

RESOURCING FOR CIVIL SOCIETY: THE EXPERIENCE OF AN INDIGENOUS GRANT-MAKER

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INTRODUCTION

Drawing upon the experience of the Neelan Tiruchelvam Trust (NTT), an indigenous grant-maker based in Sri Lanka, this contribution to the CIVICUS 2015 State of Civil Society Report argues that, in the context of diminishing resources for civil society, the role of indigenous grant-makers is becoming increasingly relevant, particularly where supporting work on human rights and social justice is concerned.

SETTING THE CONTEXT

Although government donor agencies have been criticised for using foreign aid as a means of furthering their foreign policy agendas, something that can potentially result in donor-driven programmes, their importance as a source of funding for many groups working on human rights and social justice issues cannot be denied. However, international development is being re-shaped by global economic changes, the shifting priorities of governments and new and emerging philanthropic foundations that show an interest in supporting civil society organisations (CSOs).

CSOs working on human rights and social justice issues in particular are currently facing immense challenges in continuing their work. For instance, a study by the Association for Women's Rights In Development (AWID) found that despite rhetoric about 'investing' in women and girls, financial resources to support such work continues to be sparse.¹ In this context, the

focus of donors has recently narrowed, and often does not address local needs. For example, where work on furthering the rights of women is concerned, certain donors support only advocacy and lobbying activities and show no interest in supporting service delivery,² while other grant-makers focus on direct service delivery, which may not align with the needs of local groups that prioritise capacity building and women's empowerment programmes.³ The reality is, of course, that women's groups need resources for both, as both elements are inextricably linked.

In countries where local giving in general, and giving to social justice and peace-building initiatives in particular, is non-existent or is at a nascent stage, or where giving consists mainly of charitable initiatives, such as distributing bicycles and water pumps, or rebuilding places of religious worship, it is international development donors that have been the main source of funding for work on human rights and social justice.

In the past few years, Sri Lanka, which was designated a middle-income country in 2010, has witnessed the withdrawal of many established donors, principally official government donors such as the Canadian International Development Agency (CIDA) and the Swedish International Development Cooperation Agency (SIDA). Additionally, a repressive government that was intolerant of dissent and civic activism restricted the ability of CSOs to work freely, particularly on issues of human rights, and post-war issues, such as transitional justice. Following the end of the armed conflict in 2009, the Rajapaksa government mobilised both the civil administration and the security sector to restrict the activities of civil society, which resulted in the creation of a number of repressive unofficial rules

and processes that adversely impact on CSOs. This was a factor in a move by number of bilateral donors to reduce their funding to Sri Lanka, or support programmes viewed as non-controversial, such as infrastructure initiatives and livelihood projects.

Although Mahinda Rajapaksa was defeated at the presidential election on 8 January 2015, the political landscape remains quite uncertain, since parliamentary elections are in the offing, which Rajapaksa reportedly wishes to use as a vehicle to return to power. While funding for work on transitional justice issues, such as reconciliation and peace-building, might be expected if the political space continues to be more conducive to civil society initiatives, it is not likely to be of a magnitude that will address the acute resource shortages currently faced by CSOs.

CHASING THE DOLLAR: THE IMPACT OF SHRINKING RESOURCES ON CIVIL SOCIETY

This section, which analyses the impact of diminishing resources on the non-profit sector, is based primarily on the findings of a review undertaken by NTT of training and capacity building programmes in Sri Lanka to ascertain their relevance and impact.

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The study found that due to the lack of funding, donors increasingly provide resources only for short-term projects, and sometimes only for six months of work. This doesn't allow organisations to focus on initiatives geared towards bringing about long-term social change. Instead, such projects typically focus on 'observable change such as infrastructure, livelihoods and some capacity building and training'.⁴

In Sri Lanka, following the end of the armed conflict in 2009, a number of community based organisations (CBOs) came into existence in response to societal needs. Although strengthening nascent community groups in areas affected by conflict should be a priority and an integral part of rebuilding social networks, limited energy and resources are dedicated to this in an environment in which resources are scarce. Instead, donors often expect these nascent groups to become professional bodies immediately, but are not prepared to provide adequate support to enable them to do so. Rather, donors seek partnerships with organisations with the capacity to plan, implement and evaluate development projects. As a result, CBOs that are not considered professional do not have the institutional capacity to complete complex proposals, and, having no prior relationship with the donor, are unable to access funds. In addition, scarce resources means donors would rather support a known organisation with a track record, instead of undertaking time-consuming due diligence exercises to vet a new organisation, and one that potentially also requires additional institutional support to apply for, and implement, projects.

According to the study, the limited absorption capacity of CBOs is another reason why they do not receive bilateral donor support, as many donors do not give

small grants. If the lack of capacity is ignored and considerable resources are provided to an organisation with limited experience and capacity to manage and absorb funds, inevitably it leads to failure; worse, it may tear apart an organisation's existing structure and place excessive pressure on institutional and inter-personal relationships. A vicious cycle thus ensues, whereby organisations that lack capacity are not able to access grants, but without funding they are also unable to strengthen the organisation, for example, by hiring staff. It is important to understand that in such contexts, when systems and processes are weak, it is strategic to invest not only in institutions, but also in leaders who work close to the frontline,⁵ who will be able to continue to function as catalysts for social change.

Since organisations are desperate to mobilise resources, there is increased competition for limited funding, which in turn can result in ad hoc programming not within an organisation's area of expertise, leading to the potential for poor delivery. Hence, although programming may not be donor-driven through design, it can become so by default. Further, the study found that heightened competition has created a perception amongst organisations that they need to formulate innovative activities to draw the attention of donors, whereas in reality, their existing capacities might not be capable of making such innovative interventions.

ALTERNATIVES AND CHALLENGES

With funding from bilateral and multilateral donors shrinking in Sri Lanka, CSOs are seeking alternatives.

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These range from engaging in income generation activities to attempting to raise funds from the corporate sector. For instance, one local organisation charges an annual membership fee to access its training and networking events. Another organisation that works to increase gender awareness is considering using its land for agricultural purposes to generate an income from selling produce and provide employment to its female members. Selling jewellery produced by local women, and pooling resources with similar organisations, are other strategies being utilised. Although corporate social responsibility (CSR) ap-

sector.”⁶ It is therefore imperative that CSR initiatives are not merely about furthering the agendas of the corporates, but impact positively on the most vulnerable and marginalised people. In most cases CSOs also have little knowledge of how to access information about available CSR funds.

At the same time, it cannot be denied that some ad hoc partnerships that provide innovative solutions exist. For example, a Colombo-based organisation supports partnerships by linking the private sector with farming cooperatives, with the aim of enabling the

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pears to be gaining ground as a concept, corporate foundations are reluctant to support initiatives that are viewed as controversial, which in many contexts includes human rights work or anything that is perceived as a challenge to the status quo. Furthermore, CSR initiatives sometimes compete with local organisations for limited resources. For instance, there was an occasion when NTT was competing with a corporate foundation for funding from an international private foundation. According to the findings of the NTT study, CSR programmes are “few and far between and in most cases incorporated in existing marketing and strategic plans for companies within the private

cooperatives to gain better market access and develop negotiating skills. But overall, it is evident in Sri Lanka that CSR initiatives will not immediately replace donor funds for development projects, especially where work on issues that are considered controversial or that might earn the ire of the state is concerned.

As in other South Asian countries, the Sri Lankan diaspora is increasingly showing an interest in investing in civil society initiatives. However, they too err on the side of caution, and show a reluctance to fund social justice and human rights work with a focus on long-term change, appearing to prefer to support initia-

tives that are more charitable than philanthropic. For instance, in the conflict-affected north and east of Sri Lanka, it is not uncommon to find the diaspora funding ad hoc charity projects that do not really respond to the needs of the population, but rather fall within the comfort zone of those donating.

When it comes to philanthropy, it is pertinent to note here a study by Worldwide Initiatives for Grantmaker Support (WINGS) on global institutional philanthropy, which states:⁷

“For philanthropy to flourish in a society, that society must value a strong and vibrant role for civil society and believe in the role of private actors to support it.”

Due to the concerted campaign of vilification, intimidation and harassment employed against civil society by the Rajapaksa regime during the past nine years, many members of the public now view CSOs with suspicion. Among many, CSOs are looked upon as self-serving, corrupt entities that are only concerned with subsidising their opulent lifestyles rather than responding to the needs of the people. This could be another reason for the lack of private local philanthropy in Sri Lanka, particularly to support CSOs working on social justice and peace.

Finally, while traditional state-funded donors have taken a step back, new international private foundations are stepping in and stepping up their involvement. Although this is still at a nascent stage, particularly since many foundations are yet to expand their remit to support organisations outside their geographical area of origin, the interest of these entities and their willingness to engage with organisations in the global

south is a positive development. At first glance, many private foundations appear to be more flexible than traditional bilateral and multilateral donors, meaning that CSOs are not restricted to strictly defined themes but are able to focus on the initiatives they feel respond best to community concerns and needs. Amidst the widespread phasing out of traditional government donors, rising anti-west sentiments in the global south, and the imposition of increasingly restrictive policies by states to curtail the activities of programmes challenging the status quo, it will be interesting to observe the potential impact that new private foundations could have on international development.

THE WAY FORWARD: INDIGENOUS PHILANTHROPY

In South Asia, indigenous philanthropic organisations remain a rarity. However, within the changing funding environment, the role of community philanthropy is becoming ever more important.⁸

Indigenous foundations engaged in community philanthropy do not stop at providing financial support for organisations. Indigenous philanthropic organisations can also function as entities through which funds can be channelled to smaller organisations, which may not have strong managerial and financial systems and sufficient capacity to absorb large grants. Through this, indigenous foundations can support the capacity building of community organisations, including by strengthening their proposal writing and financial management skills, and assisting them to access grants from other

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donors, including through suggesting and supporting visibility activities and introductions. Particularly in restrictive contexts, social justice initiatives that pay increased attention to initiatives at the community level will also result in greater impact in the long term.

Local foundations are often viewed as part of the community and so are expected to be more understanding and flexible. This requires them to be conscious constantly not only of the impact of their actions, but also of how their actions are perceived. At the same time, the ability of local foundations to build strong relationships of trust enables them to understand the context better and garner the support of communities, particularly in restrictive and complex environments. The fact that NTT is an indigenous organisation, with staff and board members who are part of and have established relationships with communities, means that a level of trust exists that enables NTT to work closely with CBOs, even during difficult times.

The particular value of an indigenous grant-maker is that they are often willing to take risks to support new and pilot initiatives that larger international donors are

reluctant to support. As local foundations, they are positioned to gauge the pulse of local political, social and security dynamics because of the extensive knowledge base and experience they possess, gained through working with a variety of CBOs and CSOs. This means that indigenous foundations are willing to be guided by local organisations in responding to the evolving needs and concerns of communities.

However, in order for indigenous foundations to thrive, and support communities' efforts to gain control of their own development future, the further encouragement and growth of local philanthropy is imperative. In countries such as Sri Lanka, where the local political context has coloured the publics' and corporate sector's views of CSOs, to change perceptions will require a change in political context. Further, greater awareness of the role of community philanthropy might encourage greater local giving, particularly if individuals realise their contribution is instrumental in changing lives.

1 Angelika Arutyunova and Cindy Clark, *Watering the Leaves, Starving the Roots: The Status of Financing for Women's Rights Organising and Gender Equality*, Association for Women's Rights in Development, 2014, http://www.awid.org/sites/default/files/atoms/files/WTL_Starving_Roots.pdf

2 IBON International, *Rethinking Partnerships in a post-2015 World: Towards Equitable, Inclusive and Sustainable Development*, 2014, http://www.realityofaid.org/roa_report/

rethinking-partnerships-in-a-post-2015-world-towards-equitable-inclusive-and-sustainable-development.

3 Arutyunova and Clark, 2014 op. cit.

4 Melika Atic, Victor Casanova Abos, Tanya Khokar, Natalia Oviedo, Tyler Radford and Abilene Seigun, *Towards Sustainable Peace: A Review of Training and Capacity Building Programmes in Sri Lanka*, Neelan Tiruchelvam Trust, 2012. A summary is available at <http://www.neelan.org/pdf/Review.pdf>. The complete report can be obtained by emailing ntt@neelan.org.

5 Katherine Fulton, Response to 'Strategic Philanthropy for a Complex World', 2012, http://www.ssireview.org/up_for_debate/strategic_philanthropy/katherine_fulton.

6 Atic et al, 2012 op. cit.

7 Paula D Johnson, *Global Institutional Philanthropy: A Preliminary Status Report*, Worldwide Initiatives for Grantmaker Support (WINGS), 2010, http://wings.issuelab.org/resource/global_institutional_philanthropy_a_preliminary_status_report.

8 Community philanthropy is understood here to mean the

mobilisation of various kinds of local resources from within the community - including financial, intellectual and social resources - with the aim of bringing about long term social change within the community. In community philanthropy, programmes are framed to be responsive to community needs, and aim to strengthen individual, institutional and community capacity in the long term. Indigenous philanthropic foundations are locally inspired and owned community philanthropy vehicles.