



Guidelines for Civil Society in Development Policy



MINISTRY FOR FOREIGN
AFFAIRS OF FINLAND

Table of contents

Foreword	3
1 Departure points	5
1.1 Central concepts and actors	5
1.2 The roles and many faces of civil society	6
1.3 Link with the previous guidelines	7
1.4 Relationship between public-sector development cooperation and civil society organization development cooperation	8
1.5 Influencing the development of civil society	9
1.6 Trends of policy guidance in the central comparison countries	10
2 Purpose and objective of development cooperation support for Finnish civil society	11
2.1 Finland's priorities	11
2.2 Finnish added value	12
2.3 Activities in Finland	13
3 Strengthening civil society in developing countries	14
3.1 Importance and potential of civil society activities	14
3.2 Strengthening capacity in target countries	15
3.3 Needs for development of activities	16
4 Importance of civil society in meeting the goals set by the international community	17
4.1 Departure point	17
4.2 Development cooperation effectiveness and civil society	17
4.3 Finland's measures to strengthen the effectiveness of development cooperation from the perspective of civil society	18
4.4 International cooperation concerning development communications and education	19
5 Basic principles for granting government aid	20
5.1 Legal grounds	20
5.2 Development policy grounds	20
5.3 Quality, effectiveness and impact as basic principles	21
5.4 Forms of support	22
6 Role of umbrella organizations	24
7 Intensification of administration and interaction	26
7.1 Development of cooperation between the Ministry for Foreign Affairs and organizations	26
7.2 Intensification of cooperation between the Ministry for Foreign Affairs and organizations in international cooperation forums	27
7.3 Intensification of management	27



Foreword

Civil society actors are an essential and integral element of Finnish development cooperation in its entirety. The activities of civil society organizations make it possible to achieve results in areas and regions and among groups of people that the resources and tools of public development cooperation do not always reach. At its best, grassroots cooperation is very effective.

The special value of development cooperation implemented by civil society organizations lies in the direct links it creates between our own civil society and that in our partner countries. It is therefore important that as many Finnish actors as possible take part. Through this, we can also increase Finns' awareness of conditions in developing countries and strengthen public support for all development cooperation.

The general objective set in this policy paper is to support a vibrant, pluralistic civil society based on rule of law in the target countries for development cooperation. In this manner, we can contribute not only to poverty reduction but also to the social inclusion of citizens, thereby strengthening the preconditions for democracy and good governance.

The first guidelines for civil society in development policy, drawn up in 2006, defined the relationship between civil society organizations and the Ministry for Foreign Affairs. Its purpose was to enhance the coherence of government aid practices and criteria and to shed light on approaches that would increase transparency.

The need to draft new guidelines for civil society in development policy has arisen from changes in emphasis at the national level and in the international context. Aside from listing general criteria for government aid, these guidelines are a policy paper. Civil society actors and their tasks are defined more widely than in the previous guidelines. The importance of strengthening civil society in reducing poverty in a sustainable manner is raised to the fore. At the same time, the guidelines highlight the importance of implementing the Paris Declaration and the Accra Agenda for Action, and stress their potential in improving the effectiveness of aid. In accordance with the basic point of departure defined in these guidelines, the aim of government aid directed at civil society actors is eradication of poverty and promotion of economically, socially and ecologically sustainable



development in line with the UN Millennium Development Goals set in 2000.

The new guidelines encourage Finnish civil society actors to focus on further developing the quality, efficiency, effectiveness and impact of their development cooperation efforts. These attributes are crucial in defining the policy for and focus of government aid and its grounds.

The title *Guidelines for Civil Society in Development Policy* was chosen taking into account the diversity of the concept and the actors involved, in line with the internationally established concept of *Civil Society Organization*. The title reflects the different forms of activities, freedom of initiative and independence. At the same time, however, the guidelines define the common principles through which effort is made to work together seamlessly in pursuing development cooperation goals.

The Ministry for Foreign Affairs has invested in developing its own activities as the government aid authority and cooperation partner of

civil society actors. The Ministry seeks increasingly to promote the creation of partnerships between civil society, public administration and the private sector. This cooperation can create new innovations in development and can promote the sharing of good practices and solutions generated through democratic civil dialogue that contribute to the qualitative content, productivity and effectiveness of development cooperation. In addition, the Ministry emphasizes intensification of mutual cooperation among Finnish civil society actors and pooling of expertise. In this context, we work together with civil society actors to create means and approaches supporting cooperation activities in practice.

These new guidelines are the result of close interaction between the Ministry and Finnish civil society actors. The exchange of different opinions and views has helped to understand the nature of and preconditions for Finnish development cooperation. This process has deepened cooperation between the authorities and civil society actors and strengthens their partnership in pursuit of the common goal.

Paavo Väyrynen

Minister for Foreign Trade and Development

Departure points

1.1 Central concepts and actors

These guidelines are designed to support and encourage Finnish civil society actors to further develop the quality, effectiveness and impact of their development cooperation efforts. The aim is also to define and specify the allocation of and grounds for government aid. These guidelines are intended, in particular, for civil society actors and public authorities actively involved in development cooperation.

In the focusing of these guidelines, it is essential that the activities carried out by development cooperation actors are independent of the government and are not for profit.

For the purposes of these guidelines, the term civil society actors refers not only

to associations anchored in a thematic or ideological base but also to foundations, research institutes, media, the trade union movement, business actors, think-tanks, religious communities, cooperatives, networks, various social movements and other organized types of communal activities aiming to achieve common goals.

Often called the third sector, civil society can be defined by means of the other two sectors, the public sector and the private sector. On the one hand, civil society is whatever falls outside the scope of the public and the private sector. On the other hand, civil society can be said also to include actors and partial sectors that are closely connected to the public and/or the private sector. It is impossible to present an exhaustive definition of civil society and its actors.



1.2 The roles and many faces of civil society

A well-functioning civil society is essentially underpinned by the central civil liberties, especially freedom of expression, freedom of association and assembly, and freedom of the press. A vibrant and pluralistic civil society offers channels for participation in activities of society. At best, civil society can enhance citizens' opportunities to influence their own situation in life and to break free of the vicious circle of poverty.

From the viewpoint of development cooperation, the essence is that efforts and support to strengthen civil society are aimed at the eradication of poverty and promote economically, socially and ecologically balanced sustainable development, in accordance with the UN Millennium Development Goals set in 2000.

The rights and status of women and girls as well as gender and social equality, the rights and equal opportunities for participation of easily marginalized groups, and HIV/AIDS are themes that Finland promotes in a cross-cutting manner also through its support for civil society actors. All activities should also take climate policy requirements into account.

The form of civil society activities and the degree of organization vary greatly. Increasingly larger shares of civil society activities are loosely organized, spontaneous, and relatively short in duration. Interaction through the Internet and, in particular, the increased importance of social media are characteristic of the time. The operational models and forms of activities made possible by electronic applications now augment the traditional forms of non-governmental activities.

The levels of civil society activities also vary, from local to global. Despite the increased importance of the global civil society, civil society will continue to be closely tied to individual states and local cultures. Manifestations of civil society and possibilities for development are affected not only by culture but also, in particular, by politico-legal, historical and socioeconomic factors.

From the perspective of development cooperation, civil society has a number of different roles and tasks¹:

- promotion of human rights, democracy and good governance: civic education,
- knowledge of rights, learning about local democracy practices, etc.
- production of basic and welfare services
- monitoring of the State and other public-sector actors (democratic control)
- defending the rights of special groups
- increasing grassroots participation
- promotion of a pluralistic and multifarious civil dialogue and participation in such civil dialogue
- mobilization of local resources (including volunteer activities)
- testing and development of innovative operational models

¹ See also Laitinen, Hanna (2001), *Selvitys kehitysmaiden kansalaistoiminnan vahvistamisesta*.

1.3 Link with the previous guidelines

These guidelines are the second set of guidelines prepared by the Ministry for Foreign Affairs that focus on the development cooperation carried out by civil society. The guidelines dating from 2006 confirmed the practices that were in force at the time with regard to the funding of organizations and recorded the general prerequisites, terms and channels of funding.

In accordance with the guidelines dating from 2006, the Ministry for Foreign Affairs has revised the criteria for selecting partner organizations and an open application round for new partner organizations was arranged in 2009. The Ministry for Foreign Affairs has maintained dialogue with organizations. Participation in events has been increased on both sides, and more workshops and discussions have been held.

The outsourcing of the administration of smaller projects, an idea the Ministry for Foreign Affairs had been considering and working on, was not implemented. Instead, it was decided for the time being that development efforts and administrative work would continue to be led by the Ministry. Streamlining the application and reporting process for small projects and revision of the guidelines for project support are still topical. Attention has been paid to ensuring

opportunities for small organizations and to the quality of project plans.

Key discussion topics, both in the Ministry and in the civil society sector, have been questions pertaining to the efficiency,² effectiveness, impact and quality of development cooperation. Definition of concepts and their application as development cooperation practices have required much dialogue, training and testing. Cooperation between organizations has intensified. The experience of partner organizations and their mutual cooperation have also supported the development of quality-related issues by smaller organizations.

The international cooperation dimension has been brought into the dialogue more emphatically than before. At the Paris Declaration follow-up meeting in Accra, civil society was taken into account and its actors were found to have an independent role in attaining objectives of development cooperation effectiveness.

These guidelines direct the work of civil society actors more clearly towards strengthening civil society in developing countries. Production of services for ensuring local basic services will continue. In addition, by strengthening the cooperation partner and by increasing the partner's social awareness, activism and skills, Finnish organizations can make a strong contribution to the development of civil society in the target country.

² Efficiency refers to the ratio between the resources used for development cooperation and the results achieved. The aim is to reach optimum cost effectiveness. Development effectiveness refers to realization of the immediate objectives of cooperation. Cooperation is effective when it accomplishes the positive change the project strives to achieve (often in the short term). Aid effectiveness also refers to the operational models for providing development cooperation. Donors' efforts are effective when the departure point is the partner country's ownership and close cooperation with donors.

Impact refers to positive change in achieving more far-reaching social development objectives. Development impacts usually become evident only when cooperation has been underway for a long time, or after it has come to an end.

Quality is an overarching concept incorporating efficiency, effectiveness and impact. Good development cooperation comprises all of these components.

1.4 Relationship between public-sector development cooperation and civil society organization development cooperation

The participation of citizens, their organizations and communities in development cooperation efforts, through volunteer work and monetary donations, is an indication of Finns' continued tradition of joint responsibility and solidarity. It is also an indication that citizens set common goals and work to promote them. Citizens' exertion of influence and civil society participation are central reasons for the fact that Finland spends a considerable share of tax revenue to improve the living conditions of people in developing countries. Civil society actors also bear a great responsibility for the selection of targets for these common resources and for the practical implementation of cooperation.

The overall picture of Finnish development cooperation arises only when all of the funds allocated for development cooperation are placed within the same frame. Different financial channels have their own role to play and their own goals. Financial channels complement each other, their combined total creates the framework for the implementation of our development policy and for the sustainable impacts of cooperation in partner countries.

Multilateral development cooperation is participation in global collaboration through UN organizations and financial institutions. The financial targets for development cooperation can be general support for an international organization, a financial contribution to a development bank or fund, or a share in a wide-ranging development programme.

Finland finances development efforts as part of the European cooperation network through the European Development Fund

and the European Union budget. A small part of this support may return to Finnish organizations and their cooperation partners as support granted by the Commission; or it may return to organizations in developing countries through delegations.

Finland's bilateral country-specific and regional cooperation accounts for about one-third of development cooperation proper. The donor community coordinates its efforts in the spirit of the Paris Declaration and the Accra Agenda for Action, but, ultimately, Finland is independently responsible for decision-making and follow-up concerning bilateral aid.

The Ministry for Foreign Affairs finances individual development projects of civil society organizations (CSOs), development programmes of partner organizations, and micro-projects in developing countries through special foundations, international non-governmental organization (INGO) projects, trips made by Finnish organizations for project preparation and travel grants enabling representatives from developing countries to participate in international conferences. During one year, nearly a thousand projects in 96 countries are implemented with the support of CSOs. Development cooperation appropriations channelled through CSOs amount to 13 per cent of the budget for development cooperation proper and about one quarter of appropriations for bilateral development cooperation (2009).

Diplomatic missions have an appropriation for local cooperation at their disposal, to be used for local visibility and for small-scale, targeted development cooperation. The local cooperation appropriation enables cooperation, among others, with local CSOs and the private sector.

The Development Policy Programme sees the development of economic activity

as an important means of reducing poverty. The Finnpartnership Business Partnership programme and interest rate subsidies are instruments to activate the Finnish business community's operations aimed at developing countries.

1.5 Influencing the development of civil society

The state, structure and role of civil society and civil society's possibilities to exert influence in society are the outcome of long-range historical chains of events. Little can be said about developing countries or, for example, the states of Africa as a group; correspondingly, their civil societies cannot be evaluated with the same measuring rod. The special features of each country's civil society should be understood in development cooperation efforts.

Civil society – a space where people hold discussions and debates, come together and influence their society – is an aspect of human activity. Our current concept of civil society reflects the structures of a modern and evolving society. All human beings are entitled to internationally approved societal operating models, especially respect for human rights, democracy and good governance, the principles of non-discrimination and equality, freedom of expression and freedom of association.

Descriptions of civil society in individual countries have been drawn up for the purposes of development policy and the steering of development cooperation. Comparison of a multifarious societal phenomenon at the international level is very challenging. States, civil society actors and research institutions have sought to develop a variety of

indicators and evaluation methods in order to measure the level of development of civil societies. CIVICUS, an international cooperation body for civil society organizations,³ has conducted a global assessment of the state of civil societies. A system of data collection is in place and an index, the Civil Society Index based on data obtained by means of 78 indicators, has been compiled. The assessment has been carried out for nearly 50 countries.⁴

The indicators describe four dimensions:

- *the structure of civil society* (citizens' participation, diversity, the degree of organization, mutual cooperation, resources)
- *the operating environment* (the political environment, basic rights and freedoms, the socio-cultural context, legitimacy, the relationship between the state and civil society, the relationship between the private sector and civil society)
- *values* (democracy, transparency, tolerance, nonviolence, gender equality, eradication of poverty, environmental sustainability)
- *impact* (impact on public policy, government and private sector accountability, response to the interests of society, empowerment of citizens, satisfaction of the needs of communities)

³ CIVICUS: World Alliance for Citizen Participation. Additional information www.civicus.org.

⁴ Comparison of civil societies and the Civil Society Index have been discussed in two publications: Heinrich, V. Finn (ed.), CIVICUS Global Survey of the State of Civil Society: Volume 1 and Heinrich, V. Finn and Lorenzo Fioramonti (eds.), Global Survey of the State of Civil Society, Volume 2 Comparative Perspectives.

From the perspective of development cooperation, this approach is appropriate because civil society is examined through tasks rather than structures. Civil society is the arena outside family life, public administration and markets, the arena where people come together to promote common interests. In this sense, the essence is not the forms civil society takes on, but how it responds to the needs of citizens.

Finnish CSOs must develop their own professional skills and assess the operating environment of their own development cooperation projects, the whole country, the city or village community from the perspective of civil society. When the aim is to strengthen local civil society, one must know the values, actors, operational space, information resources and financial resources contained in the local civil society and how they can be strengthened. It is equally important to recognize and understand the special features of interaction between civil society and government in the target country.

1.6 Trends of policy guidance in the central comparison countries

Finland is building its development cooperation policy and methods in close cooperation with the Nordic countries and the wider like-minded donor group.⁵ The development policy guidelines in these countries are largely similar and in accordance with the UN Millennium Development Goals, but clear differences of emphasis and funding models exist between them.

⁵ Aside from the Nordic countries, the group participants include Austria, Canada, Belgium, Ireland, the Netherlands, Switzerland and the United Kingdom.

The group of like-minded donors can be seen as divided in certain respects between those following the Nordic tradition and those following the Anglo-Saxon tradition. The main differences between the Nordic countries and, in particular, Canada, Ireland, the Netherlands and the United Kingdom pertain to the relationship between the authorities and civil society. In the Nordic tradition, organizations and the ministry or development agencies see one another mainly as partners who cooperate in a relatively consensual spirit. In the other like-minded countries, the distance between providers of funds and beneficiaries are greater and funding is based primarily on the effectiveness of activities, as shown by the beneficiaries.

Common to all like-minded countries' financial systems is the distribution of aid among long-term partnership agreements approaching programme-based thinking, financing for micro-projects, and financing for projects raising awareness among domestic citizens. Also common to them is the relatively large right of organizations to their own free choice and initiative (right of initiative).

In contrast, administrative practices, where decisions on the financing of projects are made, or how support is divided between different financial windows, vary in accordance with the structure of the country's development cooperation administration.

The like-minded countries have uniform objectives with regard to civil societies in developing countries. Strengthening of local civil societies is a key element in the guidelines of all these countries. This task is usually left to the organizations receiving support. Sweden and Denmark make this the aim of all their development cooperation activities, for both the public sector and civil society.

Purpose and objective of development cooperation support for Finnish civil society

2.1 Finland's priorities

The Ministry for Foreign Affairs stresses the importance and role of Finnish civil society and CSOs in strengthening civil society in the target country. This is the base for all activities.

In development cooperation, civil society actors are working in a highly varied field. Their efforts aim to support and strengthen civil society, they produce services, and they participate in advocacy. The fields of activities are not always demarcated, but often different areas overlap to form mutually supportive entities. Development cooperation activities create a real link between Finns and actors in the partner country.

2.1.1 Support for the development of civil society in the target country

The development cooperation objective of civil society actors and organizations is a vibrant and pluralistic civil society based on rule of law, whose activities support and promote the achievement of development goals and enhanced human well-being. A well-functioning and wide-ranging civil society supports citizens' participation in society, thereby strengthening the preconditions for the development of democracy and good governance. Civil society plays a key role in monitoring the activities of public authorities, such as the use of development cooperation funds.

Creation of a supportive environment for civil society activities in the target countries of development cooperation is the common goal of the Ministry for Foreign Affairs and civil society actors. Support for



the development of civil society calls for strengthening of both structures and actors. The Ministry for Foreign Affairs supports civil society actors directly by targeting the allocation of funds for local cooperation. Finnish development policy will pay increasing attention to the development of local civil society structures in bilateral negotiations on development cooperation with partner countries.

Support for the unobstructed activities and independence of civil society actors is important for strengthening the structures and actors of civil society. For many Finnish civil society actors and organizations,

strengthening of civil society in the targeted country has long been a consistent goal. Finnish civil society actors and organizations have supported the empowerment of local partner organizations or other civil society actors and the strengthening of their operating capacity, for instance by transferring the administrative focus of their activities to partner countries.

2.1.2 Production of public services

Civil society actors may have an important complementary role in the provision of services to where the state lacks adequate capacity. The services offered by Finnish civil society actors and organizations in such sectors as education, health, social welfare, and rural development are a valuable component of the comprehensive service-provision aimed at satisfying the basic needs for a decent life in developing countries. Civil society actors often have a key role in the above-mentioned areas, engaging in cooperation with officials at local, regional and state level. In some situations and circumstances, support targeted through civil society is also the most efficient possible way to reduce poverty and achieve the desired development goals.

The Ministry for Foreign Affairs continues to support Finnish civil society actors and organizations in their provision of basic services in developing countries. With regard to the allocation of aid, more attention will be paid to local ownership, in particular to efforts to bring services to a sustainable base that is less dependent on development assistance. In addition, attention is paid to development with regard to implementation of state and local government responsibility to provide services.

2.1.3 Advocacy

Advocacy focusing on political decision-makers, governance and public opinion and making the voice of citizens heard have been part of the work done by many civil society actors and organizations. These activities have often been effective, even to the point of amendments to legislation; but on the other hand, civil society actors have often come up against obstacles to citizens' and organizations' activities set by local legislation and government. Support for civil society actors is particularly necessary in authoritarian states.

2.2 Finnish added value

The departure point for Finnish added value is the high quality of projects receiving government aid.

Development cooperation is a means for offering Finnish expertise and experience associated with citizens' advocacy and pluralism meeting local needs and corresponding to local priorities. Essential elements of this are awareness of the importance of interaction between civil society and government, the human rights base of activities, accountability and emphasis on the importance of community. Respect for human rights and equality are pillars of the Finnish society, which enable development through various sectors.

The participation of Finnish workers and volunteers in the implementation of development cooperation activities on site creates a real connection between Finns and the citizens of the target country. It is therefore important that as many Finnish actors as possible take part. Local contacts at

different levels and utilization of Finnish expertise, for their part, affect the Finns' support for civil society actors and, more generally, they influence public opinion concerning development cooperation.

Development cooperation is a channel making it possible to provide Finnish sector-specific expertise, for instance, in education, health care, social welfare, agriculture and the forest sector. The efficiency and effectiveness of projects can be enhanced through IT and communication technology applications.

In the future, Finnish value added can be created especially through the development of mutual cooperation among organizations, the private sector and the public sector. At their best, civil society partnerships with government and/or the private sector can enrich development by introducing new innovations, the sharing of best practices and solutions generated via democratic dialogue among citizens, all of which no actor would be capable of alone. In cooperation with key stakeholders, the Ministry for Foreign Affairs will examine and make recommendations on possibilities for developing public, private, and third-sector cooperation. Moreover, the special skills of the media, research institutes, various communities and networks should be applied more efficiently.

Fragmentation of development cooperation and the overlapping of activities require development of both cooperation between actors and the division of labour. Intensification of mutual cooperation and combining the special expertise among Finnish civil society actors focusing on the same thematic issues, complementing one another and sharing the same values strengthen the Finnish added value. While respecting the autonomy and freedom of activities

of civil society actors, the Ministry for Foreign Affairs encourages increasingly intense cooperation in areas such as climate change, food security and the position of children, youth and women, which are fundamental to reducing poverty in a sustainable manner. Networking and close cooperation between actors are desirable also at the site of development cooperation.

2.3 Activities in Finland

Civil society actors play an active role in the field of domestic development communication and education. The Ministry for Foreign Affairs underlines the importance of domestic activities that further global responsibility, increase citizens' support for development cooperation and promote public awareness about it, responding at the same time to the right of citizens to obtain information about themes pertaining to development and developing countries.

Civil society actors seek to promote Finnish debate on development policy and make a valuable contribution to interaction between the Ministry and civil society. National cooperation on development policy requires open communication and long-term development education at home. As part of the cross-sectoral field of global education, the Ministry for Foreign Affairs bears responsibility for development issues, development communication and development education.

3.1 Importance and potential of civil society activities

The most important general task of civil society is to try to empower citizens to influence public decision-making processes actively, thereby also influencing their own lives.

The importance of a well-functioning, responsible and pluralistic civil society as the cornerstone of sustainable development is widely recognized in the international community. The Nordic countries, but also a broader group of like-minded donors, have considered the role of civil society to be of paramount importance in striving to attain development goals, especially the reduction of extreme poverty.

Civil society actors play a pivotal role in efforts to increase awareness of citizens' rights and responsibilities, in making the voices of the most vulnerable groups heard, in accumulating social capital, in enabling citizens' participation in society, in driving political and legal reforms and in developing good governance.

A human rights basis should underpin all activities. There is no unambiguous international consensus as to how 'human rights basis' is defined. According to the Finnish view, a human rights based approach emphasizes the right of people to contribute actively to development, enabling citizens' participation in society, overall openness, non-discrimination, and the responsibility



of states in monitoring the enforcement of human rights norms and in the realization of human rights.

Not only is the rights based strengthening of civil society a value in itself, it is also a means of improving the preconditions for sustainable development. Democracy and good governance affect, among others, a country's economic operating environment and attractiveness for investment.

In the beginning, the guidelines define civil society as a broad and complex entity encompassing a wide variety of actors. Civil society can gather together and activate local resources for developing the economic operating environment and activity, thereby promoting the attainment of sustainable development goals. Finnish civil society actors engaged in development cooperation have wide-ranging and in-depth expertise, which can be utilized in strengthening the functional capacity of various sectors of civil society in developing countries.

The goal of the Ministry for Foreign Affairs is, in cooperation with Finnish civil society actors and making use of developing countries' own potential, to:

- strengthen the functional capacity of civil society actors
- increase citizens' participation and activity
- support national and international advocacy and dialogue
- strive to create conditions enabling citizens' activities
- develop the economic operating environment and activity

3.2 Strengthening capacity in target countries

The aim of strengthening capacity is, in a variety of ways, to improve the preconditions of civil society actors in developing countries to develop their activities and influence social processes, especially with regard to poverty reduction and citizens' equal participation in decision-making within society.

A sufficient level of skill in administrative, financial and organizational management provides a foundation on which the content of activities can be built. Strengthening of capacity should support consolidation of the partner's activities and should set them on a sustainable footing. Efforts to develop the partner's independence and autonomy, including fundraising, should be part of this activity.

Tools utilizing information and communications technology in different ways – social media, discussion groups, blogs and websites – have overtaken the traditional civil society approaches based on physical presence not only in speed but also in their extensiveness. In the development cooperation efforts of civil society, electronic communications and participation have acted more as complementary rather than substitute channels and instruments for activities. The Ministry for Foreign Affairs encourages civil society actors to make effective use of ICT applications in implementing their projects and programmes and in the capacity-building of their partners.

In addition to the application of modern organizational and technical possibilities, the Ministry for Foreign Affairs considers that familiarity with and utilization of cultures, local practices and knowledge are preconditions to successful development

cooperation. The transfer of know-how, skill and knowledge that takes place through peer support and mutual learning is essential in all cooperation between Finnish and local actors, including strengthening the capacity of actors.

Civil society is country-bound and culture-bound; this poses challenges to partnership between Finnish actors and actors in the developing country. Finnish actors should adapt their project to be part of the society's local operating environment and its specific requirements. A precondition for granting government support is that the requirements of local ownership and participation open to all are taken into account.

3.3 Needs for development of activities

In their projects and programmes, Finnish civil society organizations have supported the production of society's basic services through the activities of their partners in developing countries. Nearly one-third of the development cooperation funds granted to civil society organizations by the Ministry for Foreign Affairs has supported the

provision of basic services, such as education and health care. The organizations have used about one-quarter of the support received for strengthening civil society and for direct support to civil society organizations in developing countries.

The organizations' development cooperation activities encompass all of the segments listed in Chapter 2.1. The human rights based strengthening of civil society can be achieved in organizations' activities either through separate projects or in a cross-cutting manner through all activities. These guidelines do not require radical changes in the structure of activities, nor is it necessary to abandon the provision of basic services. Organizations and other actors, however, are encouraged to assess the weightings of their activities and to consider further investment in the strengthening of civil society in their partner countries.

The Ministry for Foreign Affairs is deepening dialogue with civil society in order to identify opportunities for cooperation and implement mutually complementary activities. Utilization of Finnish civil society actors' experience and expertise is also intensified in public-sector bilateral development cooperation.

Importance of civil society in meeting the goals set by the international community

4.1 Departure point

In addition to the target countries, important cooperation partners in the development policy field relating to civil society are the Nordic countries, other like-minded countries, the EU and the OECD. Civil society actors play an active role in international processes of development policy and development cooperation.

The Paris Declaration⁶ and the Accra Agenda for Action⁷ supporting it provide the basis for donors and civil society actors to improve the effectiveness of their development cooperation. Finland is committed to the principles of the Paris Declaration and the Accra Agenda for Action, which aim at developing the approaches for development cooperation. The Ministry for Foreign Affairs is deepening its cooperation with Finnish civil society actors as part of the common goal-setting of the international community.

4.2 Development cooperation effectiveness and civil society

The changes that have taken place in the international development policy environment, especially the worsening of poverty in developing countries, the uneven results in achieving the UN Millennium Development Goals, the increased importance of new donors,⁸ and the formation of a global civil society have increased pressure to

consolidate wide-ranging, comprehensive international cooperation that would also include non-governmental actors. Government aid for civil society actors is one element of development cooperation where donors and recipients have strived to improve coordination between them.

The international community constantly strives to increase the effectiveness of development cooperation. This means the development of approaches so that they better support achievement of the development goals set for development cooperation. The Paris Declaration, which Finland also signed, defined five principles central to increasing aid effectiveness. With regard to civil society, these are: 1) ownership by civil society and government in developing countries; 2) adaptation of assistance to partner countries' own development strategies and national systems; 3) harmonization of donors' approaches; 4) systematic assessment of results; and 5) mutual accountability. The Paris Declaration provides a useful framework for developing cooperation between donor governments, civil society actors and aid recipients.

The meeting organized in Accra on monitoring the Paris Declaration agreed on a programme, the Accra Agenda for Action, the purpose of which is to put the Paris Declaration into action. The Accra Agenda for Action strengthens commitment to the objectives of the Paris Declaration and focuses the objectives with regard to civil society organizations. These are 1) improved coordination of the activities of civil society organizations and government programmes; 2) strengthening the accountability of civil society organizations; and 3) improvement of civil society organizations' communications.

⁶ Paris Declaration on Aid Effectiveness (2005).

⁷ Accra Agenda for Action (2008).

⁸ Among states, especially China and among non-governmental actors, various foundations and funds.

The Accra Agenda for Action, on the one hand, calls on civil society organizations to develop their activities to be more effective and more accountable on their own initiative, and on the other hand, urges civil society organizations and governments to intensify their mutual cooperation.

The role and importance of civil society actors have become increasingly prominent, especially in the debate on development policy coherence, the fragmentation of assistance, and on the reconciliation of humanitarian aid, reconstruction and development cooperation. The debate has focused, on the one hand, on respecting the free and independent position of civil society actors and, on the other hand, on more effective utilization of their potential as part of the development cooperation as a whole.

The activities of Finnish civil society actors and their local partners should be linked with the activities of the international donor community.

The Ministry for Foreign Affairs encourages and supports organizations to continue their own processes, such as the Open Forum for CSO Development Effectiveness,⁹ in order to improve aid effectiveness.

4.3 Finland's measures to strengthen the effectiveness of development cooperation from the perspective of civil society

Finland strongly supports the cooperation between donors associated with civil society actors. Finland participates actively in

measures to develop coordination and harmonization, especially in the sphere of Nordic cooperation, like-minded donor countries and the EU and OECD cooperation.

Finland encourages UN agencies as well as the World Bank and regional development banks to invest more, and more broadly, in civil society development and in cooperation with its actors. Finland takes a positive view of the fact that UN agencies are developing their cooperation with civil society actors in a more strategic direction and are shifting the focus from the subcontracting of services to strengthening civil society actors' capacity for advocacy. Civil society actors have a key role not only in striving to achieve the UN Millennium Development Goals but also in developing the UN's activities and agreement system.

Donor governments and civil society actors have organized collectively and individually to implement the Accra Agenda for Action. Finland participates closely in both donor governments' mutual cooperation concerning implementation of the Accra Agenda for Action and in the multi-stakeholder dialogue between international donor governments, recipients and civil society actors. Through participation and funding, Finland supports global civil society cooperation projects central to implementation of the Accra Agenda. Within the scope of the process, civil society actors seek to define the basic principles of and guidelines for the effectiveness of their own activities and to develop tools and follow-up indicators for strengthening conditions enabling civil society action.

The Accra Agenda for Action obligates donor governments to promote the possibilities of civil society actors to coordinate their mutual activities and to reduce the related administrative burden. Meeting this obligation requires agreement on the areas

⁹ At the Open Forum for CSO Development Effectiveness, civil society actors seek common principles for improving the effectiveness of their own development cooperation.

where it is possible to harmonize the terms and requirements set for assistance and targeted at civil society actors. To ensure the diversity of civil society, Finland does not consider it appropriate to seek to harmonize the selection of beneficiaries, the content of cooperation, or the thematic or geographical priorities.

Finland, together with other donors, will continue to discuss how the civil societies in developing countries can be supported more effectively than at present. According to international studies,¹⁰ direct operational support targeted at civil society actors in developing countries have increased somewhat in recent years, mainly through co-financing by donor countries. Finland considers that the possible positive and negative effects of direct operational support should be investigated comprehensively and thoroughly.

In international cooperation concerning the development of various forms of assistance, Finland will continue in future, too, to pay attention to the need to preserve both the direct connection between Finnish civil society actors and their counterparts in developing countries, and the added value these produce. Harmonization of the terms and modes of assistance is not a value in itself; instead, it should be supported by efforts improving the effectiveness of aid. Intensification of international cooperation must take place in close interaction with civil society actors.

Finnish civil society organizations have persistently developed the effectiveness of their activities. The close interaction associated with development cooperation practices carried out between Finnish civil society actors and the Ministry for Foreign

Affairs provides good preconditions to exert influence together on the content of the international debate and on the setting of concrete goals.

4.4 International cooperation concerning development communications and education

In addition to the effectiveness process, Finland participates in the international cooperation associated with development policy from the perspective of civil societies. As part of the country's holistic development policy, Finland considers it important to participate in various networks and processes also in the fields of in global and development education and in the field of development of communications. International debate is based, e.g. on the Maastricht Global Education Declaration,¹¹ the European Consensus on Development: Development Education and Awareness Raising,¹² the UN, other international networks, commitments and conferences. The Ministry for Foreign Affairs considers it importance to respond to international commitments.

In addition to cooperation between State actors and cooperation between State actors and organizations, civil society representatives also work actively at the international level in various cooperation forums and processes, strengthening their cooperation and networks with other civil society actors. The Ministry for Foreign Affairs encourages civil society actors to continue and strengthen their international activities and the establishment of links.

¹⁰ Reforming Government Funding of Development NGOs (2009); Civil Society Policy and Practices in Donor Agencies (2010).

¹¹ Maastricht Global Education Declaration (2002).

¹² European Consensus on Development: Development Education and Awareness Raising (2007).

Basic principles for granting government aid

5.1 Legal grounds

Development cooperation aid directed at civil society can be obtained by competent non-profit associations and foundations registered in Finland (beneficiaries, associations and foundations are referred to below in this chapter as ‘organization/s’). An organization receiving aid must have sufficient expertise in implementation and administration of project and programme activities.

The Act on Discretionary Government Transfers and the principles stipulated therein steer the granting of government aid. The development cooperation of civil society organizations is also affected, among others, by the Accounting Act, the Accounting Decree, the Act on Public Contracts, the

Associations Act, the Foundations Act and the Administrative Procedure Act. Organizations should also be familiar with other legislation affecting their activities.

The Ministry for Foreign Affairs is keeping the special requirements set for organizations the same. An organization applying for aid must be registered in the Register of Associations for at least two years. The organization must have at least 30 members or it must otherwise demonstrate the ability to manage development cooperation projects.

The organization must have been registered for at least one year when seeking support for preparatory missions.

5.2 Development policy grounds

The development cooperation of civil society organizations is an essential and integral part of Finland’s development policy and in addition to compliance with the legislation, in their activities organizations must take into account the Government’s **Development Policy Programme** and **sector-specific policies**. All development cooperation implemented by civil society organizations must take into account the cross-cutting development policy themes promoted by Finland and sustainability with regard to the climate. Finland’s development policy and the development cooperation of civil society organizations is guided by commitment to the goals and values of the UN Millennium Declaration. Finnish development cooperation also complies with other objectives and policies jointly approved in the UN and the EU.

In planning and implementing projects, civil society organization should take into



account the target countries' **own poverty reduction plans and sector policies**.

The development cooperation implemented by organizations complements and supports the public-sector bilateral, multi-lateral and EU development cooperation. The specific added value and complementarity of civil society organizations in relation to other Finnish bilateral development cooperation derive from their direct contacts at grassroots level, in areas and among groups of people that are not reached by public-sector development cooperation. Civil society actors' support for the range of methods available to public development cooperation is also noteworthy with regard to prevention of conflicts and natural disasters, raising disaster preparedness, post-conflict recovery and reconstruction.

Organizations can implement their projects in the sectors of their choice in countries mentioned on the OECD Development Assistance Committee list of eligible countries. The Ministry for Foreign Affairs encourages organizations to implement projects especially among the poorest and least developed countries. To strengthen mutual support, compatibility and complementarity with public development policy, the Ministry for Foreign Affairs hopes that Finnish organizations' projects would be focused on the thematic as well as regional and country-level priorities of Finnish development policy. For its part, the Ministry for Foreign Affairs is developing means by which to encourage organizations to focus their projects on sectors and target countries prioritized by Finland and the international community.

The development cooperation of civil society organizations, for its part, should adhere to development policy coherence on the basis of the Development Policy Programme and sector policies. Coherence refers to efforts made to ensure that the various policy areas

impacting on developing countries support development objectives. The Ministry for Foreign Affairs monitors the implementation of development policy coherence in the organizations' projects.

5.3 Quality, effectiveness and impact as basic principles

The development cooperation activities of civil society organizations should be of high quality and effective regardless of whether the measures implemented focus on the production of services, capacity building, or advocacy work. Preconditions for granting all types of aid are that the organization has a good reputation, reliability, and the quality, effectiveness, impact and sustainability of development cooperation activities. The use of funds must be efficient and appropriate. Activities must be sustainable and must support capacity building, and their continuity must be ensured also once external financing has ended.

As concerns project and programme aid, the Finnish actor must have a local partner on whose initiative and from whose departure points the activities are implemented. The organization together with its local partner should be committed to long-term and sustainable development activities.

The launching of development cooperation activities is preceded by the identification of project activities and a joint planning process. The project idea must start from local departure points, but the partners do the planning work together. Finnish added value in project and programme activities is reflected in the actors' cooperation. As aids in planning, implementation and monitoring, organizations may use different tools facilitating processes, such as a logical framework. Through their joint work,

the partners learn to know each other better and the preconditions for successful development cooperation activity are improved. Recognition of both strengths and weaknesses and responding to matters are easier. Clear definition of the responsibilities and obligations of different parties is important and should be taken into account in the written cooperation agreement. Although responsibility for implementing activities and ownership rest with the local partner, the Finnish organization works actively to support project implementation and contributes to the rise of strong dialogue. Both partners learn from one another in a successful development cooperation project and successful development cooperation activities. The Finnish organization must act in such a way that it does not create aid dependency in a partner and that it knows to, and can, withdraw from supporting activities once the objectives have been achieved and their sustainability is assured.

The organization that has received support from the Ministry for Foreign Affairs is fully responsible for the correct use of the support, in accordance with the plan and budget. The Ministry must be notified of any change.

Self-financing is always required; the pertinent guidelines define the amount of self-financing separately for each form of support. In accordance with the Act on Discretionary Government Transfers, the support may not cover the activities supported in full.

5.4 Forms of support

5.4.1 Project support and programme support

In future, too, development cooperation support for civil society associations will

continue to be divided into project support for small and medium-sized organizations, and programme support for partner organizations. The forms of support enable organizations to implement project and programme activities in developing countries. The forms of support offer citizens, through organizations, the opportunity to support partners in developing countries, to create networks between people of the North and the South and to work together.

The allocation of appropriations as programme support for partner organizations and as project support for small and medium-sized organizations will be reviewed first and foremost on the basis of activities implemented and the quality of future work plans. In targeting appropriations, consideration will be given to ensuring the operating potential of small and medium-sized organizations.

The possibility to file an application as a partner organization will be announced in the newspapers Helsingin Sanomat and Hufvudstadsbladet, on the website of the Ministry for Foreign Affairs and through KEPA, the Service Centre for Development Cooperation.

Project support can be applied for once a year in March–May.

5.4.2 Special foundations

The Ministry for Foreign Affairs will continue to support the activities of local organizations in developing countries through three special foundations: KIOS, the Finnish NGO Foundation for Human Rights; ABILIS Foundation, an organisation promoting the position of those with disability; and Siemenpuu Foundation, an association of environmental and non-governmental organisations. These foundations operate in sectors important to development policy.

5.4.3 Communications and development education support

Organizations carry out important work to make development issues, development cooperation and developing countries better known and to widen the support base in Finland. Citizens have the right to know about global development issues, and in this regard the work done by organizations is a powerful advocacy tool. In June–August each year, small and medium-sized organizations may file an application with the Ministry for communications and development education support to be used in Finland for awareness-raising activities concerning development and fairness as well as other areas of global education insofar as they pertain to developing countries or involve a clear development policy dimension.

Communications in Finland about individual projects is included in project budgeting. A maximum of five per cent of total costs can be used for this purpose.

The programme support granted by the Ministry for Foreign Affairs to partner organizations includes a development communications component, which consists of communications about the programme as well as development communications and development education. The costs of programme communications in Finland may not exceed five per cent of all programme expenses covered by government aid.

5.4.4 Support for conference trips and preparatory missions

The Ministry for Foreign Affairs will continue to grant organizations support for conference trips and project preparatory missions.

The purpose of support for project preparatory missions is to enable civil society

organizations to implement development cooperation. The intention is to improve the quality, effectiveness and impact of projects by means of this form of support. Support for project preparatory missions is meant for finalization of the project plan and for assessing the possibilities for its implementation.

With regard to conference support, the Ministry for Foreign Affairs may grant Finnish organizations support to representatives from developing countries (and delegates of international/regional organizations representing developing countries) for the travel costs for participating in international conferences.

5.4.5 The European Commission's financial instruments

Organizations may also apply for support for their development and communications projects through the European Union. The Ministry for Foreign Affairs supports Finnish civil society organization projects that have received EU financing. Organizations whose development cooperation and global education projects have received support from the European Commission may apply to the Ministry for Foreign Affairs for additional support to cover the total project costs.

5.4.6 International non-governmental organizations (INGOs)

The Ministry for Foreign Affairs grants development cooperation allocations to support the international non-governmental organizations (INGOs) that are political-ly and administratively independent of governments and are non-profit organizations. They carry out advocacy, campaigns, work by experts and service provision in developing countries, together with other actors.

KEPA, the Service Centre for Development Cooperation, plays a key role in developing the activities of Finnish civil society carrying out development cooperation. In the previous and the current guidelines, the main purpose of government aid granted to KEPA has been and is to promote the quality, effectiveness, impact, efficiency and reliability of civil society actors' development cooperation activities and other development policy efforts.

To achieve this goal, KEPA will continue to be encouraged to develop its activities as a cooperation body for civil society organizations and to allocate adequate resources for training, advisory and support services. It is hoped, in particular, that KEPA will pay attention to the relationship between the supply of and demand for training and advice, taking into account not only the different needs of civil society organizations but also the changing operating environment of development policy. KEPA should be able to meet the development needs of all actors, both new and old as well as large and small. In this respect, we refer to the definition of civil society actors given at the beginning of the guidelines and to the importance of civil society in reducing poverty.

The Ministry for Foreign Affairs will continue close dialogue and cooperation with KEPA. The Ministry's objective is to strengthen the complementarity and compatibility of mutual activities, taking into account KEPA's

independent position as an umbrella organization with extensive representation of civil society. In developing its activities, KEPA is encouraged to take into account the results of dialogue held with the Ministry for Foreign Affairs. KEPA's active participation in the process to strengthen civil society at EU and global levels provides a good starting point for cooperation between organizations, civil society actors and the Ministry for Foreign Affairs to carry out advocacy work in the international debate.

Kehys – the Finnish NGDO Platform to the EU has developed its activities based on the needs of civil society organizations. There is great demand for the training and advisory services produced by Kehys; their quality is appreciated. In addition, the active role of Kehys in EU development cooperation and EU development policy debate supports the activities of the Ministry for Foreign Affairs. Besides the positions prepared at EU level, the Ministry would consider it beneficial for Kehys to take a more active role in processes related to the formation of Finland's positions. The Ministry will continue to support Kehys.

The Ministry for Foreign Affairs encourages KEPA and Kehys to coordinate their joint activity and to act as a link and a forum for Finnish civil society actors, promoting their participation in key international cooperation processes. Both of these



umbrella organizations are encouraged to continue activating development policy debate. Umbrella organizations are encouraged, however, to clarify their roles and division of labour and to avoid overlapping activities.

In 2007 the Government made a resolution to promote the operational pre-conditions for civil society organizations; it also encompassed development cooperation. Practical monitoring was assigned to the Advisory Board on Civil Society. In February 2010 the Government appointed

two investigators to strengthen organizations' financial prerequisites. The investigation work will cover, among others, the need to strengthen advice and support services pertaining to government aid, balancing the supply of and demand for the services of umbrella organizations, and quality and development needs. The Ministry for Foreign Affairs is participating in the steering group for the investigation work, and the resulting recommendations will be applied to the development cooperation of civil society actors as applicable.

7.1 Development of cooperation between the Ministry for Foreign Affairs and organizations

The Ministry for Foreign Affairs has invested in developing its own activities as the government aid authority and cooperation partner of civil society actors. The development has been both spontaneous work grounded in the Development Policy Programme and work that takes account of the needs and wishes of civil society. Changes in the international operating environment have had a central impact on the development of cooperation.

Established forms of collective cooperation, especially civil society seminars and partnership forums, will continue to be developed on the basis of feedback received from civil society actors and observed demand. More precisely focused thematic workshops assembling representatives of civil society and other actors or workshops concentrating on other topics will continue to be arranged. Mutual learning among civil society actors, and between civil society actors and administration, will continue to be the principal form of cooperation.

The Ministry for Foreign Affairs creates practical preconditions for peer support activities between civil society actors and organizations. In this work, attention will be paid especially to the promotion of good practices and approaches. The Ministry supports intensification of mutual cooperation among Finnish civil society actors and pooling of expertise. In this context, the Ministry works together with civil society actors to create means and approaches supporting cooperation activities in practice.

Development of dialogue and cooperation between individual organizations, other actors and the public servants responsible will also be continued systematically. The central principle guiding activity is to develop the quality of organizations' activities in terms of both administration and content in order to achieve development goals. In this context, consistent input will continue in order to enhance the quality, efficiency, effectiveness and impact of development cooperation.

Civil society actors are encouraged to deepen relevant cooperation with the Ministry's regional units and diplomatic missions. Correspondingly, the Ministry will draw the attention of the diplomatic missions to development of opportunities for cooperation with Finnish civil society actors implementing development cooperation. Many civil society organizations work in areas with an unstable security situation. Working in fragile states requires good knowledge of the operating environment and local partners as well as risk awareness. Civil society organizations working in these countries are advised regularly to follow the travel bulletins issued by the Ministry for Foreign Affairs and to maintain dialogue with officials and diplomatic missions responsible for these countries.

Civil society actors implementing development cooperation and the Ministry for Foreign Affairs are working to achieve common goals. In assessing opportunities for developing cooperation, attention will be paid to the potential role of civil society actors as implementers of bilateral public development cooperation through the piloting and development of innovative operating approaches.

Cooperation between the Ministry for Foreign Affairs and civil society should be based on open interaction that is as direct as possible. It is in the common interest for the voice of Finnish civil society to be heard in the debate on development policy, in a manner that is as comprehensive as possible. The Ministry strives to offer civil society actors opportunities for advocacy and expressing their opinions at various stages of central processes. The forms of activity are, in particular, consultation and discussion sessions and electronic communication applications.

7.2 Intensification of cooperation between the Ministry for Foreign Affairs and organizations in international cooperation forums

Intensification of international cooperation between governmental and non-governmental actors, especially to develop the operational forms of development cooperation in a more effective direction, requires dialogue between Finnish civil society actors and the Ministry for Foreign Affairs. The Foreign Ministry will continue and further develop close contacts and exchange of information with civil society actors, especially KEPA and Kehys.

Finnish civil society organizations' input into development of the effectiveness, impact and quality of their activities, the general interest in and readiness for developing international cooperation and the division of labour, and an approach emphasizing the close connection between organizations and administration create excellent preconditions for cooperation. The

basis for cooperation offers good opportunities together to influence the international debate and donor countries' mutual cooperation.

7.3 Intensification of management

The use of development cooperation appropriations must be cost-effective and transparent in all development cooperation activities. Moreover, international comparison of the use of appropriations must be possible, despite differences in financing methods. Therefore, the need for information in the Ministry for Foreign Affairs has become more diversified and the requirements for precision have risen.

Another factor requiring the intensification of management is the State's productivity programme. The processing and management of information must increasingly be electronic. In the management of civil society organization's development cooperation projects, this means that in the coming years, applications and reports will be submitted to the Ministry electronically.

The Ministry for Foreign Affairs will pay attention to lightening the application and reporting process for small projects, especially when revising the set of instructions for project support.

To increase the openness and exposure of development cooperation, and to further public interest in development cooperation, information about all activities supported by Finnish development cooperation appropriations should be readily available to those wanting to have it.

MINISTRY FOR FOREIGN AFFAIRS OF FINLAND
Development Communication

PO Box 456
FI-00023 GOVERNMENT
Telephone: +358 9 1605 6370
Telefax: +358 9 1605 6375
Exchange: +358 9 16005

Internet: formin.finland.fi
E-mail: keoinfo@formin.fi