Evaluation of Citizens' Voice and Accountability

Pilot Study report: Nicaragua

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Section 1: Background/Introduction

1.1   Background Introduction: aims and objectives of pilot within the V&A project

The purpose of the pilot was to test the evaluation framework, and in particular the five key components to ensure that they are conceptually correct, resonate with key informants and programme managers working on V&A, and function in a variety of country contexts. In particular, the pilot considered:

- The **relevance and applicability of the evaluation questions and of the five main components** of the framework in specific country contexts;
- The **appropriateness of different methods** for consultation and data collection;
- The **availability and quality of data** at the different levels (e.g. national, local, policy, project, etc.).

Thus, the pilot case studies were <u>not</u> evaluations in their own rights. The methodology employed involved a process of consultation with key informants, experts and stakeholders (including all ECG donors/donor representatives and civil society organisations), as well as other activities to generate evaluative findings on the framework. This was supplemented with a series of 'reality checks' on the framework through its application to a selection of V&A interventions funded by different donors.

The 5 main elements of evaluation framework

Enabling environment: The enabling environment describes the political and socio-economic context, referring in particular to the conditions that determine the type/degree of V&A that can be exercised by different individuals, groups and agencies. It includes: (i) the structural conditions that govern power relations and forms of inclusion and exclusion (e.g. distribution of assets, economic relations or ethnic or religious composition); and (ii) the institutional frameworks the ('rules of the game') that determine the nature of the political system and provide the incentives that shape behaviour.

Institutional, organisational and individual capacities: Capacity describes the resources, skills and knowledge required for the exercise of V&A. Capacity can operate at different levels – institutional, organisational and individual.

V&A channels and mechanisms: Channels describe the mechanisms through which citizens' express their voice or demands. They are defined by the function they perform (rather than their form) and can therefore include formal and informal organisations, modes of expression and public fora or spaces.

Changes in power, policy and practice: These changes are the intermediate outcomes of V&A interventions – the changes in the policy and practice of state and non-state institutions and actors or in power structures and relations that signal that a meaningful improvement in V&A has occurred.

Broader development goals: Broader development outcomes include meta-goals such as poverty reduction and good governance. V&A interventions may not lead directly to or be primarily responsible for these meta-goals. However, changes in power, policy and practice may play a role in the pathways leading to broader development goals in the long term.

1.2 Methodology of pilot case studies
In the methodological guidance we highlighted ten key steps that we would follow in order to test the evaluation framework. They were:
  i. Context analysis
  ii. Stakeholder workshop
  iii. Key informants interviews
  iv. Interviews with donor staff
  v. Reality check case studies
  vi. Generation of models of change for V&A interventions
  vii. Validation of above 6 steps using DAC criteria
  viii. Assessment of donors' effectiveness based on the Paris Declaration
  ix. Debriefing stakeholder workshop
  x. Written pilot study report

(i) Context analysis
The context analysis was written prior to the pilot by a local consultant. It identified *structural factors* related to the deep structures of society and its environment; *institutional factors* focusing on formal and informal 'rules of the game' that shape the behaviour of state and societal actors; and *current events and change agents* examining factors affecting the capacity, resources and interests of groups and institutions in the short-term context.

This product fed directly into the analysis of the enabling environment (first component of the evaluation framework) allowing us to identify: (i) the main features of the enabling environment for V&A interventions, distinguishing between general dimensions of the context and those directly relevant for V&A interventions; and (ii) the main entry points, opportunities, risks and possible obstacles for effective V&A interventions.

(ii) Stakeholder workshop
This workshop was a crucial step in the process as it allowed us to meet with key informants and stakeholders to explain the pilot case study methodology, with emphasis placed on managing their expectations of what we could achieve given limited time and resources. The workshop generated a rich discussion around the framework's key questions and components. The discussion inform the construction of questionnaires for interviews with key informants, donors and civil society organisations, as well as the selection of interventions to examine in supporting the development of the enabling environment analysis.

(iii) Key informant interviews
We interviewed key actors in the V&A process, including: public oversight mechanisms, local government representatives, trade unions, CSO networks, CBOs and NGOs. Interviews were semi-structured using questionnaires devised in conjunction with the local consultant using information gathered via the context analysis and initial stakeholder workshop. Interviews were carried out in Managua as well as at the Departmental, Municipal and Comarca (community) levels in the Masaya – as region with a particularly rich set of V&A interventions.

(iv) Interviews with donor staff
In both pilot case studies an effort was made to interview all 7 ECG donors (or donor representatives in countries where there is no donor office). In Nicaragua we were able to meet with all donors and their fund managers (UNDP, Oxfam). In the course of the in depth, semi-structured interviews we were able to gain an overview of the donors' approaches to V&A in the country, explore the drivers and priorities of donors' actions in this sector and to gather views and feedback on the draft evaluation framework.

(v) Reality check case studies of individual interventions
The main purpose of the reality checks was to be able to test various components of the evaluation framework in a real setting. In the time available, these also made use of semi-structured interviews.

We met with programme managers[1] and project implementers with a focus on project implementation and activities, results and outcomes and entry points and constraints for the interventions. We also held focus groups with beneficiaries and community members to gain insights into their motivations and entry points to the project, their experiences of involvement in project development and implementation and the results and changes they had experienced.

(vi) Generation of models of change for V&A interventions
Using information and knowledge obtained during the interview process we were able to identify the components and sequencing of V&A change models underlying the intervention examined. This helped us to understand the relative emphasis given by current interventions to different elements of the V&A equation.

(vii) Validation of pilot methodology using DAC criteria and assessment of donors' effectiveness based on the principles of the Paris Declaration
We also built analysis of donor effectiveness into key informant and reality check interviews. In particular, we focused on the 3 principles which are of particular relevance in the context of V&A: harmonisation, ownership and mutual accountability. These conclusions were presented at the debriefing stakeholder workshop.

(viii) Debriefing stakeholder workshop
The final workshop consisted of the majority of people interviewed in the course of the pilot study. We presented a number of conclusions which were then discussed and revised further, in an interactive and inclusive process involving donors, civil society and key informants. Amongst others, the discussion highlighted: (i) the relative focus on voice, with less evidence of accountability; (ii) the need for better coordination between donors in support to V&A; (iii) tensions between demand-driven grant-making and donors' governance agenda; and (iv) the balance between support for advocacy and support for capacity building.

(ix) Written pilot study report
The report is being written in conjunction with the local consultants employed, and includes summary of main findings of the 'reality check' case studies, reflections on the application of the draft evaluation framework and pilot studies methodology and main implications for the revision of the evaluation framework.

Section 2: Description of pilot

2.1 Donors' support to V&A in the country

There is broad multi-donor consensus over the need to: (i) consolidate gains under the Ley de Participación Ciudadana (*Law on Citizen Participation*) (Ley 475, 2003); (ii) target chronic corruption; (iii) build capacity within civil society itself; and (iv) strengthen the credibility of key actors including the party political system, the Asamblea Nacional and the Procuradoría de la Republica (ombudsman). The principal entry points in pursuing these goals include human rights, public financial management and decentralisation.

Three multi-donor funds have since been established:

The **Common Fund for Civil Society** is managed by an international NGO consortia made up of Oxfam, NOVIB, SNV and Trocaire. Its donors are DFID, Denmark, Norway, Finland, Holland and SDC. The Fund was set up in 2006 and has so far carried out one round of grant giving to 25 NGOs, associations, networks and CBOs. They are currently in the process of selecting for a second round of grants which will give funding to 30-35 NGOs out of 90 proposals received.

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[1] Particularly in Nicaragua where we met with the managers of the three key V&A funds: Civil Society Fund, Political Parties Fund and Anti-Corruption Fund

Key objectives: the Common Fund seeks to fund civil society through an impartial and fair process, and to build alliances and networks between CSOs working on similar issues. This includes provision of technical assistance; access to information, as well as a neutral, non-partisan space to meet and share experiences (the Forum for Civil Society). The Common Fund supports projects working on four key areas: participation of citizens in decision-making processes, human rights, specific rights in certain sectors or certain groups such as women or youth and, lastly, projects aimed at the indigenous community.

Results to date: The Common Fund is relatively new and to date has yet to demonstrate concrete results. However, the coordinator of the fund did acknowledge that the expected results had been ambitious and these were being revised for the second round of grantees. They had originally hoped to see greater participation of networks and organisations as well as increased participation of women in decision-making processes, which they now acknowledge takes longer than three years for a programme to accomplish.

The *Political Parties Fund* in managed by UNDP. Its donors are DFID, SIDA, DANIDA, Dutch and Spanish governments. NORAD is about to join the Fund.

Key objectives: The Political Parties Fund was set up with to address the partisan nature of national politics, and to transform a highly authoritarian and militant political party culture. This includes nurturing a new generation of political party members through a leadership school.

Results to date: The fund was instrumental in supporting the development of new Ley Orgánica de la Asamblea Nacional y la Estrategia de Comunicación (Organic Law and Communication Strategy of the National Assembly). This established working procedures for the National Assembly, in theory making it easier for CSO to access and work with parliamentarians. The leadership school is also functioning to build alliances between youth of different political parties.

The *Anti-Corruption Fund* is supported by seven donors: NORAD, BMZ, DANIDA, DFID, SDC, SIDA and the Netherlands. It is coordinated by NORAD.

Key objectives: The objectives of the Fund are to see greater transparency and openness in government administration and decisions, a holistic vision by the government on how to tackle corruption, respect and fulfilment of all its obligations under ratifies international conventions and an approved Access to Information Act passed. The Fund's premise is that government should take full responsibility for the development and implementation of its own anti-corruption strategy. Amongst other The Fund is currently working to strengthen the Interior Ministry in tracking corruption. It is also supporting Nicaragua's participation in GAFIC, a group of Central American and Caribbean countries set up to fight money laundering. In addition, the Fund supports the Procuradoría General de la Republica, the government's ombudsmen responsible for investigating public complaints on corruption.

Results to date: The Fund has paid for the establishment of an investigating unit and the public complaints office within the Procuradoría. No anti-corruption strategy has, however, yet been developed since the Fund was established. Although the new FNLS administration committed to putting one in place, it is not yet clear what steps it will take towards this. This has left donors to pick up the mantle in coordinating efforts against corruption. Key elements of a strategy are in place, including new legislation on access to information, these have largely been at the behest of donor and civil society, and as a condition of the principal aid instruments, including direct budget support, sector programmes, PSTAC and agreements with the World Bank and BID. Measures providing internet-based access to government document (put in place under the previous Bolaños administration) have apparently also been allowed to lapse by the new government.

In addition, a range of donors including GTZ, DFID, UNDP, DANIDA, and SDC (the 'Good Governance Group') have pooled funds under the **Proyecto de Apoyo al Sistema de Participación y Concertación (PASE),** to deliver on the provisions of the Ley de Participación Ciudadana, the national PRSP (ERCERP) and the national strategy on decentralisation (PNDEL y ENDEL). PASE has worked to strengthen mechanisms for citizen participation mandated under the Ley de Participación. These include the National Socio Economic Planning Council (CONPES), the Departmental and Municipal Development Councils (CDDs and CDMs), as well as Comarca-(community) and neighbourhood-level committees. This is in a context of previously weak participation at local levels and, in particular, by the poorest groups in society. PASE has also

succeeded in developing key local development indicators to facilitate participatory monitoring (Sistema Nacional de Indicadores de Desarrollo/ SINASID).

There are also a number of **bilateral programmes** in voice and accountability, building on donors' individual histories of engagement in Nicaragua. These work to complement the principal multi-donor funds and PASE, with a focus on: (i) strengthening the fiscal relationship between citizens and the state; (ii) rights-based advocacy through the principal social movements; and (iii) efforts to tackle social exclusion. The V&A pilot examined four:

(1) **BMZ/ GTZ** is working to reform and integrate systems for financial management and transparency at the national and local levels. At the national level, this includes work to strengthen the operating procedures of the Ministerio de Hacienda y Crédito Público (MHCP) and the Contraloría General de la República (CGR). At the local level, the programme works directly and through the Association of Municipalities (AMUNIC) to strengthen local government revenue collection and management, as well as expenditure monitoring through reform of internal procedures and social auditing. A key assumption is the taxation is an essential entry point for accountability relationships to find their traction.

(2) **Belgium** works through the NGO FOS to support to the trade union advocacy at national and municipal levels under the Ley de Participación Ciudadana y la Ley de Municipios, primarily on issues of workers' rights.

(3) **SDC** works through a variety of CSOs including La Cuculmeca to empower marginal groups under the Sistema de Participación y Concertación/PASE; with a particular focus on municipal planning councils (CDM) in Jinoteca and elsewhere.. Social exclusion remains a significant challenge in implementing the Ley de Paticipación. Amongst others, SDC's investments work to build alliances and strengthen skills in advocacy.

(4) **SIDA** works through the Swedish NGO Forum Syd to support women's movements on reform of labour laws, participation in municipal planning councils (CDM), and intra-familial and sexual violence. This includes work with the Asamblea Nacional, the Comisaría de la Mujer y la Niñez de la Policía Nacional (Commissioner for Women and Children) and with municipal governments. SIDA's principal partners are the Colectivo 8 de marzo, the Movimiento Comunal de Nicaragua and the Movimiento Maria Elena Cuadra - considered amongst the strongest and most influential membership-based CSOs in Nicaragua.

2.2 Specific interventions considered by the pilot

The pilot started by examining all the multi-lateral and bilateral interventions set out at a programmatic level. This highlighted a range of key **channels** for citizen voice and accountability that current interventions are seeking to strengthen. Within the time available, the following were selected for follow-up interviews, both at the national level and in the Department of Masaya:

(i) *The Procuradoría de la Republica,* mandated to receive public complaints and to investigate cases of alleged corruption by public officers. With additional support from the Anti-Corruption Fund, this is now looking to enhance citizen access by establishing offices at department level.

(ii) *The Coordinora Civil,* supported by the Common Fund. This is an umbrella organisation representing some 620 NGOs, social movements, trade unions and citizen associations at national and local levels. Its advocacy focuses on budget monitoring, including expenditure on internal and external debt servicing. The Coordinadora also monitors government against an 'Agenda de Gobierno' which it drafted prior to the last presidential election, and which all political candidates subsequently signed up to.

(iii) *Red de Desarrollo Local* supported by the Common Fund with a focus on advocacy and capacity building around the spaces established under the Ley de Participación Ciudadana, and in particular at the municipal level.

(iv)   ***Municipal and Departmental Development Councils (CDM and CDD)***, supported by PASE. Where decentralised authority currently rests with the municipal level, the CDMs are the principal mechanism for citizen participation in development planning and monitoring. However, the CDDs are also playing an important role, in coordination between municipalities, as well as a mechanism for CSOs to work through central government and parliamentary representatives.

(v)   ***The Bufete Popular Boris Vega***, a legal aid office also supported by the Common Fund that has worked to assist citizens in pushing for key legal reforms including Law 309 on land rights, in promoting participation in Municipal Development Councils (CDM).

(vi)   ***Citizen Associations (Asociaciones de Pobladores)***, mandated under the Ley de Participación and the principal form of representations at the village/neighbourhood level. The pilot met with the community of San Blas Guadalupe which is directly facilitated by the Bufete Popula Boris Vega. The Association is involved in advocacy on local service provision and to secure access to credit for small-scale enterprise development.

2.3 Activities, data collection etc.

The pilot took place over 10 days between 20 - 31 May 2007. This did not provide sufficient opportunity to test the full range of methodologies suggested, including outcome mapping with donor and beneficiaries. Within these constraints, the pilot focused on the following key steps:

(a) An **initial review of programme documentation** on support to V&A, requested in advance of the pilot visit. Through this, a preliminary selection of interventions was made – including the three principal multi-donor funds and PASE.

(b) The **context analysis**. This worked to identify key questions for in-depth interviews, and provided a reference for subsequent analysis.

(c) An **initial presentation of the evaluation framework** to the principal donors – DFID, DANIDA, NORAD, SIDA, SDC, Belgium (represented by FOS) and GTZ. The discussion served to prioritise multi-donor and bilateral interventions to examine during the pilot, and to add new ones to the list. It also worked to refine schedules for in-depth interviews.

(d) **In-depth interviews of individual donors and fund/programme managers**. These focused on donor change models, and worked to identify the specific interventions outlined in section 2.2.

(e) **In-depth interviews and community meetings ('reality checks')** to test the framework on specific interventions.

(f) **Follow-up interviews** were conducted with the Common Fund and DFID, to better understand support modalities.

(g) **A wrap-up presentation** was then made to all donors, programme and fund managers in order to validate findings and to fill remaining gaps in the analysis.

A full list of interviews is included in **Annex 1**. The wrap-up presentation is attached as **Annex 2.**

3.1 Context analysis

A new government, led by the Sandinista party (FSLN), was elected in November 2006. Its rhetoric is left-leaning and populist. The government has built close diplomatic ties with the governments of Cuba and Venezuela.

The FSLN came to power under a tide of expectations. Some important advances were made under the previous Bolaños government, including the passage of the Ley de Participación Ciudadana (2003). Much less progress has, however, been made in tackling the serious levels of corruption that had emerged under the Alemán administration (comparable even with the Somoza dictatorship). While the economy has been stable, the poverty rate remains high – the second highest in Latin America after Haiti. Nicaragua remains 60% dependent on forest aid for its budget, and while the HIPC initiative has served to write off substantial external debts, the country's internal debt has increased correspondingly.

Elected on only 38% of the vote, the current government of "reconciliation and national unity" was formed on the basis of an informal alliance with the Liberal Party (PLC). This divides control of the judicial, legislative and electoral arms of government. The FNLS retains sole control of the executive, and the two parties remain ideologically at odds.

Despite initial attempts to reach out to the private sector and its political rivals, the government's decision-making has become more secretive and harder to predict. This includes its stance on the fight against corruption. On the one hand, it has committed to enhancing the resources of the Procuradoría and to putting in place an anti-corruption strategy. On the other hand, it has allowed certain transparency initiatives introduced under the Bolaños administration to lapse, and had placed all communication by the Executive under the control of the Consejo de Comunicación e Información (Council for Communication and Information), chaired by the President's wife. Civil society and key governance experts fear a return to the closed governance model of the 1980s.

Commitments to decentralisation also remain weak, with no further progress towards a more systematic decentralisation of authority beyond the limited powers accorded to municipalities in 1988.

As such, the current FNLS government does not challenge the traditional power structures of Nicaraguan politics, with their roots in authoritarian, party structures, and strong party-based control over the Supreme Court, the Procuradoría de la Republica and other key accountability mechanisms. The government's Chavez-inspired populist politics arguably compounds this "partidisación"[2] of public life. Where the President and the people are seen as synonymous ("el Presidente es el pueblo"), the government has seen fit to make decisions without resort to established constitutional and legal channels.[3]

The FNLS government has also launched its own model of "Direct Democracy" or *Consejos de Poder Ciudadana* (Councils of Citizen Power). These may be established in parallel to, but conceivably also co-opt, mechanisms for citizen participation legally mandated by the Ley de Participación Ciudadana. These include Municipal Development Councils (CDMs) and Asociaciones de Pobladores at the Comarca (community) level. Though many CSOs are adopting a "wait and see" attitude, the proposal may aggravate divisions between civil society groups allied to the FNLS (including Trade Union structures who make active use of party deputies for advocacy), and those who see this as a possible threat to meaningful participation. This sets a very particular challenge for voice and accountability interventions in Nicaragua.

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[2] Politicisation.

[3] This includes the government's cooperation agreement with Venezuela (ALBA), forged at the time the President took power but which has not since been made public, despite pressure from civil society and the media, and despite its publication on the Presidential website in Venezuela.

Most people interviewed regarded **voice as synonymous with participation**. However, they also understood participation as a **bundle of rights and capacities** that could be broken out into a serious of **distinct steps** – starting with: (i) the ability of people to come together with a shared agenda; progressing on to (ii) the ability to enter into previously closed spaces, and (iii) to demand and scrutinise information.

Participation may only lead to **accountability** where state institutions are willing to provide honest answers (**answerability**), and can be obliged to do so (**enforceability**) by law and by political pressure. However, many of the interviewees felt that Nicaragua is not yet at this stage. Most participation still consists of **consultation** by government. Social auditing, though fundamental to the Sistema de Participación y Concertación, has yet to evolve into anything routine and systematic. This is despite space for citizen participation established under the Ley de Participación Ciudadana; provision of information on public investments plans and budget expenditure[4]; and the requirement for individual ministries to account expenditure to the National Assembly. Most organisations (including state institutions) regard CSOs **as representational, not as watchdogs** with the capacity to ask difficult questions and demand full answers.

Accountability relationships have begun to emerge, but mainly at a **local level** – as evidence by changes in local government attitude and practice (e.g. information dissemination) and changes in investment priorities. This reflects strong and comprehensive participation around a number of CDDs and CDMs, with the added support and facilitation of PASE, national CSOs, and a range of donor interventions. However it **often pertains to immediate needs rather than any more profound sense of citizenship and rights**.

There are some important caveats on **prospects for 'scaling up' local accountability relationships**:
a) A weak local tax base
b) The fact that most political and economic power is concentrated at the national level
c) A polarised and confrontational style to local politics, replicating national-level frictions and animosities.
d) A culture of impunity for rich, powerful and public citizens.
e) Elections relate more to the resources that individual political parties are able to mobilise than to their performance when in power.

Building expectations in peoples' expectations of the state and its ability to serve their interests may take considerable time, even with support to social auditing.

Section 4: Main findings

4.1 Enabling environment
In the Nicaraguan context three issues emerged as key factors influencing the success or otherwise of V&A: the enabling legal framework, the influence of partisan politics and a weak decentralisation process.

Legal framework

Nicaragua's legal and institutional framework makes ample provision for concrete spaces and channels by which citizens can demand answers of the state. This includes: Constitutional rights, amongst others to submit public complaints; laws on citizen participation, access to information and the right to initiate legislation; ombudsman functions as embodied in the

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[4] Amongst others through the national Integrated Financial and Administrative Management and Audit System (SIGFA), and the technical units (UTIP) of the CDDs and CDMs

Procuradoría General de la Republica and the Procuraduría para la Defensa de los Derechos Humanos; as well as audit functions as embodied in the **Contraloría General de la Republica**. However**, implementation remains a significant challenge**, in a system where the legal mechanisms for legal interpretation, adjudication and oversight are weak, politicised and vulnerable to corruption[5].

Some NGOs also highlight **serious contradictions in the law** and the need for a **"social interpretation"** of the law according to the rights and entitlements of poor people. There is little awareness amongst people of their legal rights and their ability to challenge the judiciary's bias against them.

Partisan politics

A key challenge for V&A in Nicaragua is its partisan politics, characterised by **profound ideological divisions but also informal *de facto* political compacts**. The current compact between the FSLN and the liberals (PLC) allows 50:50 party-political control of the judicial, legislative and electoral arms of government. Only the executive, the policy and the army are not affected. So virtually all national processes are currently dictated by the this "operative consensus".

Party-political control is compounded by the fact that the political parties have **strong disciplinary and control structures, allowing for little dissent or debate within their own ranks**. Political opposition within the National Assembly largely consists of *ad hoc* resistance by other parties rather than real political dialogue and discussion. Thus **it is often left to civil society organisations and institutions outside of the National Assembly to generate any real debate** or any true reflection of people's views; political parties rarely engage with wider society in forming their views.

At present, however, many civil society organisations are unsure of their own position given the uncertainty and lack of transparency regarding the government's future plans. Most are adopting a "wait and see" approach, though fear the growing politicisation of democratic spaces by the FNLS government.

Weak decentralisation

There are three levels of public administration at the national, regional and municipal levels but there are **only two levels of political representation at the national and local (municipal) level**. Government at the Departmental level consists only of a Cabinet in which central government ministries are represented. Individual sectors also remain centralised and most decisions on policy and expenditure are taken at the national level.

There is also **a lack of communication between the elected (departamental) representatives who work in the National Assembly (*diputados*) and their local constituencies**. Most departamental representatives neither come from nor live in the departments they represent, and so have little understanding of or a real stake in local issues[6].

Although a Sistema de Participación y Concertación was approved and (through PASE) has done a lot to empower CDDs and CDMs, there remains **little political will to tackle decentralisation in a more comprehensive way**. This is despite approval of a new Policy and Strategy on Decentralisation and Local Development by Presidential Decree a month before the last elections. The current government has undertaken to revise the Policy and Strategy but has since remained silent on the issue.

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[5] The full audit carried out on the 2005-2006 government budget found grave "abnormalities" in the judiciary. The judiciary is entitled to 6% of the annual budget without any formal obligations to report on their spending, thus leaving it open to mismanagement and corruption.

[6] There is a proposal to make it obligatory for municipal representatives to come from and/or live in the municipality they represent. However, this is yet to be passed.

4.2 Capacities

Interviews highlighted participation as a bundle of rights as well as of capacities - to forge joint agendas, demand and scrutinise information, and ensure that government remains answerable for its action (see section 3.2). However, **the interviews did not identify a clear strategy on the part of donors, civil society or the state on capacity building**. There were very few answers as to what form capacity building should take and how it might be embedded at an institutional rather than individual level. Donors felt that that NGOs needed to take greater responsibility for the capacity building they receive, and that there needed to be better monitoring and evaluation of these processes. It was felt by some donors that NGOs have received significant funds for capacity building in the past but had failed to produce any concrete results – in particular in building capacity at the grassroots.

4.3 Channels, spaces, mechanisms

A key finding of the pilot study is that voice does not lead automatically to accountability. Rather it requires effective **spaces** for dialogue to take place, as well as **actors/channels** to investigate, negotiate, seek answers and adjudicate between parties.

Spaces

There is **an emphasis on formal space for V&A, and in particular those mandated by the Ley de Participación Ciudadana**. CONPES, the CDDs and the CDMs include representatives of both government and civil society, with a focus on planning, discussion, information exchange, monitoring and audit. As such, they have worked well to strengthen civil society participation and oversight in a number of areas.

However, they do remain **vulnerable to party politics**. In particular, the new government is planning a new system of *Consejos de Poder Ciudadana* (Councils of Citizen Power) under its plan for "Direct Democracy". This will be led by the Political Secretaries of the FSLN, and will allow the government to use its democratic mandate to communicate with the people through its own party structures, by-passing or co-opting legally mandated spaces such as the CDM/CDDs.

Other challenges facing the spaces mandated under the Ley de Participación Ciudadana include:
a) weak participation by poor or excluded groups;
b) the weak information base on which Departmental Cabinets make decisions;
c) the lack of legal authority accorded to CONPES despite its critical role in overseeing the National Budget, public debt, public investment and coordination of sector and local government plans.

The Civil Society Common Fund has since created a **CSO Forum** for civil society to interact, exchange information, share resources and knowledge and build alliances. This is a necessary and vital neutral space for civil society given the politicisation of other participatory spaces.

Actors/channels

(i)   Formal actors/channels:

There are **very few effective formal channels for V&A in Nicaragua**. They suffer from a number of problems that undermine their capacity to act effectively. This includes **lack of funding, skilled staff and limited political will** within government to be open to scrutiny, share information or engage in dialogue. That political opposition which exists outside of the FNLS – PLC pact is largely reactionary and confrontational, with limited capacity for legislative initiative, and have not been

able to form a strategic alliance. Political parties remain centralised, authoritarian structures with limited investment in their constituency base except for at election time. Available public complaints (Procuradoria, Controlaria, judiciary) remain under strong political control, and civil society makes little resort to them. This creates a dilemma for donor support to civil society, and the degree it should be actively aligned with efforts by donors to also build the capacity and credibility of formal channels.

(ii)   Informal actors/ channels:
In this context, **most of the available and effective channels tend to be from civil society**.
- The *Coordinadora Civil*, focused on advocacy on national and IFI policy.
- The women's movements. Groups including the Movimiento Maria Elena Cuadra have proved highly influential, and remain largely independent of the political parties.
- Networks: e.g. *Red de Desarollo Local*, supporting both local capacity building and national-level advocacy
- The Trade Unions, who work through FNLS deputies in CONPES, as well as party structures and are therefore highly politicised.
- Other politically aligned CSOs, e.g. the *Movimento por Nicaragua* (in this case with the liberals).
- CBO service provider, e.g. *Bufete Voris Vega* has been effective in mobilising participation through rural producer associations.

However, in the current climate of 'populist' politics, **the legitimacy of some these informal channels is being called into question**, with government raising doubts over their representation and constituency base.

4.4 Changes in power, policies and practices

The pilot did not have the opportunity to undertake systematic outcome analysis with donors, fund managers and grantees. Nor did the pilot come across clear sets of indicators for measuring change in power, policies and practice.

However, the interviews did suggest that important changes had occurred as a result of donors support to V&A, including:
- **the level and capacity of civic engagement**,
- the **quality of the spaces** through which it works, and
- **reforms to legal frameworks governing participation**.

In particular its has resulted a **much closer working relationship between CSOs and local government**, through support to participatory planning and budget/public expenditure monitoring by PASE, SDC and the Common Fund.

Support to channels such as the Bufete Popular Boris Vega has also worked to **better mobilise grassroots advocacy** in holding local government to account and in pushing for the reform and implementation of laws.

Examples of change at the national level are more patchy. They include
- **Reforms to policing to better meet the needs of women** as result of lobbying by the principal women's movements including the Movimiento Maria Elena Cuadra, with the support of SIDA and the Common Fund**.**
- **A new Organic Law on the National Assembly** facilitated by the Political Parties Fund. This sets out working procedures for the Assembly and, so in theory, should enhance civil society access.

In general, however, support to citizen voice has not yet resulted in any greater will on the part of the central government to work more transparently, or to decentralise power. **Support to Voice and Accountability has yet to influence political power structures,** despites support to political

party reform, and the ability of some CSOs are able to work through deputies and party representatives in the national assembly and CONPES.

Recent laws on participation and access to information were the result of combined civil society pressure and donor conditionalities on aid.

4.5 Pathways to broader development goals

The interventions examined focused primarily on intermediate outcomes, including the incorporation of marginal groups into participatory processes, and effective participatory budgeting and social auditing. The links to broader poverty reduction and governance outcomes are less clear, and the pilot did not have sufficient opportunity to work with donors in tracing these.

With respect to **poverty,** PASE is indirectly mandated to operationalise the PRSP through support to the development of the Sistema de Participación y Concertación (including CONPES and the CDDS and CDMs). Others interventions including the Common Fund and the Anti-Corruption work on the assumption that less corruption will lead to more money going where it should; and that participation will necessarily lead to more pro-poor budgeting. While this may have borne out in a number of municipalities, V&A interventions do not appear to be working to specific poverty reduction targets. That said difficulties of attribution may make this practically impossible.

With respect to **governance**, civic engagement and accountability relationships are finding their greatest traction at the local level, e.g. around the CDD, CDMs and Asociaciones de Pobladores in Masaya. At the same time, the Anti-Corruption and Political Parties funds work mainly at the national level where civic engagement with the state is more patchy. There are some links between these two levels of engagement, through networks such as the Red de Desarollo Local as well as PASE where CSO members on CDDs are able to interact with ministerial representative and to work through departmental deputies in the national assembly. However, the pathways by which the current V&A portfolio might translate localised or isolated successes into a broader governance reform are not clearly defined.

4.6 Aid effectiveness and architecture

Lack of coordination: There is some lack of coordination between the three funds. Although made up of many of the same donors (and often the same people) there has been no attempt to synchronise any objectives or outcomes. This seems to be a missed opportunity for donors who are attempting to harmonise (and the creation of these three funds is evidence of that) but they could take it further. However, harmonisation is extremely difficult and expensive at the outset. The Civil Society Common Fund took 18 months to begin due to difficulties in agreeing reporting and other mechanistic issues, rather than substantive issues around objectives or results.

It must be noted that at present most V&A interventions take place outside of these three funds, and whilst donors are aiming for greater coordination this will take a while to achieve. Some individual donors have key interventions in place, focusing on distinct aspects of V&A. There is a need for greater coordination of donor efforts around building voice in key formal mechanisms such as (i) assembly; (ii) *procuradoria*; (iii) *controlaria*. There is also an opportunity for donors to support efforts to decentralise these mechanisms to the local level.

Lack of flexibility: Whilst the tendency is to blame civil society for a lack of clear results in V&A, particularly around capacity building, there is a need to re-examine the architecture of support to civil society. The key questions that donors need to address when examining the functionality of their aid architecture in being able to meet the demands and needs of civil society are:

- *Is the aid architecture flexible enough to mobilise around municipal agendas?* Currently this remains sporadic on a project by project basis. For example, SDC has built up good experience of inclusion of marginal groups but in a localised and disperse manner.
- *Can donors demonstrate value per dollar of civil society support?* Whilst this is partly an issue of indicators, it is also due to the donors not having an understanding the role of civil society and not investing in actively facilitating and brokering dialogue between the state and civil society.
- *Can donors build an appreciation for the longer time frame required for V&A interventions to show significant results* both in terms of nurturing rights-based citizenship and building accountability relationships? It is not a process that can be forced or accelerated

'Scaling up' best practice

A number of CDD/CDMs have become best-practice examples of participation. However, donors face a number of challenges if they are to consolidate and scale up local-level innovation as an input to national-level policy processes. In particular a weak local tax base and reliance on municipal transfers which acts as a weak base for accountability. There may also be a need to translate the aid architecture downwards (including budget support) to better respond to priorities set by around CDD/CDM priorities.

Scaling up best practice examples of participation also demands the ability of donors to: (i) fund flexibly to enhance reach to community groups, loosely institutionalised networks; (ii) invest in active facilitation of alliances, and dialogue between civil society and the State; and (iii) work opportunistically to build complementarities with efforts to strengthen key accountability mechanisms of the state (assembly, *procuradoria, controlaria*);

Other key questions that donors need to address are:
- What is the role of civil society, in the context of donors' dialogue with government? What are the risks and how can these be managed?
- How can the balance of donors' strategic objectives for accountability with civil society demand for capacity building be balanced?
- What indicators are needed to monitor progress towards answerability and enforcement into V&A interventions, and to overcome difficulties of attribution to donor support?

4.7 Models of change: how do the different donors work?

The range of interventions examined generally focus on:
- **(i)** **Building associative capacity within civil society** (agenda setting, capacity to demand and scrutinise information).
- **(ii)** **Consolidating spaces** won through the Ley de Participación Ciudana.
- **(iii)** **Organisational development of key actors/channels** including the Procuradoría, trade unions, networks and political party structures, to represent, investigate, as well as political will to adequately resource .
- **(iv)** **Building the capacity of the executive to respond** to demands, including protocols and procedures on access to budget information.

Nearly all interventions work to consolidate spaces, while the Common Fund and some bilateral investments (e.g. by SIDA) have their principal focus on advocacy and strengthening the capacity of informal channels. The Anti-Corruption and the Political Parties work more to strengthen formal channels while interventions including BMZ/GTZ support to tax reform work more to build the capacity of the executive in responding to civil society demands.

However, there has not as yet been an effort to pull together these various approaches within a single, consolidated framework against which to monitor progress and to identify potential gaps and synergies.

Fundamental assumptions are being made about the capacity of the existing actors, space and process received support, to mesh and find traction, where they may be operating at very different levels, and when there is little active facilitation of these interfaces by donors and fund managers. Amongst others, where donors may be working to strengthen the capacity of the Procuradoría, it does not as yet have sufficient credibility or presence as a focus for civic engagement and oversight.

The pilot's wrap-up meeting with donors highlighted the need to better coordinate support on both sides of the state – civil society equation. However, where there is also a commitment not to distort the exiting civil society dynamic, it remains debatable as the extent to which "demand-side" engagement can be synthesised around "supply side" investments. At most, donors and fund-managers are going to have to work opportunistically to make the linkages. This only reiterates the need for a common framework, and a set of joint indicators to track incremental changes in power and practice.

Section 5: Implications for the framework

Overall assessment: what worked, what did not work well

- **"Context" and "enabling environment"**

In practice, the pilot made no practical distinction between the context analysis (structures, institutions and current events) and its analysis of the enabling environment (laws, mechanisms, entry points, opportunities, risks and possible obstacles), as indicated in the methodology. An analysis of context, without specific reference to the legal and institutional framework governing voice and accountability threatened to go too broad without getting at what was required. Instead, it drew on aspects of both, spanning:

a) An analysis of **legal rights to information, participation, accountability**;
b) An analysis of **public oversight mechanisms** spanning the executive, legislative, judicial and other constitutionally mandated institutions.
c) An analysis of the **distribution of powers across divisions and levels of government**, and opportunities/mechanisms for participation and public oversight within this.
d) An analysis of the **aid architecture**, including the principal fora for strategic dialogue on poverty reduction and governance, the main instruments (PRBS, SWAPS etc, as well as mechanisms for civil-society support.
e) An analysis of the **principal non-state actors**, spanning networks, social movements, NGOs, those aligned with government and those not, and the historical reasons for this.
f) An analysis of the **political landscape**, including the political alliances and sources of power on which the current government depends, as well as the degree of political control over the different branches of government (including the key public oversight mechanisms).
g) **Recent events** that shape opportunities and risks for voice and accountability.

- **"Channels and mechanisms"**

The 5 component parts of the evaluation framework worked well in the initial presentation.

But in its application, "channels and mechanisms" ended up conflating different sets of issues. As the pilot applied the framework to different interventions, it became clear that "channels and mechanisms" actually cover a bundle of **actors**, **spaces** and **processes** that deserve individual attention (see 5.2 below). This also helps to distinguish accountability relationships as a distinct component of "participation".

- **"Changes in power, policy and practice"**

Outcome mapping would have been a useful exercise in examining intermediary and broader impacts, but possibly demands a ½ workshop at the end of the process. However, it should also be noted that some of the most important interventions in Nicaragua are so new that it is unlikely to generate meaningful answers.

- **"Change models"**

T**he discussion and analysis of change models with donors in practice turned on issues of aid architecture and effectiveness** (ownership and mutual accountability). The latter proved the most effective entry point for understanding how donors think change happens, in particular how they:

      a) **Reconcile the demand-driven grant-giving with specific governance outcomes** (tensions between "funding what's out there" and "funding what we want to see"), e.g. in respect of civic engagement around the capacity/credibility of some the formal channels. At present, donors are funding channels such as the Procuradoría, and funding civic engagement, but are too wary of facilitating the links for fear of distorting the civil society dynamic.

      b) **The relationship between capacity building and advocacy**, and how they strike the balance between the two?

      c) **Differentiate grant-making for different kinds of actors** (eligibility, grant size, reporting requirements, space to fail etc), in order to reach different types of actors.

Annex 1 – List of interviews

Type of support to V&A	Organisation
Fondo Multi Donante	Civil Society Common Fund (OXFAM)
Fondo Multi Donante	Anti-Corruption Fund (NORAD)
Fondo Multi Donante	Political Parties Fund (UNDP)
Cooperacion Internacional	DANIDA
Cooperacion Internacional	SIDA
Cooperacion Internacional	GTZ
Cooperacion Internacional	DFID
Cooperacion Internacional	COSUDE
Organisacion de Sociedad civil	PASE
Organisacion de Sociedad civil	Coordinadora Civil
Organisacion de Sociedad civil	Bufete Boris Vega
Organisacion de Sociedad civil	Associacion de Productores de San Blas de Guadalupe
Organisacion de Sociedad civil	Fundacion Nacional de Trabajadores
Organisacion de Sociedad civil	Redes de Desarollo Local
Instituto del Estado	Procuradoria General del Estado
Instituto Municipal	CDD/UTIP de Masaya