legal environment that recognises the validity and significance of non-state actors in democracy and development. The 1987 Philippine Constitution contains several provisions that underpin this “formal” recognition, e.g freedom of assembly and association, freedom of the press, social justice provisions, rights of the youth, rights of women, right to suffrage, private sector as partners in development, recognition of cooperatives. The Philippine Congress has also produced a good number of

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<sup>26</sup> Another oft-used term to describe autonomy-interaction dynamics is ‘embeddedness’.

pertinent legislation (e.g the Local Government Code of 1991 stipulates for the participation of NGOs and sectoral groups in local development planning). There are, of course, continuing debates within civil society circles regarding the sufficiency and relevance of these laws. It is commonly held, however, that the Philippine legal system, to a large measure, has created a policy environment – at the national and local levels -- that encourages rather than restricts the flourishing of CSOs in the country. This conclusion can be easily gleaned from the sub-sectoral papers accompanying this report.

Notwithstanding the presence of a friendly legal or policy environment, CSOs are now faced with a societal context where anti-democratic forces are clearly at play. In the past five to eight years, political instability has been the order of the day, given the legitimacy issues leveled at the administration of outgoing Philippine President Gloria Macapagal Arroyo. This instability was wrought by the surfacing of taped conversations between the President and an official of the Commission on Elections (COMELEC) about alleged arrangements to rig the 2004 elections in favor of the President's candidacy. Very recently, the entire country was witness to an unspeakable election-related violence – the Maguindanao massacre – that resulted in the deaths of more than 50 citizens, 31 of whom were members of the Philippine press. All of those killed were civilians and most of them were women. It may not be an understatement to conclude that today, Philippine democracy, at best, is weakening and at worst, failing. This fragile democracy will soon be put again to a test with the upcoming first-ever automated national elections in May 2010 now generating fears of a “failure of elections”.

Crisis moments are not unfamiliar episodes for Philippine CSOs. These groups have survived major political moments such as EDSA 1, EDSA 2, and the many coup attempts launched against practically all of the Philippine governments post-1986. A significant number of CSOs, in fact, have challenged and thereby mitigated the ill effects of dramatic displays of abuse of authority such as Marcos' dictatorship, Estrada's plunder, and, Gloria Macapagal Arroyo's instigation of a culture of impunity.

CSOs have also been quick to respond to communities ravaged by environmental disasters such as the floods brought by Typhoons Ondoy and Pepeng in 2009. Needless to say, the presence of CSOs can be felt in trade union strikes, urban poor settlement demolitions, and, struggles of rural workers and farmers such as the fasting and long walk of Sumilao farmers from Bukidnon, Mindanao all the way to Malacanang in Metro Manila. CSOs have also been at the forefront of the advocacy to reduce social inequities, particularly gender inequality between Filipino men and women, and, discrimination against gays and lesbians.

Indeed, a revisit of the state of civil society in the Philippines is in order. At this current juncture, at least two key questions need to be asked – given their level of organisational level: *What can CSOs do to expand positive, democratisation gains made in the past? How can CSOs arrest the further erosion of an already fragile democracy?*

### **Description Of The Four Sub Sectors And Their Particular Roles**

For the purpose of aiding AusAID's design process, Philippine CSOs are herein categorised into four subsectors that can be divided further into a number of subgroups. Such categorisation allows for a better understanding of the diversity of roles that CSOs play in Philippine politics and society.

### Non-governmental organisations (NGOs)<sup>27</sup>

More often than not, Philippine NGOs are inadvertently lumped with people's organisations (POs). This is because NGOs usually work in tandem with POs and this alliance is commonly labeled as a partnership, i.e NGO-PO partnership. Institutionally speaking, however, there is a clear demarcation between these two types of organisations. NGOs are "intermediate agencies and institutions that tend to operate with a full-time staff complement and provide a wide-range of services to primary organisations, communities and individuals... NGOs are also typically 'middle class-led and/or managed' because of the attraction of the class to an alternative social vision that the business nor the government sectors do not provide".<sup>28</sup>

POs, meanwhile, "are membership-based organisations formed largely on a voluntary basis that function as community-sector, or issued based primary groups at the grassroots, are bonafide associations of citizens with demonstrated capacity to promote the public interest and with identifiable leadership, membership and structure".

The role of Philippine NGOs – often, in partnership with POs – is best revealed by the many activities that these groups undertake: "education, training and human resource development and community development, sustainable development and environmental protection activities, health and nutrition, enterprise and livelihood development, general and development, social services, microfinance and cooperative development". Because of the myriad of functions that NGOs fulfill, they can be categorised into several typologies. The other subsectors discussed in this paper, in fact, can be identified, to some measure, as NGOs.

### Think tanks and Policy research institutes

Think tanks and policy research institutes are "CSOs engaged in research and policy advocacy". These types of CSOs proliferated post-1986 when space for the development of proposals on how to rebuild Philippine democracy opened up. Today, Philippine think tanks not only contribute to policy development, some delve into the intricacies of policy implementation, both at the national and local levels. Some of these think tanks are unabashedly ideological while others attempt to focus more on the technical requirements of policy development. The multiplicity of ideas has, at the very least, articulated the various facets of social and political concerns that beset Philippine governance and politics.

The various types of think tanks and policy research institutes in the country are separated by the extent to which their "intended publics" are identified. Those with a target constituency and clear ideological and/or political starting points are often called advocacy think tanks. Resource-base think tanks and research institutes, meanwhile, usually cater to a more general political public and do not identify themselves with any particular group or sector. Most of these institutes are found in major universities in the country.

Different think tanks and policy research institutes hold different expertise but all share one common feature: they are all in the business of knowledge production and dissemination. As

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<sup>27</sup> It should be noted that while the commissioned AusAID paper focused on NGOs, the roundtable discussion between AusAID and NGOs on March 5, 2010 surfaced the need to draw in POs in the envisioned Civil Society Fund.

<sup>28</sup> Refer to subsectoral study by Randy Tuano.

such, think tanks have played a major role in generating ideas that have been translated into public opinion or public policy or political action. In most cases, these ideas have served to challenge those forwarded by governments (and other social entities such as the business sector and the Church sector). In other instances, they have served to advise and directly influence decisions of the executive and legislative branches of government.

### Cooperatives

Cooperatives are not entirely “non-profit” since they generate incomes and distribute dividends to their members. Unlike corporations or other such profit-oriented enterprises, however, cooperatives are, fundamentally, organisations of the poor aimed at self-help and economic empowerment. As such, cooperatives are well within the definition of “civil society”.

In the Philippines where almost thirty percent of the population lives below the poverty line, cooperatives have made crucial contributions. They have served as safety valves for the poor particularly by making credit available and by producing goods and services that are easily accessible and affordable. Even the 1987 Philippine Constitution explicitly recognises the role of cooperatives as partners in Philippine development.

Cooperatives are classified into “Primary” cooperatives (i.e members are individual persons), cooperative “Federations” (i.e members are three or more primary cooperatives engaged in the same line of business or cooperative enterprise. Federations can be organised regionally or nationally), “Union” of cooperatives (i.e members are primary cooperatives or federations engaged in non-business activities, such as representation, or analysing shared information such as economic and statistical data) and, “Apex” of cooperatives (i.e members are Federations or Unions).

### Media nonprofits

There has always been a debate as to whether media can be identified as part of civil society when in fact it occupies a “space” oftentimes larger than that of latter (i.e the general and not just the political public) and should therefore possess a non-partisan position on pressing issues. Despite this debate, the interface between media and civil society in the Philippine context is indisputable. This interface was highly visible in the years leading up to the fall of the Marcos dictatorship and in the transition that took place thereafter. Today, the “unwritten alliance” between media workers/journalists and civil society organisations has been sustained and has, in fact, been consolidated to some degree by the presence of media CSOs that train CSO advocates on media relations and monitoring (e.g. monitoring results of national and local elections, corruption/transparency/accountability issues).

Media CSOs are known as “media non-profits” or “media development organisations”. As such, they are unencumbered by demands and pressures of private sector groups or politicians/governments that often shape mainstream, profit-oriented media outfits. These media CSOs thus operate in a way that allows their practitioners to pursue credible news stories without regard of lost profits. This is not to say that these media CSOs report the news for free although they do cater to both paying and non-paying publics. Evidently, profit is not the central aim of these media organisations and this is why they are, fundamentally and essentially, identified with “civil society”.



The contribution of these media CSOs to Philippine democracy cannot be understated, especially in the wake of serious threats on press freedom and assaults on the lives of Filipino journalists.

## **ON THE CURRENT STATE OF PHILIPPINE CSOs: PRESENCE AND LOCATION, ISSUES AND CHALLENGES**

### **On the Presence and Location of CSOs**

Philippine CSOs are found in almost all parts of the country. Most are based in the centers or capital towns due to the availability of much-needed infrastructure but many operate even in the most far-flung of rural barangays (villages). Moreover, local-based CSOs have been aggregated into provincial and national networks, particularly among NGOs and cooperatives. Think tanks often operate as separate entities and some network with each other only on the basis of common conjunctural issues. Media CSOs, meanwhile, have yet to institutionalise what today are largely informal networks of journalists working for non-profit groups. Furthermore, some of the CSOs are supra-national (e.g Southeast Asian) organisations that focus on global or regional issues.

There is available official data on these CSOs, particularly the NGOs and the cooperatives. There are obvious data gaps and CSOs often raise concerns over the sources and credibility of such data. Nevertheless, official data serve as some sort of baseline data that CSOs can and do utilise. There is also an array of studies – particularly on NGOs and cooperatives -- that can be used for purposes of analysing the presence of CSOs. According to these studies, active NGOs and cooperatives are concentrated in the urban areas (cities and municipalities) around the country. There is also some anecdotal evidence that these CSOs are organised mainly by the middle/professional class. These studies, however, have to be updated and are clearly wanting in terms of information and analysis on CSO sub types such as think tanks and media civil society organisations.

There is no singular estimate on the number of CSOs in the country. For the NGO sector, some studies have argued that there are around 34,000 to 68,000 NGOs while others have shown a significantly lower figure, i.e 15,000 to 30,000 organisations. Meanwhile, data from the Cooperative Development Authority (CDA) reveals that there are more than 77,000 registered cooperatives, but that of these, only 30% are actually operating. As for the think tanks and media CSOs, the subsectoral reports accompanying this document offer names of pertinent groups but no numbers are indicated. There is a dearth of data and literature on these two sub sectors.

### **On The External Environment**

#### On Interplay with Government

*Government Regulation.* Most members of CSOs agree that government regulation is necessary to prevent the proliferation of “fly-by-night organisations”. Beyond this, however, there is tension among CSOs (especially NGOs) and between CSOs and government regarding the extent of regulation that can meted on organisations that are meant, in the first place, to be voluntary and non-governmental. Some argue that CSOs should be self-regulating and there are a few CSOs that have already installed self-imposed regulatory mechanisms. Others insist that more, not less regulation from government is needed. In the cooperative sector,

meanwhile, government through the CDA sometimes duplicates or replaces what cooperative federations should be doing.

*Policy Development and Implementation.* Formal spaces for participation of CSOs in policy making have been contingent on the level of openness of government on such kind of citizen political participation. The maximisation and expansion of such spaces, however, have depended largely on (i) the capacities of CSOs to demand and propose alternative policies, and (ii) the strength of alliances built for pressure politics, negotiations or lobbying -- particularly with other CSOs, media outfits and allies in government.

In the past decade, some crucial reforms have been successfully instituted with CSOs as the main drivers and stakeholders. These include (i) the Law on the Violence Against Women and Children (ii) Magna Carta on Women (iii) extension of the Comprehensive Agrarian Reform (iv) Fisheries Code (v) Urban Development and Housing Act (vi) Renewable Energy Bill (vii) Juvenile Justice Law (viii) Overseas Absentee Voting Act and (ix) Law Against Torture and (x) Philippine Cooperative Code of 2008. Other important policies such as the Freedom of Information Bill and the Reproductive Rights Bill are currently being pushed by several CSOs (the former including media outfits).

Most of the success stories mentioned above involved a high level of unity and organisation of CSOs in the concerned 'sector' and a high level of media projection. Policy reform, thus, is clearly shaped when power relations tip in favor of civil society demand because of a variety of internal capabilities and external opportunities. It also helps when spaces for participation and contestation are institutionalised such as the case of the National Anti-Poverty Commission (NAPC) and the local special bodies (as stipulated in the Local Government Code of 1991).

Success in pushing and negotiating for reform policies also depends on the capacity of CSOs to match the resources and capabilities of government counterparts, particularly the availability of trained and well-equipped negotiators or representatives and the availability of information that CSOs can use in negotiating. Leadership training and programmatic research are thus essential requirements in CSOs' work of influencing policy. For CSOs, there is always a continuing need to produce credible representatives and negotiators as well as credible research to justify CSO demands.

Allies in government have also been crucial in determining the success of CSOs in policy engagements. Some of these allies, in fact, were erstwhile key civil society leaders. Given the highly volatile political system of the country, however, allies often come and go. Philippine CSOs thus have learned to deal with the bureaucracy and the political process with or without these allies.

It has to be noted that in some instances, it is the CSOs themselves that cross over to institutional (electoral) politics. This is true particularly for cooperatives and "sectoral" groups that have participated in the party list system and have gained seats in the Lower House of Congress. The positive impact of such participation is often debatable but there is anecdotal evidence that some sectors -- by way of proximity to government processes and resources -- have benefitted from this type of political engagement. The party list system, however, has tended to divide rather than unite civil society organisations.

*Dealing with Impunity.* The current administration has been known, justifiably, to instigate a culture of impunity where those who commit grave abuses of authority are allowed to go unpunished. In the case of extra judicial killings of political activists and journalists, the

perpetrators are hardly even identified. It is the culture of impunity and the presence of political-criminal acts that are rendered free from consequences that now serve as the biggest threats to CSO action.

#### On Interplay with Business

Of late, the number of corporate foundations has risen and this in itself signifies a major interface between business and civil society. These foundations are often involved in alternative service delivery and humanitarian causes. At times, business groups also align with civil society groups to advocate for social and political demands. At other times, however, civil society has to compete or challenge business. Cooperatives, for example, have to compete with banking and financial institutions in the provision of financial products. Media CSOs also have to contend with for-profit, mainstream media outfits whose profit orientation often undermine credible, independent journalism.

#### On Inter-Civil Society Interaction

Inter-civil society cooperation is most visible among development NGOs and cooperatives. This is evident in the number of federations and coalitions that have been built for the very purpose of fostering cooperation. Among media practitioners, those in the mainstream media have more institutions for cooperation (such as national associations) but among media CSOs the network is more informal than institutional. As for the think tanks, there are very few spaces and venues for cooperation and to date, there is no provincial or national network of think tanks or even of researchers. There are only associations of academics that are organised along the lines of scholarly disciplines.

### **On Internal Development And Organisational Capacities**

#### On the Need for Community Organising and Grassroots-level Capacity Building

Because of their nature and location, people's organisations are the main vehicles to build constituencies for reform at the grassroots level. Unfortunately, among the CSOs, it is the POs that have declined sharply both in quantity (numbers) and in quality (institutional strength). Even among the cooperatives, there is the "rich coop-poor members" phenomenon, indicating the reality that whether intentionally or unintentionally, those at the grassroots are sometimes left behind.

#### On Financial Resources

External funding for most CSOs is clearly on the decline. Funding agencies, in fact, have been requiring partner CSOs to develop and institute sustainability measures. Unlike successful cooperatives, many of the CSOs, however, have not been equipped toward this end and financial insecurity remains a central problem. This is true especially for NGOs, think tanks and media nonprofits that are not membership based (and therefore cannot easily generate funds internally) and whose partner-clients mostly come from marginalised sectors that can ill-afford to pay fees for NGO services.

#### On Human Resources

While most CSOs still rely heavily on the spirit of voluntarism, many have lost staff members to better-paying institutions. At the same time, and perhaps partly for the same reason, recruiting

new members and attracting the youth have become a more difficult endeavor for most CSOs. The question of “succession” thus comes into play. Moreover, CSOs have to contend with a variety of personnel issues, most of which are welfare-related.

#### On Issues of Internal Governance

CSOs that advocate for transparency and accountability in governance also have to look into their own practices of internal governance. Most of these CSOs, particularly the NGOs, think tanks and media CSOs have governing boards. The presence of these boards, however, does not automatically translate into good internal governance and in some NGOs, boards are largely titular with the organisation often “executive director-led”. For membership-based organisations such as cooperatives and people’s organisations, structures for internal governance are more complex and functionally differentiated.

#### On the Need for Capacity Building

Abovementioned issues and concerns indicate that there is a great need for CSOs -- from all the four subsectors -- to be equipped with many different skills. In dealing with the external environment, CSOs need continuing skills development in advocacy, lobbying, media relations, communicating to various publics, and research. In terms of internal development, CSOs have to learn to deal with fundraising, personnel and internal governance issues.

### **RECOMMENDATIONS FOR AUSAID**

Based on the findings of the subsectoral studies and the results of the focus group discussions, the following are some of the recommendations that AusAID can consider in designing the Civil Society Fund:

#### **1. Revisit the situation of people’s organisations (POs)**

As mentioned in this report, POs are declining and this has to be problematised given their central role in the advocacy for good governance and the limitations of NGOs and cooperatives in terms of scope and clientele. Initially, AusAID can conduct a mapping and SWOT analysis of POs similar to what has been done in this project for the four subsectors. Said analysis is necessary to identify essential areas for PO capacity building and institutional strengthening. Moreover, it is suggested that the Civil Society Fund be made available to POs and not just to NGOs.

#### **2. Support capacity building programs in aid of policy development and advocacy -- at the national and local levels.**

- 2.1 On media relations. There is clearly a need for CSOs to familiarise themselves with the way mainstream media works and how best to influence media for the purpose of policy advocacy. In this regard, media CSOs will be of valuable assistance.
- 2.2 On lobbying, advocacy and media work. All of the subsectors need capacity-building in this area.
- 2.3 On basic research methodologies. While research is integral to the work of think tanks and media nonprofits, the two other sub sectors have to build a certain level of capacity to conduct research -- to bolster their demands and advocacies. All of these CSOs must be trained in the basics of data gathering, data processing and packaging.

2.4 Documentation and Social Marketing. Advocacy also involves shaping and winning public opinion on civil society advocacies, i.e to reach a larger audience, beyond the community of CSOs. Getting messages across and gaining public support through the packaging and public presentations of well-documented success cases is one area of work that needs to be developed. This, the CSOs can do with the help of allies in mainstream media and media nonprofits.

### **3. Support research as a related but distinct program to that of advocacy.**

As the subsectoral study on think tanks highlights, there is insufficient funding for research activities. The Civil Society Fund must take this into consideration especially since the fund is envisioned to focus on the demand for good governance – a task that relies heavily on presenting alternative policies that are backed with credible empirical evidence and sound analytics.

It is also suggested that think tanks or research units be built within the subsectors. The cooperatives, for example, are in need of an independent think tank as well as research institutes within existing cooperative federations. In the past, the now-defunct Urban Research Consortium served as an effective mechanism for fostering cooperation among various think tanks that provided researches and studies on models that could be used by urban poor groups to address various urban poverty-related issues.

### **4. Support capacity building programs in aid of internal, institutional strengthening of CSOs**

- 4.1 Strategic assessment and planning
- 4.2 Resource generation for sustainability
- 4.3 Handling governance and management issues (e.g. role of board members; transparency in reports)
- 4.4 Monitoring and evaluation mechanisms (e.g membership profiling, measuring performance and impact of work)
- 4.5 Handling personnel and human resource issues

### **5. Build venues and mechanisms for learning exchanges between and among CSOs.**

- 5.1 Institute an “Awards” system for CSOs that would involve the study and surfacing of “best practices”.
- 5.2 Support multi-stakeholder’s forums to discuss CSO issues.
- 5.3 Create a portal and/or a search engine on CSO data to facilitate sharing of information and analysis.
- 5.4 Extend learning exchanges to the international level, particularly exchanges between Australian CSOs and Philippine CSOs.

### **6. Support efforts for model-building.**

- 6.1 There are specific proposals from cooperatives aimed at strengthening their sector in the area of cooperative education, credit information exchange, deposit insurance, business mergers and newspaper publication.
- 6.2 Media nonprofits, for their part, are also employing various models to bring forth public interest stories across (e.g. medium of delivering the news).

**7. Support engagements in local governance**

7.1 Local communities are the primary areas where many of the suggestions earlier mentioned can be done. It is in local governance where people can directly engage the state, and stakeholders (e.g. NGOs, POs, cooperatives, local media) can help institutionalise such engagement. It may be best to have some pilot initiatives of seeing civil society work for transparency, accountability, and good governance in local communities — these areas being future showcases of best practices on citizen participation in governance.

**8. Support further research -- as identified in the four subsectoral studies.**

Each of the four subsectoral studies have suggested areas for further research that AusAID can consider. These studies will be valuable to the learning processes of both the AusAID and the Philippine CSOs.

**9. Consider multi-year and institutional funding.**

Since policy development and advocacy are not short-term processes, the Civil Society Fund should consider multi-year and institutional funding, rather than short-term, project-based funding.

**March 15, 2010**  
**Manila, Philippines**

## Annex 4: Governance Terms

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The governance problem identified in Section 1.2 points to a greater need for an enabling environment for both civil society and government to come together on policy issues. That government accountability and responsiveness towards its citizens is improved and long lasting. The governance problem can be further broken down into four cross cutting areas, voice → capability → accountability → responsiveness. The CFC Program will work towards supporting and strengthening these core areas of governance by focusing on a civil society and government *partnership approach* on specific sector focused issues. Section 2 describes the partnership approach and the various components of the program in more detail.

**Voice** is considered one of the most important tools or mechanisms which civil society has at its disposal to engage, participate, influence, demand and respond to changes that affect their lives. Without voice or an avenue and environment to demand rights, changes in policy and better services for citizens, civil society and the organisations which represent them remain ineffective and essentially unable to express what changes society hopes for and wants.

In the Philippines the context and calibre of a ‘voice full’ or expressive civil society is relatively mature and strong. The Philippines has a history of demonstration, advocacy and voicing concerns towards government actions and legislation. The problem however remains that the voice and advocacy efforts of civil society in the Philippines are only making marginal changes in poverty and socio-economic equitable outcomes. The quality of knowledge behind voice efforts (e.g. advocacy, demonstrations, coalitions, networks, round table policy discussions, meetings with officials, workshops, community level consultation) is not effective enough to make a difference towards government policy. Knowledge and skills of negotiation, lobbying and influencing for policy reform and change remains weak for the majority of CSOs in the Philippines. Therefore the problem of voice is not just that the enabling environment needs to improve for greater inclusion and support for civil society development but that the representation and voice strategies of CSOs remain relatively weak for greater pro-poor and equitable outcomes.

**Capability** is about the government’s ability to perform its duty as a protector of the rule of law and to create an enabling policy environment. Currently, the capability of GRP is weak in demonstrating an effective force for an enabling environment for socio-economic improvements. Undermining this is consistent corruption and poor quality of institutional systems which should be transparent and accountable to citizens. Links between planning, policy and budgeting which has profound implications for fiscal discipline, allocative efficiency and operational efficiency need improving, so that appropriate forms of funds are understood at all levels of government and efficiently used. The growing inequality and poverty of the Philippines shows that while some are gaining from middle income status and economic performance (e.g. national capital region) others remain left out and marginalised economically, socially and politically

(e.g. ARMM). Systems in place can be ineffective in supporting greater equitable and open resource allocation.

Civil society capability is reflected in the demand side of this relationship, in holding government to account and representing legitimately the views of its constituents. Civil society although strong and mature remains generally adversarial in their approach towards government and policy reform. Capability in policy advocacy needs greater evidence, knowledge and negotiating - influencing skills.

Collaboration and cooperation with both government and civil society for policy reform is relatively weak. Coming together to inform decisions, develop platforms and mechanisms for policy change is relatively new with little skills and know how of consensus building through partnership approaches for policy reform. The problem of capability therefore is three fold; i) quality of government systems and skills ii) civil society skills in non-adversarial approaches iii) government and civil society cooperation and working together for policy reform.

**Accountability** describes the ability of civil society actors to hold government to account to ensure an effective and enabling environment exists. Civil society in the Philippines has played a watch-dog role to place pressure on government for greater transparency and accountability. Political will of the government however remains weak in their ability to respond to citizen demand for accountability. Whether national or local, government institutions tend to neglect accountability and transparency if they are not constantly reminded and pressured by civil society. There is a need for stronger CSOs at the grassroots - local level that has the capacity to understand and monitor the performance of government and the expenditure of public funds and thus constantly remind local authorities of their duty to account for their actions to the public. Although there is engagement with civil society the political tradition seems still uneasy in its relationship with CSOs, especially those that it perceives as being overly critical. Government and civil society have yet to agree on a mutually acceptable frame of constructive criticism particularly around contentious issues further impeding accountability outcomes.

**Responsiveness** refers to i) the extent to which public policies and institutions respond to the needs of citizens and uphold their rights, including access to basic services, equality, and civil liberties. To a large extent, GRP has tended to tailor economic policies to balancing conflicting interests. But weak financial and administrative capacities of government and lack of social consensus have entrenched special interests against those of the larger society. Centralised decision-making and economic resources remain at the national level in order to have better control and influence on national administration. There is a need for civil society and government to identify and highlight contradictory policies and actions in key sectors that exclude civil society from public decision-making or ignore the needs and concerns of civil society and encourages government to be more responsive to civil society and more inclusive in its consultative processes.



**Voice Outcomes** = stronger representation and exercising of views, opinions and knowledge, increased coalitions and citizens are satisfied that voice and dialogue exchanges result in rights being realised and actualised.

**Capability Outcomes** = strengthened quality of government systems, CSO ability to negotiate and use evidence effectively, improved dialogue and engagement with government and civil society, increased civic awareness.

**Accountability Outcomes** = transparency of government processes and systems, willingness and openness of government to share information.

**Responsiveness Outcomes** = behaviour and attitudinal changes within partnerships and beyond result in overall improvements in service delivery, rule of law and policies in place are inclusive and respond to the needs of citizens.

## **Annex 5: Guidance on Political Economy Analysis**

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The CFC Program is founded upon the assumption that analysis of the general policy environment for the key sectors of the AusAID Philippines country program can identify specific areas of engagement (or entry points) that have good prospects for positive reform.

As outlined in the body of this Program Design Document, the team will identify these entry points through a consultative and analytical process with four elements:

- a) Consultation with AusAID pillar teams to establish priority issues within their pillars and the wider country program
- b) Consultation with CSOs to identify key priorities for reform
- c) Consultation with government to identify key priorities for reform where a partnership approach would be beneficial
- d) A political economy analysis to identify which key issues and interventions have potential for change, coupled with potential for large scale impact.

This Annex explains the logic for using political economy analysis to identify appropriate entry points.

The content of this Annex is taken primarily from the DFID paper ‘Political Economy Analysis How To Note’<sup>29</sup>.

### **What is political economy analysis?**

The OECD DAC defines political economy analysis as ‘concerned with the interaction of political and economic processes in a society: the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time’<sup>30</sup>.

### **Why do we want political economy analysis in context of the CFC Program?**

Political economy analysis is particularly useful for development practitioners since it helps us to understand what drives political behaviour, how this shapes particular policies and programs, who are the main ‘winners’ and ‘losers’, and what the implications are for development strategies and programs. Specifically, it is concerned with understanding:

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<sup>29</sup> See <http://www.dfid.gov.uk/Documents/publications/howto-pol-econ-analysis.pdf>

<sup>30</sup> See <http://www.oecd.org/dac/governance/politiceconomy>

- The interests and incentives facing different groups in society (and particularly political elites), and how these generate particular policy outcomes that may encourage or hinder development.
- The role that formal institutions and informal social, political and cultural norms play in shaping human interaction and political and economic competition.
- The impact of values and ideas, including political ideologies, religion and cultural beliefs, on political behaviour and public policy.

In this way, political economy analysis helps us to understand how incentives, institutions and ideas shape political action and development outcomes in the countries where we work. This can be extremely useful when thinking about the feasibility of policy reform and institutional change, the contribution that donors can realistically make, and the risks involved.

Political economy analysis has often been perceived as primarily concerned with identifying obstacles and constraints. However, increasingly it is being used to identify opportunities for leveraging policy change and supporting reform.

Political economy analysis is not only important for increasing our understanding, but it can play a key role in changing the way we work. The CFC approach in building coalitions to achieve significant reform will be heavily dependent on identifying the right avenues for change.

The broad objectives of the Drivers of Change Process are to:

- Identify a ‘pathway’, within a given thematic area, which if followed can lead the CFC program to delivering lasting, positive change.
- Develop and successively focus, refine and sharpen the CFC team’s understanding of the range of agents, institutions and structural features at work within the thematic area and their potential impact (positive and negative) on any drive towards change.
- Identify key actors, issues, and potential coalitions within the thematic area that may serve as a vehicle for, and a replicable demonstration of, the process of positive change along this pathway, and key entry points for establishing working partnerships between them and the program.

### **What does Drivers of Change analysis look like?**

The work involves:

- (i) Background Reading (Desk Review)
- (ii) Initial Stakeholder Mapping & Analysis
- (iii) Political Economy and Stakeholder Analyses
- (iv) Mapping of Known Agents of Civil Society
- (v) Capacity/Needs Assessment of CSOs
- (vi) Development of a Drivers of Change Report

The output of the analysis should be a single report which contains at least the following:

- Introduction – the purpose, objectives and approach of the analysis for that sector or thematic area
- Summary of the starting point – current state of the thematic area
- Predictive listing of issues and mapping of concerned stakeholders
- Mapping of key stakeholder groups identified by initial investigations
- Summary of ‘diplomatic’ conclusions of the political economy of the thematic area
- Mapping, orientation and general capacity of key Known Agents
- Identification of where the best opportunities for change lie
- Preliminary Capacity Assessment of potential Coalition Partners
- Summary & Conclusions

## Annex 6: 6-month Implementation Plan

Activity	Responsibility	M1	M2	M3	M4	M5	M6
<b>Start Up</b>							
Establish a fully operational PMT							
Team mobilization							
Team workshop							
Detailed Inception Workplan			X				
Initial Briefings							
Common understanding of objectives & principles							
Planning of initial Stakeholder Engagement							
Review and agree reporting arrangements							
Briefings w. GoP							
<b>Board</b>							
Finalise Board ToRs							
Board selection							
Form the Board and appoint members							
<b>Office set-up</b>							
Office rental							
Procurement of equipment & vehicles							
Establish bank accounts							
<b>Initial Priority Tasks</b>							
Handover of PACAP RAS activities							
Novation of existing small grants							
Novation of RAS staff							
Draft the relevant manuals and procedures for Program implementation							

Quality assurance							
Financial management guidelines							
Program Operations Manual							
Review and discuss the program log-frame							
Prepare the gender equality and women's empowerment strategy							
Prepare a strategy for knowledge management and performance monitoring							
Establish PMS & draft PMS Manual							
Finalise design of reporting formats and content for submission to CFC and for external reporting							
Develop and implement a communications strategy and outreach plan							
Initial CSO briefings on program & opportunities							
<b>Development of plans &amp; systems</b>							
Develop a detailed Yr 1 work program and a two year indicative work plan							
Yr 1 workplan approved							X
Establish program website & info materials							
Drivers of Change analysis							
Draft ToR for Drivers of Change analysis							
Carry out DoC analysis in consultation with key teams in AusAID Philippines, CSOs and GoP							
DoC analysis informs strategic planning and thematic areas to consider							
Initiate expressions of interest for thematic priorities							
Office and Board fully established						X	
<b>Finalised work plan</b>							
Prepare and collect baseline data							
Detail first year CSO capacity building work plan and budget for Board approval							
Finalise budget allocations for Yr 1							
Review existing best practice in CSO capacity development							
Identify initial service providers (e.g. HRODF) for capacity development							
Select priority issues within country objectives and identify partnerships							

First Board meeting								X
Allocate the first grants under pillar initiative window								X
Prepare & submit the inception report								X

## Annex 7: Gender Analysis<sup>31</sup>

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### Situational Analysis

The Philippines and its commitment to women's empowerment and gender equality is recognised globally and gender responsive legislation is in place championing for gender equality and women's rights and empowerment. It is a signatory to CEDAW, the Beijing Declaration and Platform for Action, the ICPD<sup>32</sup> program of Action, the Convention on the Rights of the Child and the recent signing of the Act for the Magna Carta of Women in July 2008, a comprehensive anti-discrimination and gender equality law. The Magna Carta of women is an example of the significant steps the GRP is taking to mainstream and strengthen gender equality into legislation and government policies and programs.

Despite such legislative gains<sup>33</sup> Philippine experience demonstrates that the presence of women in government (by election or appointment) or the mere setting of gender responsive policies and budget quotas will not automatically erase deep-seated male bias in governance institutions and processes. The enactment of the Magna Carta of Women and women's empowerment and gender equality are yet to be implemented in practice or significantly improved in several sectors.

**Social development** for women and gender equality reveals:

- **Health:** mortality rates remain high, with a direct link to health services for women and obstetric care of mothers. Access to reproductive and sexual health needs by women remain largely unmet. With lack of access to contraception, delivery complications leading to death, hospitalisation after abortions, and the poorer most vulnerable women with the least access to facilities and skilled attendants care at greater risks. The Philippines has the highest mortality rate in all of SE Asia. Maternal and child health care account for 65% of primary health services but receives less than 5% of the total health care budget.

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<sup>31</sup> Useful references for more detailed data include: Barrameda, Titanne (2009) Integrating Gender in Design of Responsive Small Grants; AusAID Philippines Development Assistance Program (2008) Gender Action Plan; ADB, CIDA, EC, UNIFEM, UNDP (2008) Paradox and Promises in the Philippines: A Joint Country Gender Assessment.

<sup>32</sup> International Conference on Population and Development (ICPD) accomplishments at the national level identify effective methods in advancing population goals, reproductive health, gender equity and women's empowerment - all geared to hasten the process of achieving the Millennium Development Goals (MDGs).

<sup>33</sup> Women in Development and Nation Building Act of 1992 (RA 7192), Rooming-In and Breastfeeding Act of 1992 (RA 7600), Party-List System Act of 1995 (RA 7941), Anti-Sexual Harassment Law of 1995 (RA 7877), Anti-Rape Law of 1997 (RA 8353), Rape Victim Assistance and Protection Act of 1998 (RA 8505), Anti-Trafficking in persons Act of 2003 (RA 9208), Anti-Violence Against Women and their Children Act of 2004 (RA 9262)



- **Education:** females are well represented in school attendance that equal to males. Overall the sector appears to be gender balanced. Two considerations to note - the first is the complexity of geography, economic status and gender in poorer areas reveals that boys are given priority to girls to attend school. In Autonomous Region in Muslim Mindanao (ARMM) boys are given preference to attend school for cultural reasons and a family's decision on the vulnerability of girls in conflict areas. Secondly, there is an increasing trend of higher drop out rates amongst boys then girls due to economic reasons.
- **Gender Based Violence:** as a culturally sensitive topic there is relatively low reporting of gender based violence which doesn't reveal the extent of the issue. Sources suggest that the rate is low in comparison to the population, but there is also consideration needed that a tendency to report violence against women is rare and power relations and cultural pressures can influence decisions to not do so. A predominately Catholic country divorce rates are low. Child, male and female trafficking, sex tourism industry and prostitution all exist but sources with accurate data are not unavailable.

**Gender Budgeting** reveals that a recent severe decrease in the national agencies' GAD budgets in 2004 – 2007 of more than 75%. The GAD budgets made up less than 1% of the overall national budget highlighting how women, along with vulnerable and less influential groups tend to lose in the competition for resources. Issues surrounding gender budgeting implementation need to be further addressed otherwise the GAD policy will continue to deny access to resources that are there for women as well as men.

**Access to resources and services** highlight inequality and greater vulnerability of women as opposed to men, resulting in poorer economic empowerment for women. Access to land, property and housing rights rests largely in the domain of men as the main caretakers and inheritors of land. Certificates of land ownership for men in 2008 totaled 33,000. Women accounted for only half of what men received, equaling 16,000 certificates (ADB et al. 2008). Women remain vulnerable in economic advancement as limited access to loans, market and network information, skills, training and necessary resources such as technology and equipment (Barrameda, 2009). A large percentage of women work in the informal economy due to economic trends and less opportunities for marginalised poorer women (55.8% of women in the informal sector went unpaid in 2006, 73.7% of these women were in the agriculture sector) (Barrameda, 2009).

**Underpinning any change in gender equity is a good governance** approach towards a gender responsive policy environment. Good governance empowers both men and women and provides a fair and appropriate enabling environment to do so. Women to men ratios in government are well represented. Family and female leadership is common place in Philippine politics. Yet presence and participation of women in government at all levels has yet to change local and national male biases. Most senior political positions are most often held by men. Issues of implementation of

Magna Carta of Women remain, ineffective and inefficient as approaches to gender budgeting at national and local levels continue to be problematic. Non-compliance of these policies goes without appropriate disciplinary measures. Providing some watchdog and compliance advocacy role are CSOs focused on gender equality and women's empowerment which are recognised for pushing for gender responsive policy change.

### **Implications for Program**

Gender will be built into the program process from the beginning in the following ways:

4. CFC will allocate resources to address gender governance issues and opportunities identified in the DoC analysis. Specific questions to consider in the DoC:
  - a. Who are the excluded?
  - b. What is the position of women and girls in the Philippines?
  - c. What are the links between gender inequality and poverty outcomes?
  - d. How is the government (at all levels) responding to gender inequality?
  - e. What are the barriers for women to access resources?
  - f. How is civil society addressing gender inequality and responding to government?
5. **Identify the gender targets / impacts of each component and issue based partnership.** CFC ensures both outcomes and impacts of advocacy projects are gendered, as gender considerations will have occurred from the beginning of the process and the steps and analysis will happen throughout the lifetime of the program. In the identification of issues, formation of partnerships, evidence gathering (disaggregating data) gender is built into the programs components and processes. Ensuring that the outcomes and impacts of the program are 'gendered' taking into account a gender analysis and that policy reforms are not gender blind, but gender responsive. Gender sensitive indicators including impact indicators should be developed for monitoring and evaluation. Gathering information and data on gender equality will therefore need to be part of the CFC PMS framework but also the responsibility of the partnerships themselves to inform CFC's performance and effectiveness towards women's empowerment and gender responsive governance.
6. **Each partnership will consider within their advocacy issue the gender approaches and processes** to achieve greater success in women's empowerment and gender responsive governance.

Issue based partnerships will incorporate gender thus be able to report on gender equality outcomes for CFC as a whole as well as highlight activities within the program partnerships which have particularly strong and direct elements designed to advance gender equality, empower women and gender responsive governance. CFC partnerships with their analysis of the issue identified will design and implement

a strategy with gender considerations and an assessment of the likely impact of the partnership for gender impacts.

A gender equality framework would be developed as part of the activity design for partnerships ensuring both gender mainstreaming and gender responsive outcomes with partnership based issues.

Key elements of the framework:

- **Statistics and analysis** as mentioned above, addressing inequalities of both men and women. This information is used to inform evidence, policy advocacy, indicators and monitoring change.
  - **Voice, responsiveness and accountability** as part of the overall aim of the program each partnership would want to look at the inclusion of men and women in policy consultation. Are women's views being heard and taken into account? Are women involved at all levels of consultation, decision making and policy influences?
  - **Policy, action and resources** are considered to address both men and women equally. The partnership analysis, evidence and advocacy would want to look at the policy environment and specific issue being addressed ensuring that evidence relates to the outcomes of policy and policy responsiveness is contributing to equal access to information and resources for both men and women.
  - **Partnership change.** Within the partnership none of the above can happen unless both skills and attitudes are in place which institutionalises gender equality. Partnership responsiveness towards gender issues will not be sustainable or effective if skills, knowledge and commitment of individuals are not there. Equally, this is the case as well for the political will and responsiveness of government in which the partnership is working, collaborating and interacting with.
4. **Gender equality through the program fund criteria and systems** means an assurance of gendered outcomes and mainstreaming will take place. The CFC implementing team would need to set specific gender criteria for partnership concept notes and proposals. Criteria such as, do the objectives and purpose of the issue identified promote women's rights and empowerment, an equal and fair share outcome? Does the partnership have the capacity and commitment to deliver in a gender sensitive way? Will the issue be informed by sex disaggregated stats and analysis? Will women and CSOs who are engaged on gender equality issues be consulted along the way?

The partnership process itself advocates for the inclusion and ability of both men and women to engage, influence and participate in decision making processes. The

implementing partners would report on a quarterly basis to track the progress of their activities, giving details on the progress of the Activity in terms of contribution to gender goals, attainment of objectives, outcomes and outputs through the use of gender responsiveness and accountability within the partnership goal and objectives.

The AusAid program would build on the Gender Action Plan and coordinate with the cross – cutting team to ensure a gender policy and actions are in place which builds on experience with existing activities and takes note of lessons learnt from AusAid Philippine Program experience. The gender policy for CFC would concern both the program level (CFC) as well as operational level (partnership projects). It would need to:

- Formulate a gender mainstreaming plan, including objectives, strategies and overall performance indicators.
- Integrate a number of recommended key steps for gender mainstreaming into CFC programming as mentioned above, in points 1 – 3

If the necessary gender related expertise is not available within CFC, such expertise should be brought on board or provided by its pool of technical assistance. Gender training should be provided to familiarise CFC staff with gender related knowledge and tools and ongoing facilitation should be provided to ensure the integration of a gender-sensitive culture within the CFC team.

Gender equality is a cross-cutting development issue and an important development objective itself. Most civil society stakeholders met would agree to such statement and regard gender mainstreaming for the enhancement of gender equality in the Philippines as an important aspect of organisational and national development. The realisation of concrete steps towards increasing gender equality is to a large extent wanting, as gender equality often merely continues to be a concept falling short of being implemented.

## Annex 8: Approach to Performance Management

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### A new context for performance management

As Australia's aid program scales-up and rises to meet the global challenges of improving aid effectiveness, what AusAID wants to get out of its engagement at country level is changing and becoming more strategic. So, therefore, is the scope and nature of how development interventions need to be monitored and evaluated, and their performance and quality assured. Monitoring the performance of CFC will need to relate to its place in, and contribution to, a new country strategy architecture, and to new policy and operational frameworks across the agency as a whole.

That architecture and those frameworks had not been finalised as CFC was being designed, but it is possible to anticipate the shift in focus that will be required.

■ **Country Strategies** in the future are likely to include:

- A situational analysis that assesses the **opportunities and constraints** to development, identifying those of most importance for Australian ODA. (The broad 'why' of the aid program in the country.)
- Consequent to that, a statement of [a limited number of] **priority outcomes** to be achieved through the country program. (The 'what'.)
- A **strategy** detailing **how** each of those aid objectives / priority outcomes will be met – by **promoting change** through an appropriate mix and application of development interventions, modalities and approaches. These **Delivery Strategies** will require a consideration of how development outcomes can best be achieved and an articulation of a clear narrative for the choice of interventions based on a sound **theory of change**, identifying the expected consequences of intervention and causal logic between activities, results, outcomes and impacts.
- Activity design will, thereafter, principally revolve around implementation and management issues.

The Delivery Strategy will form the focal point of aid programming, quality assurance and senior management engagement and, therefore, where the emphasis of monitoring and evaluation needs to be pitched. **Activities** (such as CFC) become means to an end, not ends in themselves.

■ A new agency-wide **Operational Policy and Management Framework** (OPMF) will encourage a realignment of the aid program such that it:

- Better influences joint development efforts through financing and relationships, credible experience and analysis;

- Lifts the focus of strategic management to a level of results beyond the specific outputs and objectives of individual activities, and reduces fragmentation;
- Repositions AusAID's core expertise in policy analysis and formulation; and
- Supports a pragmatic and flexible management culture with strong accountability and risk management.

CFC will not be the subject of its own Delivery Strategy. Rather, CFC will constitute one of the tools or approaches to progressing aid objectives established in the several Delivery Strategies across the country program. Again these are not yet defined, but they are likely to relate to the achievement of priority outcomes in:

- Education
- Sub-national governance, and
- National stability (conflict, climate change and natural disasters).

CFC is to add value and increase effectiveness by engaging civil society and facilitating a meaningful set of strategic relationships between civil society and government and others, within and across (in particular) those priority outcome areas. Its PMS will be outcome focused and at all times related to those Delivery Strategies, while still providing for appropriate quality management at activity level.

The PMS will also reflect **what's important to measure**, analyse and present (and how), better to inform new and different roles of senior portfolio and country-program managers as they engage in meaningful policy dialogue. Less will be better than more. But there is also the need to 'tell the story' of performance and results in the aid program for domestic stakeholders, and this will likely assume a more critical role as aid becomes under greater public and political scrutiny domestically.

## The substance of the approach

Performance will be monitored and managed at **three levels**:

### Level I (broadly equating to Goal-level objectives)

Firstly, and most strategically, performance will be measured at the level of how CFC and its focus on civil society engagement is – as an approach – **adding value to, and improving the effectiveness of, wider development processes**.

This is outcome-level evaluation and will relate to the expected **changes** – typically to institutions, organisations and citizens – identified in *theory of change* analyses in country-program Delivery Strategies for priority outcome areas. (Education outcomes, etc.) This will include:

- Identifying and **measuring change**

- Along the series of consequences that derive from the intervention logic of the Delivery Strategies;
- Intended and unintended;
- Positive and negative.
- **Testing the theory of change**
  - And monitoring the validity of the assumptions made about third-party, external, actors and influences.

In that the Delivery Strategies and the change anticipated in them will typically be at a reasonably high (probably MDG-related) level, then neither AusAID nor CFC is likely to be the only player or influence. Many other factors and forces will also determine outcomes at this level. The focus of Level I monitoring is therefore likely to be on the **analysis of contribution** (see below), rather than seeking *attribution* of outcomes to specific activities.

The Implementing Partner's PMS Specialist will be responsible for establishing the necessary baseline, data collection and impact tracking information to support Level I evaluation. However, independent evaluative studies will be commissioned by the AusAID Program Leader to inform the Independent Progress Reviews at years 3, 6 and 9, and the final evaluation itself (assuming the full ten year timeframe is achieved).

AusAID is currently working on a suite of monitoring and evaluation methods, processes and tools to better enable it to measure the value of its development contributions and these will be highly relevant to Level I performance management.

## **Level II (broadly equating to Purpose-level objectives)**

Secondly, performance will be measured at the level of how **relevant, effective and efficient** CFC is **as a broker of civil society engagement**.

This will be largely about improving the *quality of processes* of civil society engagement in governance, and the response of government and others to that. It will often be about sometimes quite intangible changes in power relationships.

Nonetheless we will apply normal DAC evaluative criteria (relevance, effectiveness, efficiency, impact and sustainability) to CFC's ability to identify, facilitate and strengthen critical voice and accountability *processes* – using established constructs such as, for example, DFID's 'CAR' (Capability, Accountability and Responsiveness) framework<sup>34</sup>.

The CAR framework focuses on three overlapping elements, illustrated in the figure below.

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<sup>34</sup> DFID Working Paper 34, 'Measuring Change and Results in Voice and Accountability Work', Jeremy Holland et al, DFID/Social Development Direct, December 2009.

- *Capability* is the extent to which leaders and governments are able to get things done, and to perform functions such as providing stability, regulation, trade/growth, effectiveness and security.
  - It would likely be measured in terms of institutional ['rules of the game'] and behavioural change.
- *Accountability* describes the ability of citizens, civil society and the private sector to scrutinise public institutions and governments and hold them to account to ensure transparency, free media, rule of law and elections.
  - It might be measured in terms of participation, the quality of networks, the quality of analysis and oversight, the quality of the engagement of the media, and (as per the constitution) citizens' involvement in local and national policy- and decision-making.
- *Responsiveness* refers to the extent to which public policies and institutions respond to the needs of citizens and uphold their rights, including human rights and liberties, access to basic public services, pro-poor policy, equality, regulation and corruption.
  - It might be measured in terms of public perception, transparency, the degree of space for civil society to generate and transmit its ideas and priorities, access to information, etc.



Potential (but not necessarily exhaustive) indicators for Level II performance monitoring are provided at the end of this annex.



The CFC PMS Adviser will be responsible (subject to scheduled peer review) for identifying and negotiating with stakeholders indicators appropriate to each coalition, and for collecting and presenting performance management data. Again, this will be provided in anticipation of the Independent Progress Reviews at years 3, 6, and 9.

### **Level III (broadly equating to Component-level objectives)**

Thirdly, performance will be measured at the level of the **quality and quantity of partnerships that are established** by the AusAID intervention.

This relates to the quality of analysis by CFC and AusAID, the scope and relevance of the program that evolves over time, and the ideas and innovation employed. It is also about the quality of partnership management and how robust and enduring partnerships prove to be. Performance would relate to the quality and style of agreements, the degree of stakeholder buy-in, and ‘ownership’, among other things.

Much of the monitoring and evaluation at this level will be based on subjective but informed opinion and may relate to anecdotal evidence based on the contractor’s logging of significant change. For this purpose it will be important to establish baselines of “what’s wrong” *ex-ante* and to describe “what’s better” *ex-post* in ways that are meaningful to stakeholders. *Most Significant Change* tools may be highly relevant. More quantitative information will include:

- The number of grants;
- Disaggregated (gender, etc.) data on numbers and significance (as a percentage of the target population) of recipients;
- Scope and scale of, and leverage achieved from, each partnership or coalition;
- Typology of entry points and coalitions; etc

Performance management at this level should also capture the effectiveness and efficiency of CFC management arrangements, including the extent to which the AusAID in-house Program Leader together with the Implementing Partner management structure is delivering its intended value-added.

Level III evaluation will be an important product of the within-program years 3, 6 and 9 Independent Progress Reviews and the quality and sufficiency of performance management systems to yield appropriate data will be a topic of the scheduled peer reviews.

### **Methods and approaches**

From the above, it can be surmised that much of the performance management for CFC is going to be largely qualitative. However, that does not mean that it is less robust, or any less relevant to the requirements of a strategic and outcome-focused country program. Performance at outcome level will often be assessed through participatory

stakeholder and other expert analysis – for example through Collaborative Outcome Reporting techniques.

A PMS should aim to collect and present **key information only**, fit for the purpose of guiding policy dialogue and future programming. It should aim to capture both intended and unintended impacts, both positive and negative.

Detailed proposals on methodology and approaches will be developed by the contractor during CFC's Inception Phase. (For which purposes the PMS Adviser should be one of the first to be mobilised.) CFC will also be expected to be a leader and pioneer in the field of measuring change and results in voice and accountability, and will itself commission studies and applied research into this within the context of the partnerships it is supporting.

**Contribution Analysis**<sup>35</sup>, as suggested above, is likely to be relevant. Contribution Analysis seeks not to find proof of attributable *causation* (which is unlikely) but to ask whether *"a reasonable person, knowing what has occurred in the program and that the intended outcomes actually occurred, agrees that the program contributed to those outcomes"*. Contribution Analysis:

- Develops and analyses the theory of change or program logic, and identifies other players and factors influencing it;
- Assesses the existing evidence or results, through multiple lines;
- Assesses alternative explanations for change, identifying the most likely and discounting the least likely;
- Assembles a 'performance story' relating to the context, the results, lessons learned, alternative explanations and the quality of information;
- Seeks additional information where there are gaps or to remove doubt;
- Continually revises and strengthens the argument for (or against) contribution.

There are many other both well-established and more innovative tools and techniques that might be applicable to measuring CFC's performance – appreciative enquiry and 'most significant change', citation indexing for policy reforms, stakeholder recall about key processes of participation, perception scores and 'customer satisfaction' rankings, etc. However, these will be specific to the coalitions that are established and the substance of each coalition, and will be developed as part of CFC's own management functions. Each coalition will need to select appropriate tools on the basis of what the partnership is doing, what the stakeholders want to get out of it, who the stakeholders are, etc.

Moving from attribution to contribution brings with it also the need to address stakeholder expectations about the **role and branding of aid**, and this needs to be

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<sup>35</sup> See Mayne, John. 1999. Addressing Attribution through Contribution Analysis: Using Performance Measures Sensibly. Discussion paper, Office of the Auditor General of Canada.

managed as part of the program's work on 'telling the performance story' for non-technical and political audiences.

## Performance management arrangements

Performance monitoring and evaluation will be a continuous and fulltime process throughout the life of the program: its innovative approach, high-risk/high-reward profile, and exploratory/learning nature (both for its own progress and more widely) warrant and require such an investment.

The contractor will provide a **fulltime PMS Adviser** and under her or his leadership program management will:

- Develop and populate performance management frameworks relevant to CFC's contribution to the country-program Delivery Strategies (as they emerge);
- Establish data collection, applied research and monitoring methodologies and protocols (at all three levels);
- Continuously monitor program components, and contribution to intermediate and final outcomes;
- Undertake relevant analysis and reporting of monitoring data;
- Produce timely, fit-for-purpose, digests of key outcomes and impacts (for multiple stakeholders, including but not limited to AusAID);
- Monitor and analyse contextual risks and assumptions that impact, or may impact, on progressing CFC's objectives;
- Contribute to lesson-learning and adaptation within CFC and among its stakeholders, across the country program, and across AusAID more widely.

In addition, periodic short-term peer-review of the performance monitoring system will be undertaken by an **independent performance and quality specialist**, on direct contract to AusAID Post (and probably drawn from AusAID's M&E panel).<sup>36</sup> She or he will in particular:

- Provide peer-review opinions on the scope and quality of the performance system developed by the contractor;
- Peer-review the contractor's analysis of risk and contextual factors;
- Facilitate annual participatory Quality at Implementation (QAI) analyses among key stakeholders;
- Lead deeper and broader-ranging reviews of CFC's 'Level I' (see above) contribution to wider development outcomes. (Probably one every three years.)

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<sup>36</sup> Note: the performance specialist assigned to the CFC design team disqualifies himself from this role to avoid any conflict of interest in recommending this.

**AusAID Post** will retain ultimate responsibility for reporting on the M&E of Delivery Strategies through processes currently being worked up across the agency. Post will maintain and deepen its role in the policy dialogue that will underpin the wider take-up of evidence-based ‘CAR’ reforms that will be informed by CFC’s work. Post will also ultimately be responsible for managing risk (development risk, political risk, reputational risk).

## Reports and reviews

Reporting is currently being streamlined within the context of the AusAID’s new Operational Policy and Management Framework. (Quality at Entry, Quality and Implementation, Delivery Strategy M&E, APPRs, etc.) The contractor will need to respond to evolving requirements. However, the gist will undoubtedly be to reduce low-level activity-reporting requirements and to encourage more strategic, outcome-oriented, and fit-for-purpose reporting that better informs policy dialogue, and continuous learning and adaptation in pursuit of aid effectiveness.

Important reviews and external inputs to monitoring performance and quality will include:

- A short ‘orientation review’ mid-way through the Inception Phase to ensure a common understanding of objectives and priorities;
- A review of the proposed Whole-of-Program-Life Work-plan to be produced by the end of the Inception Phase;
- Independent Peer Review (see above) inputs at 6, 12 and 24 months into the main Implementation Phase, and thereafter every 12 months between more substantive 3-yearly Independent Progress Reviews.
- A substantive Independent Progress Review at 3, 6 and 9 years into the main Implementation Phase.
- A final evaluation to be determined following the streamlining of AusAID

## Possible Performance Indicators

To inform the development of the CFC PMS system during implementation.

	<b>Short term changes 2013 (3 years of CFC)</b>	<b>Medium term changes 2015 (6 years of CFC)</b>	<b>Long – term changes (9 years+ of CFC)</b>
<b>Voice</b>	<ul style="list-style-type: none"> <li>• <b>Strong coalitions and network campaigns</b></li> <li>• <b>Marginalised groups</b> and civil society actors</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Increased representation of marginalised groups</b> in policy reform and <b>positions of authority</b></li> </ul>	<ul style="list-style-type: none"> <li>• CSOs and citizens feel satisfied that their <b>rights are realised</b> and that their <b>voices</b></li> </ul>

	<p>have increased awareness of issues and voice their opinions</p> <ul style="list-style-type: none"> <li>• Issue and good practice <b>communicated in an accessible manner</b></li> <li>• CSOs <b>articulating the views</b> of their constituencies</li> <li>• <b>Representations made by civil society</b> for policy changes to the <b>benefit of vulnerable groups</b></li> <li>• <b>CSOs support vulnerable groups</b> in gaining access to forums for exercising voice</li> </ul>	<ul style="list-style-type: none"> <li>• <b>CSO express voice in a non-adversarial approach</b></li> <li>• Ordinary citizens are less shy to express their views and raise questions. They are <b>more aware about their roles and responsibilities in contributing to better basic services</b> (education, health, water and agriculture) and policy changes</li> </ul>	<p><b>and concerns are being heard and met leading to more effective and inclusive people centred public processes and service delivery</b></p>
<p><b>Capability</b></p>	<ul style="list-style-type: none"> <li>• <b>Strengthened accountability mechanisms</b> (e.g. spaces for civil society inclusion and interaction with government bodies)</li> <li>• Civil society <b>capacity to identify and access resources for engagement</b> enhanced</li> <li>• <b>Local level mobilisation and collective action</b> with CSOs and local authorities on practical application of policy changes (e.g. education services are improved and reach excluded areas)</li> <li>• <b>Quality of partnerships analysis</b> and understanding of the <b>processes they are demonstrating</b></li> <li>• <b>CSO and government partnerships generate evidence on issues</b></li> </ul>	<ul style="list-style-type: none"> <li>• Government <b>capability to interact and collaborate with civil society actors</b> established (<i>internalised governance</i>)</li> <li>• <b>Increased levels and quality of systems</b> (e.g. Quality of systems for sharing information and access to information improved)</li> <li>• <b>Improved representative, oversight and law-making function of government, particularly selected partners</b></li> <li>• Partnerships and the issues worked with show <b>demonstrable contribution to improve accountability</b> processes</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Formal Institutional change</b> (<i>internalised good governance approaches by GRP</i>)</li> <li>• <b>Formal civil society institutional change</b> (<i>internal and external capabilities on governance and non-adversarial approaches</i>)</li> <li>• <b>Legislation and policy adhered to and ensures an enabling environment</b> for social, political and economic rights</li> </ul>

	<p><b>and practices</b></p> <ul style="list-style-type: none"> <li>• <b>CSO capability to enable citizens</b> particularly women, children, disabled and marginalised <b>groups to influence and interact with government</b> increased (<i>legitimacy and representation</i>)</li> <li>• Number of <b>CSOs links between national policy debates</b> or legislation to local level advocacy (<i>evidence based policy advocacy</i>)</li> <li>• <b>Strengthened CSO capacity for participating in policy making at national level</b> through the support of independent research organisations, policy networks, advocacy and lobbying organisations</li> </ul>	<ul style="list-style-type: none"> <li>• Representations made by CSOs for changes to policy, implementation, and legislation that <b>advance gender equality and benefit excluded groups</b></li> <li>• <b>Issues and practices developed by program partnerships are replicated and modelled beyond CFC</b></li> </ul>	
<p><b>Accountability</b></p>	<ul style="list-style-type: none"> <li>• <b>Civil society engagement with government is strengthened through existing platforms</b> (<i>inclusion, participation</i>)</li> <li>• <b>New spaces for dialogue and engagement identified and developed</b> in partnership with government and / or civil society (<i>inclusion, participation</i>)</li> <li>• <b>Media and civil society watch-dog role</b> enhanced</li> <li>• Use of <b>formal mechanism for redress and complaints</b> (e.g. judicial system)</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate <b>policies and strategies adopted, monitored and evaluated</b> by civil society and government</li> <li>• <b>Participation of civil society and local government departments in National initiatives</b> to improve regional and provincial governance</li> <li>• <b>Public access to information and legislative processes</b> in the national and local level government</li> <li>• <b>Public access to budget policy and performance information</b></li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened horizontal accountability across formal institutions (e.g. <i>legislature, executive / central government, public audit</i>)</li> <li>• Strengthen vertical accountability between civil society and government (<i>direct engagement between civil society and government through political processes</i>)</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Incentives of transparency for better behaviour</b> created / strengthened on part of government</li> <li>• <b>Transparency mechanisms used effectively</b> (e.g. RoadWatch, Procurement Watch, Ombudsman)</li> </ul>	<ul style="list-style-type: none"> <li>• Government and civil society adopt <b>transparency as a vital approach towards accountability</b> (e.g. accessibility improved and sharing information and willingness to share increased)</li> <li>• <b>Quality and level of citizen oversight and monitoring of government</b> policy and expenditure</li> <li>• Constructive <b>engagement between government and civil society partners on public financial / policy processes</b></li> </ul>	
<p><b>Responsiveness</b></p>	<ul style="list-style-type: none"> <li>• <b>Removing bottlenecks</b> and closed door policy on civil society influence and engagement with government for citizen consent and inclusion</li> <li>• Building <b>greater awareness and understanding between civil society and government</b> on the needs of citizens so government can respond effectively</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Responsiveness of selected government departments to civil society needs</b></li> <li>• Increased <b>pool of ministerial staff</b> who are <b>key agents for positive changes at local level.</b></li> <li>• <b>Government and civil society behavioural and attitudinal changes</b></li> <li>• Partnerships <b>ability and eagerness to share best practice and lessons learned</b> in engagement processes with others</li> <li>• <b>Transparent and predictable information systems and budget processes</b></li> <li>• Increase in <b>number of platforms and</b></li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened responsiveness vertically (towards civil society)</li> <li>• Strengthened responsiveness horizontally (across government at various levels and departments)</li> </ul>

		<p><b>spaces created for sharing information and decision making with civil society</b></p> <ul style="list-style-type: none"><li>• <b>Availability of government leaders to citizens</b> (both at national level and local level)</li><li>• <b>Government confidence in engagement process with civil society</b> to respond to needs of citizens</li><li>• <b>Quality of consultation processes</b> with civil society</li></ul>	
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