
CIVICUS ESSAY

ABOUT THIS ESSAY

This thematic overview of the 2015 CIVICUS State of Civil Society Report, on civil society resourcing, draws from 27 guest contributions commissioned by CIVICUS for the report. Guest inputs discuss a range of funding issues encountered by civil society organisations (CSOs) and activists, including with official development assistance (ODA) and other forms of support from governments, philanthropy, corporate social responsibility (CSR) and non-financial resources. This overview draws further from inputs contributed by members of the CIVICUS alliance, including responses from 22 CSO networks in our survey of members of the Affinity Group of National Associations (AGNA), and interviews with civil society activists and experts. This overview is therefore inspired by a wide range of voices, including donors, philanthropic funders, large and small CSOs in every global region, volunteering agencies and think tanks, providing fresh insight into current civil society resourcing issues. Except when stated otherwise, views presented here come from these inputs.

While our report's Year in Review section assesses the conditions for a wide range of civil society, in this overview our focus is mostly on CSOs that have a strong element of engaging in advocacy, seeking policy change, exercising accountability over power holders or defending and realising human rights. For shorthand, we call these here change-seeking CSOs. This is not to deny the importance of other civil society forms, and we recognise that many CSOs offer both change-seeking and service delivery work, but we believe the change-seeking work of CSOs is being hindered by a particular set of urgent resourcing challenges.

INCREASING RESTRICTIONS ON RECEIVING FUNDING

Our report's Year in Review section demonstrates that civil society is often the first responder to major challenges, as exemplified in responses to the 2014/2015 Ebola crisis. Civil society is also the arena in which people who are denied justice and voice come together to demand rights, seek change and develop solutions to pressing challenges, such as climate change and rising inequality. In our 2014 State of Civil Society Report, we concluded that global governance institutions have failed, and are unable to address these challenges, meaning that civil society is needed more than ever before.

If civil society is important, then we must accept that it needs to be supported and resourced. But instead of that support, in many contexts we are seeing civil society, and change-seeking CSOs in particular, being attacked and restricted, by governments, and political, business and criminal interests. Part of that restriction is exerted through attempts to limit CSO resourcing. Change-seeking CSOs face a renewed assault on their ability to receive funding, particularly when it comes from foreign sources.

Douglas Rutzen, of the International Center for Not-for-Profit Law (ICNL), offers a typology of the different ways in which the receipt of international funding is being restricted, as part of a sustained decline in the key civil society rights of free association, assembly and expression. The restrictions on international funding he identifies are ¹:

1. Requiring government approval to receive international funding
2. Introducing 'foreign agents' legislation to stigmatise CSOs that receive international funding
3. Limiting the amount of international funding that CSOs can receive
4. Stipulating that international funding must be channelled through government-controlled bodies
5. Restricting activities that can be supported from international funding
6. Preventing CSOs from receiving funding from particular donors
7. Applying broad anti-terrorism and anti-money laundering measures to restrict international funding
8. Taxing international funding

9. Imposing high reporting requirements for international funding
10. Using other laws, including treason and defamation laws, to criminalise CSOs and CSO personnel who receive international funding.

Our alliance offers many examples along these lines. The Pakistan NGO Forum reports that laws are being introduced to control CSO funding, with change-seeking CSOs the prime target. Some CSOs have had foreign currency accounts shut down by the State Bank. Partners-Jordan relates that changes in procedures to approve funds have made it harder and slower for CSOs to obtain funding, while a proposed new law would not allow CSOs to receive funding from more than two donors per year. In Argentina, the Argentine Network for International Cooperation (RACI) notes that CSOs are having to employ complex financial engineering methods to get around increasing restrictions on the use of foreign currency, in conditions where the resourcing of civil society has become more contested. In Bangladesh, the government withdrew clearance from human rights CSO Odhikar to run an EU-supported project on torture, and prevented Dutch and Finnish supported activities. Odhikar has observed CSOs moving into less controversial work areas, in order to assure continued funding.

In the highly repressive context of Sudan, the Confederation of Sudanese Civil Society Organisations (CSCSOs) reports a high level of state interference with CSO funding: funding and fundraising plans must be approved in advance by government commissions, and ministerial approval is required to receive foreign funding. Alleged breaches of strict regulations are selectively penalised: CSOs that seek to hold the government to account have found themselves shut down, with their assets seized. Under new regulations, any procurement for a project must be cleared in advance, and any assets procured be handed to the government following the end of a project, which prevents CSOs from developing capacity.

Alan Fowler, Emeritus Professor at the International Institute of Social Studies, points to a further problem with such restrictions: even when they don't prevent CSOs from receiving funding, they increase transaction costs and overheads, which diverts civil society time, money and energy away from core activity.

Together, these measures amount to a wave of restriction; further, all the above examples come from contexts of political and economic contestation, which suggests a general rule: when political or economic pressure on governments intensifies, governments are likely to increase restrictions on civil society's access to funding. Restrictions impact on change-seeking CSO activity in the global south in particular because, as we examine further below, they struggle to resource this work domestically.

Given the focus of the 2014 State of Civil Society Report, on dysfunctional global governance, it is disturbing to note that repressive governments draw succour from intergovernmental measures to

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prevent financing flows for terrorism. As Kay Guinane of the Charity and Security Network establishes, international anti-money laundering measures have unintentional consequences on civil society, but repressive governments are also misapplying these measures:

Authoritarian countries have abused the Financial Action Task Force (FATF) process to infringe on the rights of civil society, including its autonomy and ability to receive international support. Some governments have exceeded what is necessary or reasonable in their eagerness to get a compliant rating in the FATF assessment process.

Repercussions for CSOs also come from the application of anti-terrorism measures to the private sector: Kay Guinane suggests that, in result, some banks are closing or refusing to set up accounts for CSOs:

Banks have begun 'derisking' by dropping low profit customers such as CSOs. As a result, charities and grant-makers that need to conduct international financial transactions for their operations have experienced increasing difficulty getting access to financial services.

Nora Lester Murad, in her case study from Palestine, notes that anti-money laundering measures are making it harder to transfer resources into conflict areas, while in the UK and USA, civil society observes that pressure on money transfer services to Somalia is inhibiting the flow of diaspora giving.²

New government restrictions are more than accidental. In many cases, the language of anti-terrorism and anti-money laundering is only camouflage: in their joint contribution, Maina Kiai, UN Special Rapporteur on the rights to freedom of peaceful assembly and of association, and Maria Leissner, Secretary General of the Community of Democracies, make clear that restrictions do not stand up to scrutiny as anti-terrorism measures; the real reason is the assertion of government control:

It's political. Restrictions might be cloaked in terms of national security and good governance, but few pass muster under close scrutiny. They tend instead to be signs of a ruling government's weakness - an attempt to assert control, reduce public criticism, consolidate power or hoard the benefits of economic development.

Vitalice Meja, of the Reality of Aid Africa (RoA Africa), similarly suggests that the international debate about the effectiveness, transparency and accountability of resourcing for development is being misapplied by some governments to justify restrictions on CSO funding:

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Of late, governments in Africa have paid considerable interest to CSO funding. Issues of CSO transparency and accountability are often bundled around this to hide the true intentions of governments. When governments raise this issue, their main objective is usually to curtail resource flows to CSOs through legal and regulatory requirements.

Governments may see CSOs as competitors for resources, and this has been heightened during the past 15 years of the Millennium Development Goals (MDGs). As discussed in our 2014 report, the MDGs have made development resourcing more top-down and state-driven, and the concept of national ownership of development has been conflated with state ownership of development. Given this, governments may see ODA going to CSOs as resources that should belong to the state.

Maina Kiai and Maria Leissner expose hypocrisy about foreign funding: many governments, while trying to block civil society funding, and describing CSOs that receive foreign funding as agents of foreign powers, actively solicit funding, when it comes in the form of foreign investment for businesses, and provide enabling environments for that investment. The difference is that foreign business funding often benefits business concerns connected to political elites and offers opportunities for elite enrichment, while funding flows for CSOs help to challenge those elite interests.

Maina Kiai and Maria Leissner further note that governments, when they restrict civil society, apply classic divide and rule tactics, playing to an enduring distinction, as noted in our 2011 report, Bridging the Gaps, between service-oriented CSOs and change-seeking CSOs: governments tend to have higher tolerance levels for CSOs that deliver services, because these supplement or substitute for activities that governments lead on, whereas change-seeking CSOs ask difficult questions and expose government shortcomings. The examples given above, from our alliance, mostly concern change-seeking CSOs. A divided civil society, where connections are weak between service-oriented and change-seeking CSOs, makes a divide and rule approach easier, as Maina Kiai and Maria Leissner observe:

Financial controls correlate with perceived threat. A CSO that unquestioningly works to supplement a country's healthcare system seems to provide a direct benefit to the ruling government: it is thus less likely to face restrictions on funding. A CSO working to expose corruption, impunity or election fraud, despite the immense public good it does, is not seen as slavishly supporting the ruling elite. It is more likely to see its funding sources attacked... It remains rare to see a service delivery CSO stand up to a government that bullies a civil society cousin in the advocacy field. There's a prevailing attitude of 'everyone for themselves'.

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Such a lack of solidarity is short-sighted: we have observed that, as authoritarian tendencies take root, and once change-seeking CSOs are subdued, service-oriented CSOs that fail to deliver sufficient elite advantages also become targeted.

Maina Kiai and Maria Leissner locate the pattern of government limitation of funding within a broader landscape of civil society restriction. Governments that restrict foreign funding are likely to be those that also restrict domestic funding, and limit civil society in other ways, through excessive registration and reporting requirements, restrictions on media freedom, verbal and physical attacks on activists and the criminalisation of legitimate civil society activity. As with other restrictions, there is also an international culture of imitation at work, with governments borrowing laws and regulations from other countries to apply in their own.

This fresh wave of restriction is something that should not only concern civil society; it should also trouble donors that provide ODA, as it poses fundamental questions about our expectations of what ODA should do, and how development should work. To concede that governments can restrict funding to change-seeking CSOs is to accept that development is essentially about delivering services, for priorities defined by elites, rather than about enabling citizens to realise their rights and be involved in making decisions that affect their lives

Adam Pickering of the Charities Aid Foundation (CAF) indicates that CSOs may, inadvertently, play to this problem, when they justify their role in narrow, instrumental terms:

To some extent, CSOs could be seen as partially culpable for this, as often we justify the freedoms and financial advantages afforded to CSOs on the basis of the services we provide, rather than based on the rights and freedoms within civil society.

The argument for civil society needs to be made in intrinsic, rather than instrumental terms. Civil society needs to ensure that donors understand the value of civil society as an amplifier of people's voices, and an enabler of civic potential.

However, a problem, noted by Adam Pickering and Ambika Satkunanathan, of the Neelan Tiruchelvam Trust in Sri Lanka, is that official donors may react to government restrictions in contested contracts by backtracking into supporting less controversial work. Such moves may be well-intentioned: many donors would like to support advocacy, because they want to invest in lasting change beyond that achieved by service provision, but could see change-seeking as a waste of resources in highly restricted environments. A retreat into supporting safer work, as a way of sustaining civil society in difficult periods, can be a valid strategy, but it will not challenge government restrictions.

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HOW CAN WE RESPOND TO RESTRICTION?

On the positive side, awareness of state restrictions on civil society resourcing has grown, and international efforts have increased to shed light on regressive practices and mobilise solidarity. Maina Kiai has placed the issue on the international agenda, and Helena Monteiro, of Worldwide Initiatives for Grantmaker Support (WINGS), relates that philanthropy organisations are convening to work on restriction. Further, increasing acknowledgement, among donors and civil society supporters, of the need to improve the enabling environment for civil society encompasses the issue of resourcing constraints. Still, there remains a need for more acknowledgment that the fundamental freedoms civil society requires - the right to associate, the right to assemble and the right to free expression - cannot be exercised without the resources to support them, and that any civil society group has a right to receive resources from any source as a key part of this.³ Donors need to assert the role of ODA in building civic capacity, as well as delivering services.

More coalition building is needed, to enable stronger connections of solidarity and support, including between service-oriented and change-seeking CSOs, to make it harder for repressive states to pick off individual CSOs or types. Coalitions need to work internationally to develop norms, as well as nationally to challenge restrictions.

There is also a need to work internationally and nationally to interrogate and take on anti-money laundering and anti-terrorism measures, and the debate about national ownership of development. Legitimate concerns and measures need to be separated from those that are spurious. CSOs can do this from a position of strength when they demonstrate they hold to the highest standards of accountability and transparency, are not connected to extremist or criminal forces, and are autonomous from their donors, including foreign donors. This implies CSOs being able to show they are mobilising to respond to citizens' needs, rather than organising around funding opportunities.

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FUNDING FROM THE STATE

WHERE IS AID GOING, AND WHAT ARE THE PROBLEMS?

In inputs to this report, the most commonly cited source of support is from the state. In the global north, this means support from domestic governments, and in the global south this can entail both domestic and external government support, with foreign state support generally coming from ODA. We discuss in later sections some other key sources of support for CSOs, and it is important to note that many civil society forms survive without external support, but the reality is that change-seeking CSOs in the global south have relied strongly on ODA.

Overall, based on Organisation for Economic Cooperation and Development (OECD) reporting, ODA to CSOs seems to be holding steady. From 2009 to 2013, the most recent year for which data is available at the time of writing, ODA to CSOs from members of the OECD's Development Assistance Committee (DAC), which are mostly global north states that are long-standing ODA providers, rose in real terms. However, with ODA rising as a whole, ODA to CSOs has plateaued in proportionate terms, levelling at around 13% of total ODA. This is dwarfed by ODA to states, which made up 55% of the total in 2013, and multilateral bodies, which received 18%.⁴

As has long been the case, underneath the headline figures lies wide variance in civil society support: France, consistently an under-funder of civil society, put only 1% of its 2013 ODA into CSOs, compared to the Netherlands, where the proportion was 30%. In the 2013 figures, the largest state donors to CSOs were Norway and the Netherlands, along with the multilateral Global Fund to Fight AIDS, Tuberculosis and Malaria, while the largest recent growth in support to CSOs was seen from the Global Fund and the UK.

It should however be noted that almost all the ODA that goes to CSOs is classed as aid through CSOs - funds that CSOs are asked to channel to programmes and projects that fit donor priorities - as opposed to aid to CSOs - funds that have the intent of strengthening CSOs and allow CSOs to define their own priorities. Recent growth has been in aid through rather than aid to CSOs, with aid to CSOs having undergone a slight decline. This suggests a clue as to how many official donors perceive CSOs: as a pipeline and a contractor, rather than as something of value in its own right.

Beyond the headlines, Vitalice Meja of RoA Africa sets out a range of frustrations CSOs experience in working with donors that are as familiar as they are perennial. CSOs criticise donors for: applying rigid, inappropriate policies that are not well-informed about realities on the ground; poor and late communication; unexpected reduction of funding and delays in payments; and demands that unused funds be returned to donors or deducted from future payments, which does not encourage efficiency or promote sustainability. Concerns about lengthy and cumbersome approval processes are common, as Partners-Jordan observes:

Donors require so many documents and details when writing proposals and submitting ideas, and the process of applying and getting approval is really long.

Domestic state funders attract similar criticisms. For example, the Voluntary Action Network of India (VANI) notes that:

Availing funds from government is a herculean task for civil society, as it involves procedural delays.

Complaints about poor official donor practices are not new, but the fact that they are recurring suggests little progress has been made in addressing them. They also add weight to the critique that donors see CSOs as delivery mechanisms, to be contracted and monitored accordingly, rather than as equal partners: equals would be treated with more respect.

STATE SUPPORT: FALLING AND NARROWING

Beyond these perennial criticisms, our past reports have documented how the economic crisis, which struck much of the world from 2008 onwards, caused profound political repercussions, prompted unilateral renegotiations of the state's social contract with citizens, and brought an enduring wave of civic action in response. It has also impacted on state support for civil society.

It is striking that in our annual survey of AGNA members, many of which have received domestic and foreign state funding, only in three contexts is the resourcing position for civil society felt to have improved in the last year. In most, it is assessed to have worsened. Even in cases where the resourcing situation is seen as having improved, there are concerns that this only applies to CSOs that are close to governments or qualify for funding streams wholly defined by governments and donors, issues that are returned to below.

For example, in the UK, national civil society bodies for both England and Scotland, the National Council for Voluntary Organisations (NCVO) and the Scottish Council for Voluntary Organisations (SCVO) assess that the funding position for civil society has worsened, due to cutbacks in state funding in response to economic

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downturn, although those same cutbacks are simultaneously increasing social need and therefore public demand for CSO action. Cowan Coventry and Clare Moberly of INTRAC note that some governments particularly hit by the economic crisis, such as Ireland and Spain, have reduced their ODA, something of concern, since Ireland was known for giving a particularly high proportion of ODA to CSOs, and both have reduced their funding for CSOs.

It's possible that the impact of the economic crisis on civil society funding may pass, but Adam Pickering of CAF reports a more challenging scenario, in which ODA to two thirds of Sub-Saharan African (SSA) countries is expected to decline. This is not just problematic from the point of view of those countries' development prospects: as this report's Year in Review section indicates, many SSA governments are aggressively restricting change-seeking CSOs, suggesting that CSOs could be doubly squeezed.

It seems clear that a structural change is underway, in which official donors are targeting fewer countries. ODA seems to be focusing more on fragile countries, or countries experiencing humanitarian crisis, such as Syria. In 2013, Myanmar was the country that received the most ODA from DAC members, but its recent history means it has little institutionalised civil society, meaning that almost all aid went to its government. This would also be the case with Vietnam, which is in the top 10 countries for receipt of ODA but has little tolerance for independent civil society. Some of the current prioritisation of ODA therefore does not benefit civil society.

Many donors are withdrawing from countries that have achieved Middle Income Country (MIC) status, once per capita gross national income (GNI) passes a certain threshold.⁵ For example, The West African Civil Society Institute (WACSI) reports that in Ghana, where most CSOs remain dependent on donor funding, less funding is going into civil society, following the World Bank classifying Ghana as a lower middle income country.

Jose Antonio Alonso, Jonathan Glennie and Andy Sumner, in their joint contribution, caution against donor withdrawal from countries, simply because they have passed what is an arbitrary average income threshold, which may say little about the reality in which citizens live; our previous reports have documented the economic inequality that is often experienced amidst high national economic growth. Chalida Tajaroensuk, of People's Empowerment in Thailand, for example, notes that CSO funding is declining because Thailand now has MIC status, but there is still much poverty, and a growing gap between rich and poor.

There is also evidence that tighter donor targeting has seen ODA to least developed countries (LDCs) decline in recent years. Suggestions are that this could stem from donor concerns about corruption and state capacity to spend money wisely.⁶ This could, in theory, open up potential to support CSOs as alternate channels, and as a means of increasing accountability; similarly, as Vitalice Meja indicates, there is no reason in itself why a reduction of donor commitments in MICs should lessen funding to CSOs: donors could decide to withdraw major support to governments, but support CSOs as suitable recipients for smaller amounts of funding. Jose

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Antonio Alonso et al suggest that in MICs, an appropriate response for donors would be to support CSOs working on issues of inequality and the resulting social tensions:

As the development problem gradually shifts from absolute lack of resources to their poor distribution, the advocacy and accountability roles of civil society, broadly understood, become even more important.

There seems little evidence, however, that donors are thinking along such lines. Rather, they are narrowing their rosters of priority countries, and failing to take a nuanced approach that sees the possibilities of a range of funding possibilities and partners.

The implications for CSO of this narrowing of focus are already being seen, in a shrinking of CSO capacities in affected countries: Vitalice Meja observes SSA CSOs having to reduce staffing, with working in CSOs becoming more casual and less predictable. WACSI similarly suggests that the resourcing situation is worsening in West Africa, particularly for CSOs working on rights issues, imperilling the sustainability of many CSOs and resulting in cutbacks and staff attrition. Kepa Nicaragua reports that lack of resources, caused by the withdrawal of foreign donors, has seen many CSOs close, while others have reduced the scope of their work. In Serbia, Civic Initiatives sees declining funding from foreign donors impacting on CSOs' physical resources, which means increasing reliance on old technology. In the very different context of New Zealand, shrinking domestic state funding is causing staff wages to fall back relative to other spheres, with more roles becoming part time. In Scotland, SCVO reports that increased workload amid declining funding is driving people away from working in CSOs.

Looking at shrinking funding from a donor perspective, Darren Walker of the Ford Foundation poses the difficult question of whether donors are ducking the issue, unable to countenance cutting some CSOs adrift and focusing on supporting a smaller number, for which larger amounts could make a real difference; instead, donors may be drip-feeding CSOs just enough to keep going, without ever providing enough to achieve real change.

HOW DOES THIS IMPACT ON CHANGE-SEEKING CIVIL SOCIETY?

Earlier, it was observed that change-seeking CSOs face greater restrictions on receiving funding than service-oriented CSOs. It also seems clear, from the inputs received, that it is harder in general to obtain resources for change-seeking activities than service-oriented activities.

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To offer one example, the Communication and Development Institute (ICD) reports this to be the case in Uruguay, from which ODA has largely been withdrawn. ICD suggests that current funding patterns are having the effect of freezing CSO roles, because each funding line only supports a particular role, with most funding available for service provision. What this overlooks is that, while a distinction between change-seeking and service-oriented CSO activity, as applied in this overview, is an analytically useful one, connections between these two strands have potential to bring mutual gains that are often lacking, while the trajectory many CSOs have taken in history has been to start in service-oriented work and then build on this to seek more profound change.

Adriano Campolina and Ben Phillips of ActionAid bring out the politics of the situation, suggesting that CSOs are being supported to do just enough to ameliorate poverty, and the worst excesses of inequality, but no more; they are not supported to help citizens develop their power to challenge existing power structures:

It is about the politics of an ideal in which CSOs respond to the results of poverty, but not tackle the causes, and work to help the poor cope, but not to strengthen poor people's power.

Rasigan Maharajh argues this is no mistake: development cooperation has always largely concerned itself with maintaining the fundamental arrangements of the political system; CSOs that seek change need to question whether, by working with donors, they are complicit in denying change:

CSOs need to move from being part of the juggernaut, or mere gadflies on it, to becoming agents of deep change.

It doesn't have to be this way, and some brave donors are opting to invest in change more. The Dutch government, which provides more of its ODA to civil society than any other DAC member,⁷ recently announced its intent to target ODA towards lobbying and advocacy from 2016. We asked Cornelius Hacking, of the Dutch Ministry of Foreign Affairs, to explain the thinking behind this, how they intend to measure change, and how they feel about supporting potentially controversial work. His answer suggests an unusually tolerant and confident attitude towards criticism, and a willingness to experiment with understanding impact:

We felt that, worldwide, there is no lack of funds for programmes in the area of service delivery, but a big shortage of funds when it comes to the more sensitive activities of lobbying and advocacy, or for building capacities that allow civil society to lobby and advocate.

Since the results of lobbying and advocacy will be difficult to measure concretely, we will have to rely on qualitative data, or information from change processes; it is a challenge when it comes, for instance, to financial reporting.

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We are very much aware of the risks of more support to lobbying and advocacy by local and national CSOs. From previous programmes, we know for instance that there were campaigns by Dutch CSOs targeting Dutch companies, articles critical of government support appearing in the Dutch press, and regularly questions asked in parliament about government support to CSOs critical of Dutch government policies or Dutch companies working abroad. We are currently talking with our embassies and other departments to prepare ourselves for these criticisms. But Minister Ploumen (Minister for Foreign Trade and Development Cooperation) has literally said that she likes being challenged, and she is indeed willing to ‘finance her own opposition’.

It will be essential to track and document learning from the Dutch experience, in order to encourage more brave choices by donors.

WHAT DRIVES THIS: DOMESTIC PRESSURE, PRIVATE INFLUENCE

As yet, the Dutch move is a rarity; many official donors are becoming more cautious. To understand why, we need to examine the domestic political contexts within which donors work. Contributions from Adriano Campolina and Ben Phillips of ActionAid, and from Jose Antonio Alonso et al, draw attention to the domestic political calculations that influence ODA decisions. In times when many global north governments are reducing public spending, foreign development funding can be hard to defend. The case for ODA is therefore likely to be made in narrow terms: that it helps combat extremism, benefits countries or regions in which the donor government has strategic foreign policy or trade interests, or delivers spin-offs at home. A recoupling of aid and trade agendas can be seen in the absorption of previously autonomous state aid departments into foreign affairs and trade ministries, as seen in Australia, Canada and New Zealand. The changes tell us that many donors are becoming more timid and conservative.

Fraser Reilly-King of the Canadian Council for International Cooperation and Brian Tomlinson of AidWatch Canada offer an example. Canadian ODA has been cut back since 2012, but is also being more closely attached to strategic interests. Canada’s 2013 Global Markets Action Plan established 20 key countries for the advancement of Canadian trade markets, and explicitly states that development programming will be leveraged to promote trade interests; the policy was expanded to 25 countries in 2014, on the basis of commercial opportunities rather than development need. Fraser Reilly-King and Brian Tomlinson locate this within a larger trend where the state is linking development closely to the private sector:

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Since the mid-2000s, the Canadian government has taken a number of measures to increase its engagement with the private sector, including through partnerships with Canadian mining companies and CSOs to deliver development programming in Latin America and Africa, and through support for innovative financing mechanisms that aim to incentivise private sector actors to develop solutions to development challenges.

This is consistent with a broader trend, noted in our previous reports, in which governments and multilateral organisations, in part prompted by a strain on resources, are turning to the private sector as a co-funder, commonly under the rubric of public-private partnerships. The result is that large, private sector concerns enjoy high and opaque levels of access to and opportunities for influence over states and intergovernmental bodies, in turn reducing the potential for civil society access and oversight.⁸

Alan Fowler points out that this is not new: ODA policies always, to some extent, reflect the political climates of donor countries, which become exported in the form of conditions attached to funding: having restructured their economies around privatisation in the 1980s, global north governments, and the intergovernmental institutions they strongly influence, exported structural adjustment programmes to recipient countries; now, with northern governments seeking to shrink the state afresh and find market-driven, private sector means to deliver public goods, this ideology leaks into development policy, expressed in a greater emphasis on the role of trade and markets. Harmonisation between trade, diplomatic and development agendas sits uneasily, however, with the notion that CSOs are autonomous and may offer a source of critique, particularly when they challenge current governance arrangements.

The other implications of the new donor conservatism is a retreat into supporting safe options, such as service delivery and humanitarian response, rather than more controversial areas related to human rights; and to supporting project activities with clear and quantifiable deliverables, rather than activities with a higher risk of failure, or more programmatic, general support. These count against change-seeking CSOs.

It's important to be clear that there are many good people working in donor agencies who are sympathetic towards civil society and aware of problems outlined here, but lack the power to change things. Richard Holloway paints a picture of a system in which all are unhappy, in donors and CSOs: relationships are characterised by mutual mistrust, and an absence of gratitude. Each complain about the other, and all know that the bureaucracy is stifling and the relationship should be better, but no one is empowered to take the first steps towards doing resourcing differently.

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THE HARMONISATION AGENDA

Cowan Coventry and Clare Moberly of INTRAC have documented a movement by official donors into pooling funding in multi-donor funds. Such funds can be valuable to civil society. For example, WACSI assesses that STAR-Ghana, a multi-donor grant-making body, is the single most significant funder for Ghanaian CSOs. While pooled funds can help civil society, in enabling funding to be more predictable and used more strategically by CSOs, the drivers of this trend need to be understood: as well as the international development effectiveness agenda, which encourages harmonisation of development approaches, donors are seeking to reduce transaction costs, and get more for their money: new donor conservatism is a motivation.

Collaboration between donors is not new, but any automatic assumption that collaboration always produces better outcomes should be challenged: not all collaborations add value, and funders may have to give up too much of what makes them unique in collaborating.⁹ INTRAC suggests that pooled funds can be complex to manage, which can lead to larger donors taking the upper hand, when smaller donors lack capacity or see themselves as having less of a stake.

Pooled funds present some challenges for CSOs: their themes can be highly donor-determined, and unless they have a specific objective of nurturing a diversity of civil society forms, they may privilege larger, more established CSOs, which are best placed to navigate often complex application procedures. A high number of applications in very competitive processes also entails an opportunity cost, in wasted civil society time and energy for the many unsuccessful applicants, a challenge that Alan Fowler and Darren Walker both observe more generally with competitive bidding processes, which can drive division and wasted resources. INTRAC also questions the role that private sector, for-profit concerns play in managing some pooled funds: surely civil society should be playing such intermediary and brokerage roles?

PROJECTISATION AND DONOR-DRIVEN CSOS

Adriano Campolina and Ben Phillips of ActionAid have observed some good practice in resourcing, in the form of strategic funding partnerships, which take a long term view of cooperation with CSOs but, consistent with the new donor conservatism, they see a recent move away from these, towards relationships where CSOs are funded to deliver donor projects, with troubling implications for CSOs accountability relationships:

Pooled funds present some challenges for CSOs: their themes can be highly donor-determined, and unless they have a specific objective of nurturing a diversity of civil society forms, they may privilege larger, more established CSOs.

The consequences of this shift to projectisation are in fact to lessen results (if by results we mean real, large scale, lasting change), lessen value for money, increase CSO bureaucracy, as grant management and funds acquisition become questions of survival, and reduce real accountability to communities, as organisations shift their accountability focus to donors.

Other contributors share this concern with a return by donors to seeking quick, observable wins, through donor-defined, project-oriented funding, which leaves CSOs struggling to find the general, core support they need to sustain their operations. The Polish Federation on NGOs states, for example, that while most Polish CSO resources come from the European Union (EU), almost all funding is project-based, and there are doubts about the long-term impact this might achieve. Darren Walker of the Ford Foundation notes that even CSOs that receive substantial project funding still struggle to sustain core operations, because grant provisions for overheads are generally too low:

An organisation that the Ford Foundation helped launch, more than four decades ago, called to advise they were at risk of shutting down. I was stunned, because it had some US\$2m in project-based funding in the bank. And yet, for all practical purposes, the organisation was broke, with substantial overhead and debt.

Vitalice Meja from RoA Africa adds that, while donors often have high delivery expectations of CSOs, they provide little support for the core capacities required for effective delivery, such as staff, equipment and office costs. Partners-Jordan likewise observes a disparity between high expectations of impact and the relatively moderate levels of funding made available. The Samoa Umbrella for Non-Governmental Organisations adds weight to this, suggesting it is a constant challenge to access funds to complete capacity-building projects. This problem is enduring, and Richard Holloway indicates that donors are simply not helping to support CSOs to become more self-sufficient.

The project orientation of much funding combines with a renewed emphasis on ensuring value for money (VfM), again inspired partly by the development effectiveness agenda and partly by new donor conservatism, with donors seeking to reassure their publics that aid is not being used corruptly or wastefully. Darren Walker suggests that the instruments for judging progress from funding to CSOs are essentially those borrowed from the market, however inappropriately, drawing attention to:

...the current attachment to - and almost a worship of - market-based solutions that ask organisations to measure progress as if they were for-profit concerns...

While donors often have high delivery expectations of CSOs, they provide little support for the core capacities required for effective delivery, such as staff, equipment and office costs.

And speaking of how donors'

...obsession with quantifiable impact, and frequently dogmatic adherence to discrete deliverables, undercuts the expansive purpose of CSOs, miniaturising them in their ambition... This system is rooted in transactional short termism - a tyranny of donors - that distorts and inhibits, rather than unleashes, the potential of civil society.

Darren Walker further notes that concern with VfM is driving donors increasingly into contract-based relationships with CSOs, while ActionAid identifies the flaw in VfM approaches, in that they can only focus on short-term change: they cannot understand the major changes that come when civil society challenges and changes power imbalances, because it is hard to prove the impacts of activities that contribute to structural change over time, compared to discretely measurable pieces of delivery. Much of the work of change-seeking civil society is on-going, and cannot be captured by narrow metrics, which will miss the potential of CSOs as sources of innovation and creative solutions. Cowan Coventry and Clare Moberly of INTRAC identify that difficulties in assessing impact are driving some of the more open-ended pooled funds back into being more tightly defined. These challenges suggest a need for new instruments to measure civil society's contribution to change differently.

Part of the problem with a projectised approach to CSOs is the way that the behaviour of CSOs that receive funding is influenced. Richard Holloway points to the energy drain involved when CSOs must put time into compliance with bureaucracy and attempting to demonstrate that VfM is being achieved, which subtracts from energy that could be spent on delivering real value. More broadly, Avila Kilmurray and Barry Knight, of the Global Fund for Community Foundations, suggest that donors are incentivising the wrong kind of CSO behaviour; CSOs are rewarded for developing skills in proposal writing and donor reporting, rather than in serving their constituents:

Many CSOs have become highly skilled proposal writers, budget jugglers and masters of development jargon, and compete with each other to serve the needs of external funders.

CSOs may hop from subject to subject to secure funding, such that they never develop expertise, see groundwork come to fruition, or develop a domestic constituency to be accountable towards. For example, Partners-Jordan relates that most Jordanian CSOs are donor-driven, and they drop projects as donors change priorities. In Serbia, almost all CSO funding is framed around integration into the EU, raising the fear that CSOs are being shaped by donors solely around this project, and causing concern about what will happen once Serbia has joined. The Polish Federation of NGOs assesses that many CSOs are leaving it to donors to define priorities, and working on whatever issues have funding available. Ambika Satkunanathan suggests

Many CSOs have become highly skilled proposal writers, budget jugglers and masters of development jargon, and compete with each other to serve the needs of external funders.

this happens even when donors explicitly try to avoid encouraging dependency: CSOs naturally adapt around donor priorities and the availability of funding.

ActionAid states that it has resolved to take a principled stance on funding, committing not to chase funding opportunities as they arise:

We use the term ‘programme-led funding’ to describe an approach that seeks resources for work that our analysis and the communities we work with set out as key. We explicitly reject ‘funding-led programming’, in which CSOs start by looking at where the money is and offer to provide whatever projects that funders say they would like.

However, ActionAid acknowledges, scarce resources and high competition mean there will always be CSOs that are prepared to try to work on whatever terms donors set. When CSOs chase donor funds, they risk raising suspicion that they are established purely to claim whatever funding is available, which does nothing to build public trust in CSOs and can, Vitalice Meja notes, fuel government claims that CSOs are contracted foreign agents.

A CONTRACTED CIVIL SOCIETY?

Some current movement, from grants to contracts, is consistent with the suspicion that donors fund CSOs as delivery mechanisms, rather than because they see the value of civil society and want to strengthen it.

In the UK, NCVO and SCVO both state that government grants are falling as a proportion of CSO funding, while contracts are rising, a shift that may now also be underway in Norway. An anonymous interviewee in New Zealand reports that the government has moved away from providing funding for work where communities define their needs, and into contracts to deliver central government programmes, while exerting pressure on local government bodies to do the same. The donor in this scenario becomes a shopper for the cheapest means of delivery, indifferent about whether it contracts a CSO or a business, although businesses may be preferred because they are less likely to raise difficult questions.

VANI makes the point that the contracted approach calls into question the autonomy and identity of civil society:

Many believe that neoliberal economics in the globalisation era has turned CSOs into contractors, bidding for contract-based service provisions. In a situation where bidding over contracts for services becomes a matter of course, it is difficult to distinguish between the non-profit and for-profit sector.

When CSOs chase donor funds, they risk raising suspicion that they are established purely to claim whatever funding is available, which does nothing to build public trust in CSOs.

The concern is that, by seeking the short-term funding on offer, as longer-term, more programmatic funding subsides, CSOs are letting donors, rather than their constituents, set the agenda, as Vitalice Meja suggests:

CSOs contracted by government departments and donor agencies have little or no input in the outputs and expected outcomes.

Darren Walker also describes a culture in which:

...civil society leaders too rarely have a voice in setting their own priorities, or even articulating the problem they aspire to solve. Little wonder that funders too often view themselves as patrons rather than partners.

As several contributors make clear, the problem that arises is that a contracted civil society, which ticks the boxes of donor compliance and follows available funding, is accountable in the wrong direction, vertically, to donors, rather than horizontally, to citizens, who should be the ultimate judges of whether a CSO is making a difference. As Avila Kilmurray and Barry Knight describe it:

The impact of international funding has created lines of accountability that drive upwards and outwards. The result is hefty reports landing on desks in London or Washington, far from the people that development is meant to serve.

DOMESTIC STATE DEPENDENCY: AN ALTERNATIVE TO ODA?

With ODA target countries narrowing, domestic state aid may seem a plausible alternative. A frequently seen consequence, when foreign donors withdraw, is for CSO dependency to transfer to reliance on domestic state support. According to ICD, this has happened across Latin America, with domestic state support now the predominant form of CSO resourcing in Chile and Uruguay: over 60% of Uruguayan CSO funding comes from the state.

Domestic state funding brings its own challenges. In some contexts, it is simply not available, as Vitalice Meja observes in many African countries:

The problem that arises is that a contracted civil society, which ticks the boxes of donor compliance and follows available funding, is accountable in the wrong direction, vertically, to donors, rather than horizontally, to citizens.

CSOs in most African countries do not receive government funding. Governments do not provide subsidies to CSOs even when they have managed to achieve statutory status... there is no legal, policy and institutional framework for financially supporting the initiatives of CSOs.

Even where domestic state support is available, decision-making processes are often assessed to be lacking in transparency, as Civic Initiatives notes is the case in Serbia, while the Third Sector Foundation of Turkey (TUSEV) states that:

Government support to CSOs remains insufficient, unpredictable and not provided in a transparent, accountable, fair and non-discriminatory manner.

A further risk with domestic state funding, as Zohra Moosa of Mama Cash and Caitlin Stanton of Urgent Action Fund relate, is that CSOs become seen as co-opted by governments, while governments are likely to favour CSOs that do not advance controversial positions. VANI notes that in India, where foreign funding for CSOs has fallen, change-seeking CSOs are less likely to receive state funding than service-oriented CSOs. This can only reinforce divisions in civil society noted above.

Adam Pickering of CAF provides a summary of issues that arise in the domestic state funding of CSOs:

An increased reliance on the state for funds places much power in the hands of governments. Governments inevitably fund CSOs that deliver against their specific agendas, and as such, the CSO community in a nation where much of the funding comes from the state can be distorted, to the point where the public perceives the independence of CSOs to have been compromised. Some governments are openly using the threat of losing funding as a way of silencing criticism of government policy, which has a chilling effect on the advocacy activities of CSOs.

In contested contexts, state funding will always be political. UNITAS in Bolivia reports favouritism similar to that identified by TUSEV: in a politically polarised context, the only available public funds are managed in accordance with the aims of the ruling party, a situation made worse for CSOs by the loss of international funding. Similarly, Kepa Nicaragua states that the government only supports CSOs that ally with its political views. In such contexts, to accept state funds is also to risk losing the trust of key sections of the public.

Returning to Turkey, Hakan Ataman, of Helsinki Citizens Assembly, suggests that the government is setting up its own pseudo-CSOs (otherwise known as GONGOs) to benefit from public funding, including EU funding, which prevents independent CSOs from accessing these funds. He adds that cosmetic domestic political

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reforms have caused external donors to reduce their support for change-seeking CSOs, which means that these CSOs are now facing serious limitations.

In short, in repressive contexts, domestic state support simply cannot be a viable option for change-seeking CSOs.

A SHIFT TO THE SOUTH?

In another trend, countries that previously were only the recipients of ODA are also becoming donors. This could suggest new opportunities for CSOs in the global south to access official funding from global south sources.

However, as documented in our previous reports, and in the contribution from Matshediso Moilwa and Neissan Besharati of the South African Institute of International Affairs (SAIIA), growing global south economies, such as the BRICS group of countries (Brazil, Russia, India, China and South Africa), tend to favour state-centric approaches to development. Many of the largest global south economies, having followed heavily statist paths to economic development, seek to apply this template elsewhere. China in particular also seems to be tightly combining ODA, trade and the development of commercial opportunity.¹⁰ Further, several emerging donors, notably China and Russia, are among the worst offenders for restricting civil society at home, and are highly unlikely to support civil society in other countries. As Matshediso Moilwa and Neissan Besharati put it:

Despite their increasing international development clout, the reluctance of the BRICS club to acknowledge the significance of civil society is a reflection of wider difficulties in civil society-state engagement in BRICS countries.

Meanwhile, the Indian and South African governments have recently struck negative stances towards human rights, as expressed in regressive voting records at the UN Human Rights Council.¹¹

Instead, we are seeing a return to an old-fashioned model of support to large-scale national infrastructure and economic development projects, which do not generally give scope for civil society involvement, and indeed, can bring governments and CSOs into conflict, when infrastructure projects impact on the human rights and environmental conditions of affected populations. As Matshediso Moilwa and Neissan Besharati assess:

The scope of the large infrastructure projects and other development initiatives that are a significant part of BRICS-led development cooperation can be expected to have significant implications in developing countries, on contested issues such as the exploitation of natural resources, land grabs and land displacement, labour practices, environmental concerns, agriculture and food security, to name a few.

In another trend, countries that previously were only the recipients of ODA are also becoming donors. This could suggest new opportunities for CSOs in the global south to access official funding from global south sources.

CSOs do not get access to BRICS meetings, and the withdrawal of foreign donor funding from BRICS members has left change-seeking CSOs in those countries with limited capacity to hold their governments to account, at precisely the moment when they need to increase national accountability pressure and internationalise their work, given the growing role of their governments.¹² While a BRICS development bank – the New Development Bank – was established in 2014, many in civil society are concerned that it will continue the trends of state-centric development and exclusion of civil society, repeating the top-down mistakes of other development banks.¹³

A further outcome of the tilt towards global south ODA is that the potential influence of northern donors over recipients of funding is diminishing. While this may seem a reasonable global rebalancing, many northern donors tend to attach conditions on the protection of human rights and space for civil society to their funding to governments, and although at times this commitment has been undercut by changing funding fashions and promotion of market forces, conditionalities have given civil society levers to defend civic space; state-to-state funding from China or Russia seeks no such concessions. In Alan Fowler’s estimation, these global shifts are also reducing the ability of international CSOs (ICSOs) to protect their southern partners from attack.

However, amid the narrowing of ODA focus countries noted earlier, we should be careful not to miss another shift, noted by INTRAC, in the proportion of ODA going to CSOs in the global south, compared to CSOs in the global north. According to INTRAC, until quite recently, five times more ODA from DAC members went to CSOs in the donor country than to those in the global south, but this has now fallen to twice as much. Clearly the situation is still unequal, and indicative of a disproportionate concentration of civil society power in the global north,¹⁴ but this trend is a positive one, demanding further tracking. At the same time, it challenges global north CSOs concerned with development to redefine their role, while suggesting a potential new role for intermediary CSOs in the global south.

WHAT THIS MEANS FOR LARGE AND SMALL CSOS

Related to this is the question of how donor funding affects the balance of civil society between large and small CSOs. Civil society needs to be understood as a diverse terrain in which small and large organisations, and less formal groupings and movements, work at different levels to pursue a range of aims and interests. Because these compete, and because complexity brings costs, civil society is often urged by donors to harmonise and speak with a common voice. Some powerful impacts have been achieved by civil society coalitions, in which different strengths are combined towards a common purpose. But at the same time, the diversity of civil

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society should be seen as one of its prize assets, as from diversity comes the creativity and fresh thinking that we associate with civil society.

It should therefore be a worry that often the situation is one of large CSOs beating small CSOs in the competition for resources. This has recently been observed in Jordan, where a sharp rise in refugees from neighbouring Syria has generated an international civil society response that may leave domestic civil society marginalised, as Partners-Jordan reports:

Local CSOs have to compete with international CSOs who started to work in Jordan to serve refugees, and due to the high calibre of these international organisations, their profile was stronger than local organisations, which resulted in high and unfair competition.

ICSOs enjoy considerable advantages. OECD figures show that the private funding of CSOs in DAC member countries has increased in recent years, while analysis of seven leading ICSOs shows an average annual income growth rate of 7%. Most of this income comes from the global north, and ICSOs are spending increasing amounts on fundraising to enable their continued growth.¹⁵ Alan Fowler suggests many ICSOs are simply unable to change their behaviour, because they are tied to a mind-set where the sign of a healthy ICSO is increased growth, and success in fundraising is understood as an indicator of wider success. Similarly, while non-state funding, discussed further below, comes from a wide range of sources, larger CSOs are best placed to benefit from private giving: a handful of ICSOs, almost all in the global north, use their visibility and brand to attract most giving from members of the public.

Many contributors, including Avila Kilmurray and Barry Knight, note the tendency of ODA to uphold existing civil society power hierarchies, while Vitalice Meja suggests that donors simply do not comprehend the diversity of CSOs, or reflect this in their funding decisions. Cowan Coventry and Clare Moberly of INTRAC assert that encouraging a diversity of civil society is not something that will happen by accident; it needs to be designed into funding approaches. Both Alan Fowler and Ambika Satkunanathan assess that trends noted above, of encouraging VfM and development effectiveness, lead donors to gravitate towards larger CSOs, because of their ability to demonstrate professionalisation and capacity to plan, deliver and monitor; more cynically, this could be seen as funding going towards CSOs that are best placed to regurgitate the latest jargon, prepare plausible log-frames and be visible in high-level development forums. Further, Avila Kilmurray and Barry Knight suggest there is a growing tendency to see development problems as huge and intractable, which translates into an assumption that big problems need large-scale solutions that can only be delivered by major organisations. Ambika Satkunanathan notes that donors may also be concerned about the ability of small CSOs to manage large amounts of money.

Larger CSOs are best placed to benefit from private giving: a handful of ICSOs, almost all in the global north, use their visibility and brand to attract most giving from members of the public.

As both Vitalice Meja and Ambika Satkunanathan suggest, donor faith in large CSOs can result in a bias against CSOs that have not previously received funding, which may be seen as unknown quantities and riskier choices. This can also mean that small and new organisations have to clear a series of compliance hurdles to build donor reassurance, which they may lack the capacity or knowledge to navigate, compared to larger CSOs that have capacity and prior knowledge of donor procedures; an established track record positions a previously funded, large CSO as a safe bet in uncertain times, as Ambika Satkunanathan states:

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.

In Malawi, for example, the Centre for Human Rights and Rehabilitation (CHRR) has observed the growth of funding going to consortiums of CSOs, rather than single CSOs, but notes that small CSOs struggle to join these. Alan Fowler also suggests that larger CSOs are better able to ride the delays in releasing funds that are a frequent occurrence with donor bureaucracies, because they tend to have more than one secure funding source and reserves to fall back on.

The problem, if funds go mostly to larger CSOs, is that it will freeze existing power imbalances, locking in the privileged access to resources of larger CSOs. Innovation and the birth of new organisational forms to address emerging problems will be missed. As Avila Kilmurray and Barry Knight fear, a professionalised civil society class could sustain itself by surfing from one project funding round to the next:

A particularly damning complaint is the tendency for one development project to breed another, in an endless chain of self-serving job creation projects for development sector elites.

The logical response to this unequal playing field might seem support for capacity building. Smaller CSOs, and CSOs in the poorest countries, often face profound capacity challenges, and lack organisational and technical skills. WACSI reports this to be the situation with many West African CSOs, with this lack of capacity limiting their ability to reduce dependency on project funding. But across West Africa, capacity building that donors support is only an add on to project support, and is insufficient for institutional development. Similarly, Cowan Coventry and Clare Moberly of INTRAC observe that the capacity building support donors provide often has a narrow focus, on developing capacity in organisational systems and following procedures, which essentially builds skills for compliance with donor processes, rather than develops capacity to reduce donor dependency, which needs more thought:

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There are other aspects of capacity that may be equally, if not more, important in building effective CSOs, such as leadership, passion, integrity and the ability to connect genuinely with and support the voice of communities. There is often little space in civil society funds for thinking more innovatively about the content of capacity development.

INTRAC also notes that, when donors provide support for more nascent civil society groups to develop - something donors have been struggling to get to grips with as new civil society forms arise¹⁶ - it is usually in expectation that they will turn into something that resembles an established, professionalised CSO model, even though this may not be the most suitable vehicle:

Outreach activities are designed to reach more emerging expressions of civil society, but the type of support offered leads them into a process of formalisation, and then supports them on a trajectory of becoming 'an organisation'.

Part of the response to donor perceptions of smaller CSOs as lacking capacity, suggest Avila Kilmurray and Barry Knight, is to take on and challenge notions of what constitutes capacity:

Donors tend to see small CSOs as lacking capacity. But that is often because their donors control them and frame capacity in their own terms.

Zoora Moosa and Caitlin Stanton suggest an alternative in the concept of resilience, which goes beyond narrow notions of capacity:

Increased resilience in civil society strengthens its capacity both to persevere in the face of backlash and threats, and to leverage new opportunities. When resilience is strong, movements are able to persist, even in the face of tremendous backlash. Within unstable, constantly shifting contexts, adaptive capacities help organisations not only to weather threats, but also to seize windows of political opportunity.

The most resilient CSOs, to adopt this terminology, may be those that have access to deep community support networks, which enable access to a range of resources, including non-financial resources, even though they may be seen by donors as having weak material capacity.

While our contributors tended to look at CSOs as recipients of funding, there is of course also a need to see them as contributors of funding. Chloe Stirk and Sarah Hénon of Development Initiatives assess that the largest

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proportion of private development assistance (PDA) comes from CSOs, making them more significant in development resourcing than private foundations or the private sector.¹⁷ Some of this funding passes to other CSOs: larger CSOs, as funders of civil society, sit in a complex resourcing chain, where funding relationships often overlap with other relationships, of implementation, support and representation. However, data about how large CSOs resource change-seeking activities, and what proportion of their resourcing goes to and through smaller CSOs, is hard to access, and needs to be made more readily available.

From the perspective of smaller CSOs, large CSOs, when they disburse resources within civil society, may be hard to distinguish from an official donor, if they take on the worst characteristics of donors, such as being top-down, interventionist and concerned with narrow targeting and reporting. Larger CSOs need to see themselves as key links in a resourcing chain, and to model best practice. Partnership principles recently developed by CIVICUS and the International Civil Society Centre, which call for clarity around key principles, of vision, values, expectations, respect, strategy, responsibilities, accountability, flexibility and communication, provide some valuable guidance here.¹⁸

NORTH TO SOUTH CSO MIGRATION

The question of where ICSOs should sit in a resourcing chain that at least partly channels ODA from global north to global south is given renewed relevance by a trend of large ICSOs relocating or devolving to the global south. While strong justifications can be offered for this southern shift, in terms of moving closer to the challenges on the ground, Alan Fowler notes that such moves raise suspicion that they come in response to the movement of ODA towards global south CSOs noted above, and an impulse to follow the money. Concerns arise about the impact of southern-shifting ICSOs on the ecology of global south civil society, not least because ICSOs tend to use smaller, global south CSOs as recruitment pools. Alan Fowler observes that, despite years of rhetoric about changing relationships, global civil society remains characterised by inequality, between large ICSOs and the rest; intentions have been well-meaning, but partnerships have not transferred power:

Despite earnest intentions, the notion of ‘partnership’ as mutuality and solidarity, with a gradual shift in the weight of action, control and resources from northern to southern entities, has simply not happened at a meaningful scale.

The key test for assessing whether decentralisation by large ICSOs is meaningful will be whether decision-making power moves closer to the ground in reality.¹⁹ Relocation gives ICSOs opportunities to hold onto their advantages, and Alan Fowler suspects that resource asymmetries will remain, such that it is time to think of

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new ways of building respectful, enduring and non-hierarchical relationships between ICSOs and global south CSOs. Some donors have intervened to try to build stronger relationships between northern and southern CSOs, by insisting on joint partnership applications, but Alan Fowler notes that northern partners generally initiate and lead these, leaving southern CSOs playing a minor role:

More often their role is that of a sub-contractor, which works against them learning bidding skills, budgeting know how and an acquisition track record.

Jose Antonio Alonso et al note that, as global south countries achieve MIC status, a challenge can arise for ICSOs: the classic service delivery work undertaken by many ICSOs may no longer become necessary. Since ICSOs tend to be successful at generating private giving on the basis of appeals based around the need to deliver essential services, this presents new challenges: ICSOs might reasonably transition to work on new problems resulting from economic growth, but such work is harder to market for private giving. Further, ICSOs' advocacy activity tends to be justified as being rooted in and informed by their ground level work; if that work falls away, ICSOs will need to justify advocacy activity in new terms, such as by demonstrating strong partnerships with global south CSOs, to enable them to understand needs on the ground. This may provide new opportunities for partnership for global south CSOs, and is a trend worth tracking.

RECOMMENDATIONS FOR OFFICIAL DONORS

From the above analysis, an intriguing contradiction appears to emerge: civil society seems to be asking donors simultaneously to move into strategic, long-term funding approaches that are predictable and can achieve impact - which will privilege large, established CSOs - while asking donors to make funds easier to access across a wider diversity of civil society for a broader range of actions. This suggests that two different principles exist in tension: predictability and risk. Both of these are clearly important principles for donors to consider, and be asked questions about. The solution surely lies in ensuring that there is a diversity of funding sources available for different civil society forms and actions at different levels and over different time periods, with different levels of risk. Individual CSOs should also be able to access resources from a diversity of sources to develop their resilience. To fund diversity implies that donors need to be braver and reassess their tolerance of risk. It also implies that they should devolve decision-making about resources as close to the ground as feasible.

But support for diversity should not foster fragmentation: an emphasis should be on building solidarity between different civil society forms, to defend and realise civil society freedoms, and expand civil society

Civil society seems to be asking donors simultaneously to move into strategic, long-term funding approaches that are predictable and can achieve impact while asking donors to make funds easier to access across a wider diversity of civil society for a broader range of actions.

space. This can only be achieved when some donors opt to support the core funding of CSOs, particularly change-seeking CSOs in the global south that struggle to sustain themselves on other sources of funding.

Donors need to acknowledge that funding issues go beyond technical questions of efficiency and effectiveness: all funding decisions and transactions have politics embedded in them. Donors should be honest about the politics of funding, treat civil society with respect, and take pains to ensure the autonomy of CSOs. Donors should accept that one of the roles of civil society is to ask difficult questions and challenge power, and ask themselves if they are enabling this role.

KEY STEPS OFFICIAL DONORS COULD TAKE IN THE LIGHT OF THIS ANALYSIS INCLUDE:

- Improve coordination, but do not harmonise funding streams, between different donors; offer complementary, rather than pooled approaches. Ideally donors would specialise in different funding methods, such that some provide long term, predictable and strategic support to CSOs, while others provide smaller forms of rapid response and emergency funding, with varying levels of experimentation and risk. This would enable a greater range of civil society to be supported, and enable CSOs to access from more than one funding source.
- As part of this, support linkages and experience sharing between established and emerging donor agencies.
- Recalibrate attitudes to risk, and be brave enough to invest in new organisations and ideas. Accept that investing in potential can be as worthwhile as investing in an organisation that is guaranteed to produce quantifiable results.
- Signal that civil society has intrinsic as well as instrumental value. As part of this, develop, embed and monitor indicators in whether the health, ecology and resilience of civil society as a whole is being sustained and strengthened through donor support.
- Provide more core and institutional support to change-seeking, global south CSOs, including for organisational and leadership development, coalition building and advocacy and accountability capacity, and allow more flexibility in the use and reallocation of resources by civil society.
- Respect the autonomy of CSOs: rather than contracting CSOs to fulfil donor priorities, make more open funding calls, and provide space for civil society, in diverse forms, to help define donors' agendas and priorities, and participate in monitoring and accountability over funding decisions and impact.
- Devolve elements of grant-making functions as much as possible, to be close to the intended recipients of grant-making, in order to better understand local needs and priorities. Where possible, work with CSOs that have strong knowledge of particular contexts or issues as intermediaries and managers of funds.

Donors need to acknowledge that funding issues go beyond technical questions of efficiency and effectiveness: all funding decisions and transactions have politics embedded in them.

- Acknowledge that restrictions on the receipt of funding reduce the effectiveness and efficiency of donor support, and support civil society action, and international and national advocacy, to uphold the right of all CSOs to receive funding from all sources.
- Support the development of skills and capacities that enable CSOs to diversify their resourcing.
- Support and adhere to established principles of development cooperation, as agreed in international forums on aid and development.
- Embed the principles embodied in these recommendations in the implementation of the Sustainable Development Goals (SDGs) and the future financing for development agenda.

WHAT ARE THE ALTERNATIVES TO STATE FUNDING?

There are few examples of civil society groups rejecting potential donor funding, but Elizabeth Mpofu and Ndabezinhle Nyoni of La Via Campesina, the landless people's movement, relate how they have built their reputation, as a respected and autonomous global civil society movement, while refusing to make compromises with funders: they make alliances on their terms, and in ways that advance their agendas, refusing to take funding from governments that promote neoliberalism. Being choosy about funding only seems to have helped them. Similarly, Greenpeace International does not accept funding from governments, political parties or companies, and have made this part of their brand. Clearly, these are decisions that are easier to take for large ICSOs, when they have a large base of donations from members of the public, which can be used without restriction, but they are still brave decisions that some other large CSOs are not taking. When they refuse to seek or accept some kinds of funding, CSOs implicitly acknowledge the politics that lie at the heart of funding, and the compromises that may be involved in accepting resources.

The main reason that CSOs are seeking to cast the funding net wider is, of course, the increasing uncertainty about funding from state sources. Official donors, particularly when they are phasing out funding, are in turn urging CSOs to diversify. This is not new: it is customary for reports on civil society resourcing to call on CSOs to diversify their funding, and this call gets louder when state funding is tighter. In Finland, for example, Kepa observes a recent growth in discourse that CSOs should become less dependent on public money and more actively seek to be self-financing. Intriguingly, in Ghana, WACSI notes that debate that civil society should become self-financing comes not from external donors or CSOs, but from the state and private sector, suggesting the need to understand the politics behind the advice.

But for some CSOs, this is still new territory. Richard Holloway suggests that CSOs that became dependent on and expectant of ODA have failed to consider potential domestic sources of support, including encouraging giving from domestic citizens, developing their own commercial revenue streams and seeking funding from domestic businesses.

This is not to downplay recent steps that have been taken. Inputs to this report reveal numerous examples of CSOs responding to declining state support by pursuing new funding: in Bangladesh, CSOs are branching into consultancy; in Finland, CSOs are making greater fundraising use of social media, and seeking in-kind support; CSOs in Ghana are charging fees for services and use of facilities, and running income-generating schemes, while attempts are underway to establish relationships with high net worth individuals and companies, develop endowment funding and connect with potential sources of in-kind support; in both Nicaragua and Norway, CSOs are selling services to other CSOs; in the Philippines, there are attempts to generate service fees, and develop individual supporter bases, including with Filipino diasporas; and CSOs in Scotland are in the early stages of exploring crowdfunding and other digital fundraising methods, as well as shared back-office services. In Argentina, perhaps because CSOs have had more time to get used to donor withdrawal, RACI notes a high level of diversification, including the growth of individual giving into a wider range of subjects, the use of online payment systems and crowdfunding platforms, and the sale of products and services. In Turkey, Hakan Ataman believes domestic CSOs lack the staff, resources and visibility to carry out face-to-face fundraising, but observes some recent use of mobile phone technology to fundraise.

Most respondents however assess such initiatives to be in the early stages; it remains to be seen what difference they make to the funding situation of CSOs. WACSI, for example, notes that their diversification attempts currently provide only a very small part of their budget, while Kepa Nicaragua makes the broader point that it comes as a major transition, in contexts where donor support used to be routine but is now rare, to go from having an assured budget to one that must be stitched together from many different and variable sources.

In some contexts, seen in responses from Kyrgyzstan, Samoa and the Solomon Islands, minimal attempts to seek funding beyond the state are currently observed, perhaps pointing to the limited institutional development of civil society in those contexts, and paucity of other funding possibilities. For example, Development Services Exchange in the Solomon Islands notes:

The country's socio-economic circumstances are such that room for new strategies is rather limited, and efforts to date with improving resourcing have been of little success.

The main reason that CSOs are seeking to cast the funding net wider is, of course, the increasing uncertainty about funding from state sources.

GIVING AND PHILANTHROPY

The key alternative source of funding identified by our contributors is philanthropy, both domestic and international. Interest in philanthropy is growing, partly because the quantum of philanthropy appears to be increasing, and also because new kinds of philanthropists, including from the global south, are trying new methods of giving.²⁰

The range and scope of philanthropy - which can include individual giving from members of the public, and from very wealthy people, philanthropy formalised into institutions, large and small and, discussed in a separate section, corporate philanthropy - is vast, and that range makes it hard to understand what the financial contribution of giving and philanthropy might amount to. But Development Initiatives estimates that private development assistance (PDA) is equal to about a third of ODA from DAC members, and makes up a quarter of all humanitarian funding. Over the past two decades, Helena Monteiro of WINGS believes philanthropy has become a larger proportion of the overall funding for development and, partly enabled by new technology, there has been an increase in philanthropy across borders.

Part of the value of private giving, as opposed to state funding, is that while state funding is usually designated for specific purposes, giving from individuals tends to be available to use as a CSO sees fit. Médecins Sans Frontières (MSF), for example, was able to mount an effective response to the 2014/2015 Ebola crisis in part because it gets over 80% of its funding from individual donations, giving it flexibility over how it deploys resources. Private giving is potentially more nimble, responsive and tolerant of risk than official funding.

CSOs that have traditionally relied on state support can however struggle to get to grips with giving. Richard Holloway notes that CSOs may not find it easy to reorient their language:

For an organisation that has become used to writing proposals to foreign donors, and that is used to donor language, the idea of explaining to the public of their country who they are, what they do, and what help they need is intimidating.

Kepa Nicaragua likewise states that CSOs are not used to having to market themselves, in a context where donor funding was once routine but has now faded. In Ghana, WACSI acknowledges that CSOs need to become

better at connecting with the public, making improved use of social media and demonstrating their relevance to key topical issues, in order to seek more support from individuals.

Richard Holloway adds that it takes time and effort to build reputation with domestic publics. Trust and reputation can also be fragile. M May Seitanidi points to worrying evidence that overall public trust in CSOs, which is normally high, seems to have declined, alongside declining trust in government and the private sector, while Ambika Satkunanathan makes the point that it may be hardest to develop public trust in CSOs in highly repressive contexts, because sustained government demonisation influences public attitudes. TUSEV suggests that a broader lack of social trust is being expressed partly in distrust of CSOs in Turkey, which limits giving, but can only be addressed in the long term. The Caucus of Development NGO Networks (CODE-NGO) offers an example of public trust in civil society in the Philippines recently having been shaken by a high profile corruption scandal involving politicians and fake CSOs, which also led to officials tightening access to funding even for legitimate CSOs. It will take time to rebuild that trust.

PRIVATE GIVING AND PHILANTHROPY

More positively, overall private giving remains relatively robust. Adam Pickering of CAF notes that, while a slight decline in individual giving corresponded with the economic downturn, giving is on the rise in growing economies of the global south. The robustness of private giving is suggested in part by the weak connection CAF finds between wealth and generosity: some countries where people give proportionately the most are the world's poorest, suggesting that even in poor countries there is potential for CSOs to develop domestic giving. Of course, considerable volatility in the allocation of giving between individual CSOs and causes will lurk beneath the headline figures: Development Initiatives assesses that giving from members of the public tends to have low predictability. To help predict giving decisions better, and changes in these, we need, CAF suggests, to understand better the motivations behind people's giving decisions.

Much giving is local in outlook, informed by local values and cultures, and may be informal. Philanthropy in each of the BRICS countries, for example, seems to be evolving along quite distinct lines;²¹ in the Middle East and North Africa (MENA), Naila Farouky of the Arab Foundations Forum (AFF) notes that philanthropic institutions are quite distinct from those in other regions. Even the terminology differs from one place to another: in African contexts, many philanthropists prefer to talk in terms of giving, charity or Ubuntu, rather than philanthropy.²² This rootedness and diversity suggests resilience, but adds complexity. Local knowledge is needed to understand variations, and external actors will need to spend time in understanding local philanthropic landscapes and developing partnerships.

Much giving is local in outlook, informed by local values and cultures, and may be informal.

In trying to understand giving, there is also a need to examine what causes giving is flowing to. There will always be some causes for which it is easier to find resources than others, and they are not necessarily change-seeking causes. Ambika Satkunanathan suggests that most giving is for small scale, often religious, causes, and oriented towards charitable amelioration of problems. Similarly, Amitabh Behar and Pradeep Patra of the National Foundation for India (NFI) note that domestic giving is expanding as India's middle class grows, but this growth is mostly along religiously charitable lines, rather than benefiting change-seeking CSOs. VANI suggests that considerable public education is needed to encourage people to give to CSOs.

Similarly, while many have high hopes, in a globalised world, of the power of giving by diasporas to benefit civil society initiatives, as Alan Fowler and Ambika Satkunanathan note, diasporic giving tends to be ad hoc, cautious and narrow in its focus, with only a small part going towards broader needs. Ambika Satkunanathan sees that:

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.

However, as Naila Farouky of AFF indicates, philanthropy is never static: in MENA, the people's uprisings that have characterised the region since 2011 have challenged existing philanthropic practices, and the question now is how to accommodate change while retaining the best of the region's established philanthropic traditions. More broadly, much of the renewed interest in philanthropy is because of economic and demographic change: there is excitement about the potential of the global south's growing middle class, which could offer new resourcing opportunities for global south CSOs. Adam Pickering of CAF sees young people in the global south as being more inclined to give than their counterparts in the global north, suggesting potential to recruit a new generation into civil society. CAF also suggests that the involvement of a new class and generation of global south citizens in giving could change the way that accountability is exercised, by encouraging more horizontal accountability. As Chloe Stirk and Sarah Hénon of Development Initiatives see it, the opening up of global south philanthropy offers potentially a greater diversity of who is giving, what funding channels are available and where funding is going, potentially offering a rebalancing of power towards the global south. Given changes in ODA, CAF suggests that philanthropy has potential to grow to cover the funding gap, but the problem is that restrictions on civil society, and a lack of policies to enable philanthropy, are preventing this potential from being realised.

For example, in MENA, Naila Farouky notes there is a lack of a legal enabling environment to encourage philanthropy, while the exclusion of young people from political decision-making in many countries will make young people less inclined to give for public good. In Bolivia, UNITAS states that attempts by CSOs to

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diversify funding are sometimes stymied by tax and regulation requirements, while in Turkey, TUSEV assesses that bureaucratic rules make it hard for CSOs to seek donations, tax legislation does not incentivise giving, and decisions about which CSOs qualify for tax exempt status are opaque and political. Similarly, Kepa Nicaragua reports that the government is introducing a law to levy a 30% tax on donations to CSOs, except those that cooperate with the government; more broadly, CAF sees that some governments only provide incentives to promote giving to actions that fit government agendas. Even in global north contexts with long histories of giving to CSOs, the tax environment may not be enabling: in the UK, NCVO reports that tax rules remain unfavourable for many CSOs, while in Finland, Kepa notes that changes in the gambling law could affect CSOs, as funds from this source currently benefit them.

And yet the overwhelming evidence is that legal measures to encourage giving work: CAF finds that, in countries that have tax incentives to encourage giving, more giving goes to civil society. The 2015 *Rules to Give By study*, which attempts to overcome the lack of international information about the legal framework for philanthropy, finds that, globally, incentives for philanthropy, both individual and corporate, are now the norm rather than the exception, and work in countries at all economic levels.²³ For example, in Poland, citizens can designate 1% of their income to any CSO that has ‘public benefit’ status. In the Philippines, CSOs are attempting to get a similar law off the ground, to enable tax-payers to choose a CSO to receive a percentage of their income tax payments. In the UK, payroll giving, in which a regular amount of income is deducted to go to CSOs, has offered a long-running resourcing stream to civil society.²⁴ The value of these measures is that they suggest areas where some potentially uncontroversial gains could be sought, which unlock resources for civil society. While the voluntary nature of philanthropy needs to be respected, states can and do intervene to improve giving conditions, but they could do more, particularly to enable giving to a more diverse range of civil society forms and actions.

Helena Monteiro of WINGS distils the key elements of an enabling environment for philanthropy: a supportive legal framework; incentivising tax structures; accountability structures that build confidence in philanthropy; enough capacity in institutions receiving resources to execute activities well; and sufficient resources within society. She also sets out some of the characteristics we should expect of philanthropy organisations: that they can take risks and support innovation, and seed initially unpopular ideas; respond quickly; provide funding at small scales, where appropriate; and be more independent than official donors. These offer some key tests to apply when assessing how enabling an environment is for philanthropy, and how geared philanthropy institutions are to supporting civil society.

Chloe Stirk and Sarah Hénon of Development Initiatives note that, while philanthropic funding has many sources, a small group of large private foundations commands most resources, with the 10 largest private foundations providing 60% of all international foundation giving, meaning that their decisions on resource

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allocation can be disproportionately influential. Given this, it is concerning that Avila Kilmurray and Barry Knight see large philanthropic foundations as becoming more closed: 60% of US foundations no longer accept unsolicited proposals. This move may be motivated by similar concerns to those that lie behind changes in ODA: to use resources strategically, increase efficiency and make development interventions more effective, but as with ODA, effects could be that top-down decisions are less understanding of local needs and realities, and institutions exclude smaller CSOs, missing opportunities to support emerging and creative ideas.

Helena Monteiro of WINGS asserts that the full contribution of philanthropy is still to be realised, while Naila Farouky of AFF affirms there is a need to move from traditional notions of philanthropy to strategic philanthropy, which serves causes oriented towards structural change. AFF cautions that to make philanthropy more strategic demands a long term, multi-generational shift, but WINGS sees some evidence that this strategic shift is happening, along with growing awareness amongst philanthropic institutions of the need to be transparent and accountable. WINGS also sees more foundations being set up in emerging economies, because of growing wealth, but also in response to the increasing inequalities resulting from economic growth.

NEW PHILANTHROPY

In particular, a new type of wealthy, private philanthropist is on the rise - we describe them here as the new philanthropists - who have wealth they want to use; see themselves as having skills and time to donate, alongside resources; may seek to apply the skills they honed in developing their wealth to addressing social problems, sometimes through hands-on application of charismatic and problem-solving leadership; and are interested in different models of funding alongside donations, such as forms of investment-type models of funding.²⁵

The US, with its long-established culture of philanthropic giving, provides examples of how philanthropy can develop and mature, to benefit civil society: a recent study of wealthy US households shows that giving is increasing, and wealthy people expect to maintain their giving.²⁶ Wealthy givers are also trying to become more strategic, and are motivated by both personal satisfaction and a belief that they can make a difference; encouragingly for civil society, they believe that people and CSOs can create change far more than governments.

At the other end of the spectrum, in South Africa, research suggests that the new philanthropists are loyal to causes, sticking with them over years, do not necessarily seek reward from their giving, and are happy to support general costs, suggesting that CSOs might benefit from developing steady relationships with new philanthropists; new philanthropists also tend to find the causes they support through personal contacts, and give locally.²⁷ More generally in Africa, new philanthropists are planning to increase their giving.²⁸ In India, new philanthropy has seen rapid growth, and many givers also expect to increase their donations, but a recent

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study suggests that many new philanthropists have a degree of distrust about CSOs, while CSOs are unable to break free from short-term, fund-seeking behaviour to establish longer term relationships that are about more than seeking resources, leading to ‘disconnected donors’ and limited, conditional CSO support.²⁹

Questions however arise about the content of what new philanthropists support, and the processes they apply. While some, mostly long-established foundations, are developing civic capacity, many new philanthropists support social causes, typically around education and health, which is likely to mean that key issues are missed, and offers change-oriented CSOs few opportunities to connect. Michael Edwards, in his work on new philanthropy, suggests there is a distinction between philanthropists that are trying to deliver social goods, and those seeking to develop capacities for people to mount challenges and achieve structural change. He suggests that both are needed, and can be complementary, but perceives that philanthropy, as with ODA, may be seeing a turn back to top-down, project-oriented interventions, after a period in which philanthropic institutions were prepared to invest in change processes.

In terms of process, many new philanthropists seem to have a fondness for attempting technocratic solutions, and apply narrow, quantitative understandings of how to assess impact, presenting the same problems as project-oriented, narrowly evaluated ODA.³⁰ Research indicates that few attempts are being made to understand deeply, and there is limited peer learning between new philanthropists, suggesting that opportunities for CSOs to work with them to advocate for more strategic philanthropy will be limited.³¹

Further issues of process relate to how decisions are made and where new philanthropic funding comes from. Whatever the faults of ODA, there is a degree of transparency about where funds originate, and a sense that ultimately there is some responsibility to donor country taxpayers, while reporting of ODA from DAC members has improved in recent years. With much of philanthropy, including new philanthropy, this is much less the case. The immense wealth of super-rich new philanthropists may give them an advantage over other funders, in being able to offer long-term, sustained giving, but this should not isolate them from scrutiny, and the kind of questions about transparency that are routinely levelled at CSOs.

The question of how decisions are made and who has a say is important. Many of Africa’s new philanthropists make decisions through consultation with close family members, while super-rich people have founded philanthropic foundations where a handful of people make funding decisions in ways that are not exposed to scrutiny: it is reported that in the Gates Foundation, a small number of people, mostly family members, decide the allocation of a huge proportion of the resources going into global basic health.³²

Because giving decisions are personal, influenced by experiences and values, if decisions are exposed only to small, close decision-making and advisory circles, funding will tend to go to causes that philanthropists

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personally identify with. New philanthropists may do this, even when they know there are other, more pressing causes, which they do not support because of a lack of a personal connection.³³ Given the voluntary nature of philanthropy, this may be inevitable, but it will mean that important issues are missed. Civil society needs to assert in response that process is important in its own right: participatory decision-making yields better, more trustworthy decisions. Michael Edwards has called for the diversification of decision-making as a major step towards improving philanthropy. Here, there are examples of community philanthropy, discussed below, that place heavy emphasis on process, including the involvement of intended beneficiaries in decision-making, that could be learned from.³⁴

Where the money comes from is also important: what does it mean, for those CSOs seeking structural change in the interests of social justice, if they accept funds from the wealthy winners of current economic and political arrangements? These givers may wish to see improvements, but are unlikely to want profound change. Hereditary philanthropist Peter Buffett highlighted these concerns when he spoke of the ‘Charitable-Industrial Complex’, in which political, business and philanthropic elites ameliorate but do not solve problems, such as inequality, that are intimately connected to their own wealth.³⁵ The big questions will not be on the table, and new philanthropy risks looking like discredited trickledown economics under another guise. Further, how can change-seeking CSOs work with people who may have benefited from corruption and poor governance, without compromising on their values, and without becoming reputation launderers for corrupt interests? The rise of private wealth and increase in new philanthropy make this a newly urgent question, particularly when the super-rich use philanthropic giving to gain access to global decision-making circles from which CSOs are excluded. In this way, new philanthropy can be a means of consolidating, rather than challenging, elite power. Philanthropic institutions, and new philanthropists, should open themselves up to scrutiny, and be honest about their motivations, sources of wealth and investment decisions, if they want civil society to take them seriously.

COMMUNITY PHILANTHROPY

In contrast to the roles of established institutions and the super-rich come the smaller scale organisations practising community philanthropy and community-led grant-making. Avila Kilmurray and Barry Knight report that community philanthropy organisations are growing in numbers, with small initiatives springing up all over the world.

The essential point about community philanthropy is that resources come from the same communities in which they are expended. Using the work of the Dalia Association in Palestine as a case study, Nora Lester

Super-rich people have founded philanthropic foundations where a handful of people make funding decisions in ways that are not exposed to scrutiny.

Murad sets out some advantages of small-scale, community focused grant-making: with funds coming from the community, there is a greater sense of responsibility about how funds are used:

Dalia is not a donor: the funds that Dalia mobilises already belong to the Palestinian community. Dalia holds them in trust and facilitates transparent, democratic and accountable use of the funds, but it is the community's right and responsibility to decide how they are used.

In this model, horizontal rather than vertical accountability becomes something that more organically occurs, because communities are able to develop a sense that they have a right and a responsibility to exercise accountability over decisions that affect them. Avila Kilmurray and Barry Knight assert the intrinsic as well as instrumental value of this burgeoning of community philanthropy organisations, in that they grow spaces for local level empowerment and new civic space, particularly where institutional CSO forms are not well-established, so can be seen as building democratic practice from the ground up.

Nora Lester Murad's case study suggests that the need is to focus on the processes by which decisions are made, and make these processes as locally owned and inclusive as possible, rather than start as conventional donors might, by setting priorities. Sound decision-making processes will tend to produce appropriate and well-targeted actions, and build up community confidence and competence. In the example from Palestine, grants are open-ended, to enable communities to define their own priorities, and small, to encourage creative use of resources and discourage waste. The community is asked to contribute, so that they will value the grant received, and also learn to value their own resources, including non-financial resources. At the same time, challenges arise: community-level grant-making, in settings where communities are divided, can reinforce, rather than cut across, conflict lines, by giving an opportunity for local power-brokers to reproduce patterns of factional support and patronage.

The diversity, and ground-up nature of community philanthropy, may present a particular challenge to capturing its contribution to civil society resourcing and development. Helena Monteiro of WINGS indicates that many community philanthropy organisations do not use language that intergovernmental agencies and official donors understand: for example, while work supported by community philanthropy organisations may directly address issues covered by the MDGs, and the coming SDGs, because they do not explicitly refer to themselves in these terms, they may not show up on the radar:

Philanthropic foundations tend to use a different language from the MDGs, one that is rooted in the local context, rather than in universal frameworks. In order to achieve effective cross-sectoral cooperation, it is crucial to understand these differences between how the official development and philanthropic sectors operate.

The diversity, and ground-up nature of community philanthropy, may present a particular challenge to capturing its contribution to civil society resourcing and development.

This is not to say that community philanthropy organisations need change their language: rather, development agencies should get better at spotting relevant work being done on the ground, and ensure they reach across the disconnect.

Clearly, there is a limit to how scalable community philanthropy can be. By its nature, it needs to stay small, and the need is for many more, diverse local initiatives, rather than for current small initiatives to grow larger, although community philanthropy organisations could offer an effective means to devolve donor decision-making. Community philanthropy is likely to be more sustainable, because it can take a long term view, offering potential to advance by many small steps towards change over time, without vulnerability to short-term changes in funding. This suggests it may only be part of the picture of civil society resourcing, but a vital, growing part.

The trend, noted by Helena Monteiro, towards better documentation of local practices and traditions of giving, and attempts to reinvigorate giving traditions when they have fallen into disuse, suggests a way forward: by tapping into long-standing motivations to give that are embedded in cultures, combining them with contemporary methods, and gradually orienting giving towards supporting change-seeking actions, giving could be made more sustainable and strategic.

FAITH-BASED GIVING

Helena Monteiro notes that almost all faiths, belief systems and traditions have an imperative towards philanthropy, and Adam Pickering of CAF relates that in some countries, faith-based giving makes up a major part of the philanthropy base. Chloe Stirk and Sarah Hénon of Development Initiatives estimate, for example, that around 15% of all international humanitarian civil society funding is faith-based.

Faith-based giving shares characteristics with other forms of individual giving, in that while it seems to have huge potential, much giving currently serves small scale, charitable and local causes, rather than more change-oriented causes. In addition, it is not always easy to know where giving is going; as Naila Farouky of AFF notes, for example, Islam places a particularly high value on anonymous giving, which means that it is hard to get information on the causes giving serves, and suggests some potential for ineffective use of resources, and makes it harder to move towards more strategic, change-oriented giving.

However, one of the strengths Islamic faith-based CSOs have is that they can access the compulsory giving mandated in Islam: the fact that most people of Islamic faith must give zakat, alms to the poor, means that there is an assured flow of resources, avoiding the unpredictability problem that can come with other forms

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of private giving. Not surprisingly, in view of this, Development Initiatives observes that development and humanitarian organisations are increasingly manoeuvring to tap into *zakat*.

Sadia Kidwai, of Islamic Relief Worldwide (IRW), assesses that having access to faith-based giving has enabled IRW, and other faith-based CSOs, to grow, even as other sources of funding have fallen. She identifies other key assets faith-based CSOs enjoy: access to faith communities in parts of the world that secular organisations and donors struggle to reach, and the trust that members of faith communities place in them, on the basis of a shared faith identity.

IRW enables Muslim diaspora populations in global north countries to discharge their charitable duties, while being a long way from home, by supporting IRW's humanitarian and development work. Crucial is the combination of its faith-based identity with evident professionalism and the high standards of transparency and accountability expected of large CSOs established in the global north. In IRW's judgement, while giving may initially stem from a shared faith identity, it will only be sustained when the giver sees the donation being used effectively and efficiently:

Having a shared faith identity can often be crucial for developing relationships of trust with donors, and enabling faith-inspired organisations to capitalise on available resources. Yet, in the experience of IRW, faith identity is not a silver bullet, and cannot (and should not) be relied upon to secure long-term and sustainable funding. Rather, our relative success has immensely relied upon our efforts to improve our efficiency, effectiveness, transparency and accountability.

This is underpinned by developing relations with CSOs that are rooted in other faiths, and non-faith-based CSOs, as each has advantages in accessing some communities, but there are other communities where their identity will count against them. IRW's work thus suggests a model for collaboration between CSOs of different types and origins, to access resources and use them more effectively.

CROWDFUNDING AND ONLINE CAMPAIGNS

There is current interest in the potential for crowdfunding to generate resources for civil society.³⁶ CSOs in Argentina, Finland, Scotland, Serbia and Turkey tell us they have taken first steps down this road, although so far the results have been quite modest.

The logic of crowdfunding - aggregating funds from many individuals pledging small amounts - is that of giving itself, but what is new is the online and social technology that enables crowdfunding appeals to get potentially

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wide reach and rapid response. Crowdfunding has so far mostly been used in the creative industries, and for enterprise start-ups seeking investment, and it may be something that CSOs are coming to somewhat late. Yet while some CSOs could undoubtedly benefit, challenges also need to be noted, including those of finding the right crowdfunding platform amidst a profusion of alternatives, and of balancing the funding ask with the reward: many crowdfunding models are investment models, where those who put money expect some kind of return, and while these are not generally suitable for CSOs, people who donate may expect visible recognition or other forms of acknowledgement, which entail a cost.

To succeed at crowdfunding takes sustained application and the development of expertise over time, suggesting that organisations with pre-existing communications expertise are best placed to succeed. Many - perhaps most - crowdfunding appeals fail to take off or achieve their target, and it is hard to predict which are likely to succeed. Taken together, these suggest that CSOs that have resources and skills to put into crowdfunding appeals and have existing strong brands to leverage - the largest, best established CSOs - are the ones most likely to benefit. Crowdfunding appeals also work best for one-off asks: it is difficult to see how they could be used to generate on-going, core funding, suggesting they might best suit established CSOs with core resources seeking additional revenue for specific activities, rather than to sustain smaller CSOs seeking to cover core costs.

Finally, as with all public funding appeals, some issues simply resonate better than others. As Richard Holloway observes:

Certain well established topics, such as children with disabilities, will open people's hearts and pockets, if the appeal is well made and the organisation making it is respected, but how will a CSO 'sell' an appeal for help to combat, for example, domestic violence, or refugees, or land expropriation, or, indeed, homophobia? It is certainly possible that there are people in the country who are not convinced that these are important topics.

Tris Lumley of New Philanthropy Capital (NPC) notes that ineffective CSOs with good marketing can fare better than effective CSOs with poor marketing. Crowdfunding may best suit those appeals that speak of a problem that can be solved with the application of resources, or present the face of a person who needs help. Change-seeking CSOs will find it harder to rework their needs into easy fundraising asks, and less able to point towards short-term delivery.

Much the same can be said about viral, stunt-based forms of fundraising that make heavy use of social media, which have come to prominence and are discussed in our Year in Review's analysis of 2014/2015 campaigns. Our analysis points to a disjuncture between the profile a campaign enjoys, and therefore its

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success in attracting donations, and the need of a cause to attract urgent resources, along with the impact those resources can achieve. Further, such appeals can have the effect of diverting potential support from other causes, and there is a danger that the public may grow tired of stunt-based fundraising methodologies. Celebrity-led appeals, of which there are also now a great deal, share these challenges: they are more likely to benefit larger CSOs than small ones, and CSOs that work on easy to articulate issues.

In short, crowdsourcing, and viral online and celebrity-led campaigns, offer value to some CSOs as additional sources of funding, but there is a gap between the hype and the reality, and they offer no quick fix to cover declining funding from other sources, and little prospect of giving change-seeking CSOs the core support they need.

RECOMMENDATIONS ON GIVING AND PHILANTHROPY

- Philanthropic funders need to be encouraged to be braver, take more risks, support a greater diversity of civil society forms and actions, and look beyond short-term initiatives.
- Civil society and philanthropists should advocate for more enabling laws and regulations for giving, including tax incentives, and for more structured, regular individual giving practices, such as payroll giving.
- Attention needs to be given to the process by which philanthropic institutions and wealthy philanthropists make decisions on what and who they choose to fund. It should be understood that philanthropic initiatives are most likely to lead to change when they are informed by civil society expertise and direct input from potential beneficiaries.
- Wherever possible, philanthropic decision-making should be devolved to the most local levels. To enable this, there is a need to support intermediary organisations and community level foundations.
- Philanthropic institutions should open themselves up to scrutiny about their funding bases and investment decisions, and the financial investments they make should be scrutinised to ensure that they reflect their values and principles.
- There should be better connections for learning between philanthropists and philanthropic institutions. Civil society should help to identify examples of good philanthropy practice and strong philanthropy role models to encourage the adoption of better practice.
- Closer connections should be made for joint working, and sharing of funding initiatives and resources, between faith-based and secular CSOs.
- CSOs should consider employing new fundraising techniques, such as crowdfunding and online campaigns, but be realistic about the costs and prospects of these, and apply them as complementary methods, alongside other approaches.

Celebrity-led appeals, of which there are also now a great deal, share these challenges: they are more likely to benefit larger CSOs than small ones, and CSOs that work on easy to articulate issues.

WORKING WITH THE FOR-PROFIT WORLD

A growing number of social enterprises is challenging conventional definitions of civil society and demonstrating that the boundary between the for-profit sector and a civil society traditionally defined as being not-for-profit sometimes overlaps. At the same time, new wealth in the global south is opening up new potential for CSOs to access CSR initiatives, alongside philanthropy.

Ambika Satkunanathan points to hybridity in community philanthropy organisations, which may undertake income generating activities in order to generate resources for community good, while Richard Holloway's advice on revenue diversification suggests that CSOs may enter the marketplace to diversify resourcing, by launching straightforwardly commercial measures that generate profit for core work, or through extending and marketing their services to a wider user base. In Finland, Kepa reports that more CSOs are undertaking commercial activity, but there is concern that this could introduce ambiguity into CSOs' missions and mandates; CSOs are spending an increasing amount of energy on commercial activities, which could come at the expense of time for core work. The challenge here is for CSOs to stay true to their values as they develop enterprises and commercial endeavours, and to be aware that success in commercial expansion could also crowd out other CSOs.

Nascent attempts by CSOs to establish enterprises are reported in several contexts, including Argentina, New Zealand, the Philippines and Thailand, along with a developing social investment market in the UK, but once again, the current contribution of these is quite small, and it is too early to tell how successful these will be. Further support may be needed. CSOs in Thailand, for example, identify a need for training in marketing and enterprise skills.

As Tris Lumley of NPC suggests, social enterprises can also help address some of the accountability challenges of CSOs (when CSOs deliver benefits to a group of stakeholders but are accountable to an entirely different group of stakeholders who pay for the work) by meeting their stakeholders in the marketplace, where information about what works and doesn't work quickly becomes available in the form of purchasing decisions. TUSEV reports that social enterprises are more appealing to young Turkish citizens than conventional CSOs, suggesting potential to improve outreach. However, NPC is quick to counsel that social enterprises are not the magic bullet some might believe: they may be an important part of the civil society mix, from which other civil society forms can learn, but there will always be some issues that simply can't be solved while turning a profit:

Social enterprise can never be a magical panacea for market failure. There are some groups of people - as well as some geographies and some issues - for whom the ability to pay for products and services cannot determine whether they are able to receive the products and services they need. There will always be a need for civil society to do what the private sector or social enterprises cannot.

The other major relationship between civil society and the for-profit world is, of course, that mediated by CSR. A challenge is that, as observed in contexts as different as Ghana, Jordan and Serbia, there is often a lack of laws and incentives to encourage the corporate sector to support CSOs. Because of this, there is much interest in India, where in 2014 a law was introduced that makes it mandatory for companies above a certain size to put 2% of their profits into CSR. If the law works, its potential to become a model for replication elsewhere would seem clear. However, from NFI's case study on the implementation of the law, concerns arise, both about the thinking behind the CSR law, and its workings in practice.

The top-down nature of the CSR law sits uneasily with the essentially voluntary nature of civil society, while concern arises about what motivations may lie behind it: is the government attempting to cover up its failure to bring many citizens out of poverty as part of economic development, or trying to distract from several recent examples of corruption involving political elites and large corporations? It seems that accepting ODA may not fit the Indian government's wish to project itself as a major power internationally, but the absence of ODA leaves a gap in resources that CSR is expected to fill. Significantly, unlike donor funding, which might support an independent civil society, the resources resulting from the CSR law must be made according to a prescribed list of themes, which are strongly oriented towards charitable and service delivery activities, and not towards change-seeking activities.

Turning to how it works in practice, NFI has seen significantly fewer funds flow into civil society than expected, with the government having to downgrade targets. Large corporations have shown a preference to support government-led or government-approved initiatives, which implies that CSOs working on controversial issues are unlikely to be favoured:

Many senior leaders, including from companies and corporate associations, acknowledge that government priorities have resulted in a very large chunk of CSR money being invested in a handful of programmes. To some extent, this is becoming another way for the government to finance its programmes, and the qualifying companies are willing to put in what is sometimes their entire resourcing for CSR, to win direct or indirect goodwill from the government.

Some Indian companies have responded to the law by setting up new corporate foundations, and while VANI reports that some of these are trying to develop positive relations with CSOs, others seem more to be

The top-down nature of the CSR law sits uneasily with the essentially voluntary nature of civil society, while concern arises about what motivations may lie behind it.

positioning as competitors. Another side effect of the CSR law has been to foster division between CSOs, with some CSOs accused of compromising excessively to win short-term funding gains. NFI has also observed that some companies abandon their usual corporate strategic practices when it comes to CSR, suggesting they are not taking CSR seriously:

Systematic and rigorous needs assessments, and proper designs of intervention strategy, are often missing: in other words, one of the key strengths of the corporate sector, when launching business ventures, suddenly goes missing in the case of planning CSR strategies.

The Indian experience is echoed by other critiques of CSR practices: Ambika Satkunanathan reports that in Sri Lanka, corporate foundations are also reluctant to work on controversial issues that might challenge their standing with the government, corporate foundations sometimes become well-connected competitors with CSOs, and CSR is often closely linked to corporate marketing and branding strategies. Richard Holloway suggests that many businesses have a limited grasp of development concepts, tending to view issues through charitable lenses, and being preoccupied with public relations positioning. Kepa Nicaragua notes that in their context, it is difficult to obtain corporate support for advocacy, human rights and democracy work, and again, many companies have started their own charitable foundations rather than giving to CSOs. In Spain, the NGO Platform of Social Action observes that businesses now attract funding from government that might once have gone to CSOs, positioning business and civil society as competitors. The Polish Federation of NGOs states that many companies are simply reluctant to support CSOs, while in Ghana, WACSI suggests that those corporate foundations that currently exist, such as those established by telecoms companies, are inadequate to meet the needs of CSOs, and will only support activities in areas such as education and health. In Uruguay, ICD reports that only a small number of CSOs have been successful in attracting CSR, and it has not yet become a general practice, while Civic Initiatives in Serbia notes that there has been little dialogue to date between CSOs and the private sector. Back in India, VANI adds that many CSOs have not learned to speak the language of the corporate sector. Ambika Satkunanathan further notes that many CSOs are not good at accessing CSR funds when these exist, and may lack the knowledge and connections to do so.

M May Seitanidi, however, assesses that many in both CSOs and businesses have moved on from once adversarial relations, and finds that many partnerships are growing deeper and more strategic. Maina Kiai and Maria Leissner suggest that CSOs and businesses could develop further strategic partnerships to seek more transparent and predictable environments:

Businesses and civil society - in all of its incarnations - actually do have a strong convergence of interests when it comes to levelling the playing field. The rule of law is preferable to the rule of power.

Corporate foundations are also reluctant to work on controversial issues that might challenge their standing with the government, corporate foundations sometimes become well-connected competitors with CSOs, and CSR is often closely linked to corporate marketing and branding strategies.

Predictability trumps disorder. Fairness is better than corruption. These statements ring as true for business as they do for civil society.

M May Seitanidi cautions that it takes time to develop strategic partnerships, not least for CSOs to develop partnership management skills. This means that, as with other diversification areas, the largest CSOs are best placed to benefit from corporate partnerships:

It is unlikely that CSO income derived from the private sector has increased, but rather a few large CSOs are likely to be benefiting from a significant increase in the value of their partnerships.

In some contexts, intermediary organisations, which position themselves between individual companies and CSOs, are helping to overcome challenges, including by detaching activities from corporate promotion and enabling funding to become more strategic. Richard Holloway reports this to be happening in the Philippines, although in India, where some intermediary bodies have recently been established, it is questioned how much they share the values of civil society. Such intermediary organisations will clearly be more attuned to civil society if they are set up by civil society, or involve civil society heavily in their governance.

Businesses have lessons for the resourcing debate. Darren Walker of the Ford Foundation suggests that civil society funders could learn from the venture capitalist approach, of taking risks and investing in leaders, and Cowan Coventry and Clare Moberly of INTRAC similarly propose that models of supporting business start-ups, which are tolerant of risk and failure, might be applied to resourcing emerging civil society forms. There are also good examples of interaction between CSOs and the private sector. CSR could be an important part of civil society's future funding mix, if CSOs are supported to access CSR better. But as the above examples suggest, some CSR activities are more likely to receive corporate support than others, and the motivations behind corporate giving need to be unpacked and explored. As with philanthropy, it should be asserted that decision-making processes are important, and sources of funding should be interrogated, to ensure that civil society is not complicit in corporate cleansing of dubiously acquired wealth. Looking forward, change-seeking CSOs are unlikely to be able to rely on CSR, and in a context of unequal power, it would be over-optimistic to believe that CSR can compensate for shortfalls in funding.

RECOMMENDATIONS ON CSOS AND THE MARKET

- CSOs and businesses should document and share learning from successful examples of interaction between CSOs and the private sector, but detach these from corporate promotion, and also capture and encourage learning from examples of poor CSR practice.

The rule of law is preferable to the rule of power. Predictability trumps disorder. Fairness is better than corruption. These statements ring as true for business as they do for civil society.

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- CSOs should develop relationships with businesses not only to seek funding, but also to work to sensitise companies about the value of supporting change-seeking activities.
 - CSOs should work to promote better business regulation and improved corporate practice, and expose poor corporate practice.
 - CSOs should encourage businesses to channel their CSR activities through CSOs, rather than through new corporate entities.
 - Intermediary bodies should be established to help improve relations and build trust between CSOs and CSR providers, develop routines of good practice, and encourage support for change-seeking activities. CSOs should pay a large part in establishing and governing such bodies.
 - CSOs and their supporters should advocate for an enhanced enabling environment for CSR and the development of social enterprise, including incentives to encourage corporate giving and the start-up of social enterprises, and tackling the restrictions that hinder CSOs' receipt of funding.

As with philanthropy, it should be asserted that decision-making processes are important, and sources of funding should be interrogated, to ensure that civil society is not complicit in corporate cleansing of dubiously acquired wealth.

BEYOND FINANCIAL RESOURCES

Our analysis so far has concerned itself with the state of financial resources, as for most CSOs it is hard to imagine them operating without some level of financial resources to fund activities, staff and overheads. However, there is also a need to recognise the non-financial aspects of resourcing, including volunteering, contributions in kind and pro bono support.

Many of the citizen-led mobilisations outlined in this report's Year in Review section had a light financial resource base. This suggests that, while it is right to take seriously the growing restrictions on receipt of funding, and to assert the right of CSOs to receive funding, restriction does not necessarily make civic action impossible. It was not foreign funding that enabled Burkinabe citizens to take to the streets to oust a president. Similarly, in Hong Kong's umbrella protests, activists were quick to disavow government insinuations that they received foreign funding, an accusation that was clearly intended to damage the reputation of protestors. An anonymous Hong Kong civil society activist told us that the resourcing came from citizens, mostly through volunteering and in-kind support:

The protests were resourced by citizens donating in cash and in kind. Cash donations were collected by various groups in large scale demonstrations. Almost all materials, including tents, blankets, umbrellas, medicines and masks, were donated by ordinary citizens, who also distributed food and water in zones occupied by protestors. Most of the work was conducted by citizens and student volunteers. Some formed themselves into patrol teams, while others set up medical care teams, legal aid teams and counselling teams.

CAF looks beyond financial resources in its World Giving Index (WGI), recognising time spent volunteering or helping a stranger as being as valuable as money donated to a cause. Time and energy are therefore recognised as resources that citizens possess and can contribute, meaning that even in contexts where many people are poor, there can be considerable non-financial resources for CSOs to access. Strategies to attract and diversify resources need to take account of this potential. CAF's work also suggests that giving and volunteering can be mutually reinforcing: as giving increases, time spent volunteering and helping strangers also tends to increase, suggesting that changes to better enable one form of resourcing will unlock growth in other forms, and that an enabling environment for participation and an enabling environment for giving are intimately connected.

Volunteering, which is seen in some form in every society, is the key non-financial resource in civil society. However, while recognition of volunteering has grown, and many CSOs rely on voluntary labour, both the International Association for Volunteer Effort (IAVE) and United Nations Volunteers (UNV) suggest the contribution of volunteering remains under-reported and under-recognised. IAVE and UNV both note that CSOs do not always realise the potential of volunteering, and are not always good at involving volunteers in meaningful ways that build mutual capacity. As Kenn Allen and Kathi Dennis from IAVE assess:

It is an open secret that too often CSOs, public sector agencies and community-based groups are ill-prepared to engage volunteers effectively in their work. In many cases, they and their paid staff members are openly resistant to volunteers. Often this is because they do not recognise volunteers as a resource that can help them achieve their missions.

UNV adds that restrictions on civil society freedoms limit the potential for volunteering, while both IAVE and UNV indicate that national policies to support volunteering are inadequate, particularly for change-seeking activities. As UNV states:

While national policies and legislation on volunteering have been increasing, some limit the definition of volunteering to direct service and philanthropy. But volunteers can also positively contribute to monitoring services, strengthening community voice in governance, and enhancing cross sector partnering to achieve development results.

IAVE estimates that there remains underexplored potential in volunteering from the global south, diaspora volunteering and online volunteering. Inputs from different contexts suggest some progress, but also obstacles that need to be addressed to further realise the potential of volunteering. In Norway, it is suggested that the contribution of volunteering is under-reported, but in Finland, some positive moves have been made, such as a recent mapping of obstacles and challenges for volunteering. In Ghana, WACSI however reports that CSOs struggle to obtain volunteering support, and in-kind support, because there remains a misguided perception that CSOs receive large amounts of donor funding. Civic Initiatives in Serbia believes that current laws make it hard for CSOs to involve volunteers in their work, while a lack of strong civic education reduces the potential for volunteering. Similarly, in Turkey, legislation does not enable volunteering in CSOs, and CSOs working with volunteers have been fined for having uninsured employees.

If the value of volunteering is gradually being recognised, then it also needs to be understood that, amid a diversity of volunteering forms and platforms, CSOs can be both effective sources of and channels for organising voluntary effort. Sharon Ekambaran from MSF contrasts the voluntary willingness of its network to put their lives on the line against the 2014/2015 Ebola epidemic with the sluggish response of official agencies:

It is an open secret that too often CSOs, public sector agencies and community-based groups are ill-prepared to engage volunteers effectively in their work.

What marked the volunteers' motivation and efforts was their visceral refusal to accept the status quo, and their drive to provide access to healthcare to meet the needs of people caught in crisis, based on what they witnessed.

The suggestion here is that CSOs have an asset no amount of money can buy: a high level of commitment to a cause, and a humanitarian impulse to act to help the vulnerable. The motivations that lead people to act in civil society need to be understood as a unique resource that only civil society can access, suggesting that other agencies should form stronger partnerships with CSOs to leverage these motivations and fully realise their potential. Volunteering, and voluntary commitment, can be seen as offering a multiplier effect to get far more out of financial resources than is put in.

More radically, civil society could challenge existing notions of what is meant by resourcing, capacity and organisation. Civil society could be about demonstrating what can be done with few financial resources, as the self-organising people's movements of recent years have shown. La Via Campesina sees itself as having non-financial assets that enable it not to rely on compromising funding:

The effectiveness and sustainability of La Via Campesina can largely be attributed to its organisational structure, internal democratic participation processes and the concept of food sovereignty, as key resources for fighting for rights and justice, and offering an alternative to global food markets.

It was in this spirit that CIVICUS, and other civil society leaders, challenged civil society in 2014 to rethink itself around its voluntary nature, and to reject deference to the well-funded,³⁷ suggesting activists should:

... fight corporatism within our own ranks. This means re-balancing power dynamics towards the less resourced sections of civil society and away from large international civil society organisations. It also means recognising the power and importance of informal networks and associations. Our resources and might matter but so, too, does the wisdom of the street.

Rasigan Maharajh proposes a radical vision of civil society as an arena where alternatives to resources linked to the market can be modelled:

As civil society explores solidarity and cooperation, and works to break free of the constraints of traditional funding sources, it can become a powerful laboratory for the larger project of establishing a post-capitalist culture and relations of production for a just, egalitarian and sustainable global society.

As civil society explores solidarity and cooperation, and works to break free of the constraints of traditional funding sources, it can become a powerful laboratory for the larger project of establishing a post-capitalist culture.

If we are redefining what resources mean, then Lucy Bernholz draws attention to a further, emerging understanding of resources as encompassing virtual, digital resources:

The resource discussion for civil society can no longer revolve around money. Digital innovation means we need to recalibrate our own understanding of how and where we do our work, and what we need to do it. Yes, funding is a critical resource, but it is not the only one.

In a world where activity is increasingly online, people who provide data should, Bernholz argues, be regarded as donors, and the same priority given to managing relationships with them as with those who donate financially. In a context where there is a growing, multi-faceted battle over who owns data and who polices the internet, as our Year in Review section outlines, digital skills and responsible data use are capacities that CSOs need to develop to do their work better and make the best use of their other resources; these also carry costs, and helping to build these capacities may be an area where CSOs need help.

RECOMMENDATIONS ON VOLUNTEERING AND NON-FINANCIAL RESOURCES

- CSOs and volunteering agencies should advocate jointly for the development of more enabling national policy environments for volunteering.
- There is a need to document and share good practice in CSOs working with volunteers to make relationships mutually beneficial.
- Fresh impetus could be given to volunteering by advocating for the proper recognition of the contribution of volunteering in the SDGs.
- CSOs should be supported to develop capacities in managing data and using digital resources.
- CSO leaders should lead by example by encouraging a spirit of idealism, self-sacrifice and activism, as a means of sustaining civil society movements in the face of scarce financial resources, and of modelling alternatives.

CSOs should be supported to develop capacities in managing data and using digital resources.

DATA AND DEMONSTRATING IMPACT

Finally, a clear and underpinning need emerges from the various contributions for more and better data, in order to make resourcing decisions better-informed and more transparent, and to understand the impacts that result. This is particularly the case when it comes to resources other than DAC ODA, although Cowan Coventry and Clare Moberly of INTRAC draw attention to inadequate data on the proportion of ODA that goes into pooled funds. Categories used in ODA data also make it hard to trace the extent to which ODA supports change-seeking CSO activities, rather than service-oriented activities, while time lags offer a challenge across the board.

Helena Monteiro of WINGS notes that there is sound data on philanthropy from only a few countries, and hardly any internationally comparable data, since philanthropy practices differ greatly from country to country, and there are different reporting practices and data capacities and needs in each country. Even when data is available, there may be limited knowledge on how to access and use data, and questions about who owns data. Much of what data there is on philanthropy, because it is not necessarily structured to fit into global frameworks such as the MDGs and the coming SDGs, is not captured in reports on progress towards development objectives. This matters because restrictions on foreign funding and changes in ODA mean we need to understand better how CSOs can access and expand alternate sources of resourcing.

Similarly, Chloe Stirk and Sarah Hénon of Development Initiatives report that there is little data on levels of faith-based giving going to civil society. And part of the reason why non-financial resources are under-appreciated is because of a lack of data: IAVE draws attention to the lack of data on, and measurement of the impact of, volunteering; most existing attempts to measure are made in narrow terms.

Without better data, Development Initiatives suggests, it is hard to see how we could have transparency and accountability over resourcing decisions, and know whether resources are being used well. As Naila Farouky from AFF points out:

If you can't formally map the giving, you can't effectively identify the gaps and needs. And if you can't do that, you can't design a sector that addresses the most pressing needs of the society it intends to serve. Ultimately this means that the potential power and impact of philanthropy will not be realised in the long term.

Better data, in the view of WINGS, can only result in better-informed giving decisions, improved coordination, and greater sharing of lessons of success. Given that the countries that collect the most data are in the global north, the scale and shape of resourcing for civil society in the global south is probably being under-reported and inadequately understood. The danger this brings, in perpetuating unequal global discourse, is made clear by Naila Farouky, who notes that, because distinct MENA philanthropy practices are not well captured, the region lacks visibility and voice:

Data counts, and is valuable far beyond the numbers alone. When you don't own your data, you don't own your narrative; and when you don't own your narrative, you cannot tell your own story, which means that someone else will tell your story for you.

A further challenge with the lack of data is that it makes it harder to understand where and how resourcing is leading to impact, particularly beyond narrow understandings of impact. Tris Lumley of NPC suggests that many CSOs are not good at assessing impact, and do not always use well the feedback they get on performance. This results in part from weak information management and monitoring systems, which CSOs struggle to develop in a climate where there is little core funding; when systems are attuned to capturing the detail required to comply with reporting to donors on project implementation, they will miss the stories of real change.

The opportunity seems ripe for progress, with increasing attention being paid, in the debate to finalise and implement the SDGs, on the importance of data for monitoring SDG progress, including for scrutinising where spending is going and whether resources are being used well. This is leading to more interest in open data, and the role of citizens in generating, sharing and accessing data, which implies a clear civil society role. Better data can inform better resourcing decisions, but more data needs to be collected by more people on civil society resourcing flows first.

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CONCLUSION AND OVER- ALL RECOMMENDATIONS FOR CIVIL SOCIETY

We believe the above analysis shows that it is time for a fundamental rethink about the resourcing of civil society, particularly the change-seeking activity of global south CSOs. Conventional wisdom can only produce conventional results, and conventional approaches are now in danger of subduing civil society's innovative, radical edge through a welter of cuts and compromises. A projectised, log-framed and compliant civil society is not the civil society we need, and should not be the civil society we resource. Funders and CSOs now need to join together in modelling a different way of working.

CSOs need to assert their autonomy, and civil society's intrinsic value. This implies developing the access to diversified resources, financial and non-financial, and capacity and confidence, sufficient to not compete for funding, and to turn down offers of funding if they compromise civil society autonomy, or are distant from a CSO's mission.

Civil society needs to put the political back into resources: no resources come without politics, whether they come from domestic or foreign states, multilateral bodies, philanthropy of various kinds, the marketplace, or non-financial sources. Every decision to accept or expend resources needs to be opened up to questioning. At each stage of the process, both when they are receiving and giving resources, CSOs need to ask where resources come from, whether they are needed, what assumptions lie behind resources, who makes decisions, and how decisions can be made more inclusive and transparent, and closer to the people whom resourcing is ultimately intended to benefit, so that change is likeliest to result. Accountability to citizens is the accountability that civil society should prioritise, and the aim should be to develop 360 degree accountability, in which providers of resources are as accountable to CSOs as CSOs are to them, both are accountable to citizens, and where CSOs feel free to question their donors and their processes, even as they are receiving funding from them.

CIVIL SOCIETY SHOULD:

- Dialogue with donors to seek to influence their priorities; even when CSOs are receiving funding, they should provide feedback and try to influence donors, challenge them and seek to change the nature of their relationships to become more lateral.
- Define and implement clear resourcing policies that align to civil society values, and make clear the grounds on which CSOs will not seek or accept resources.
- Challenge current notions of impact. There is a need to develop and assert new theories on how the change-seeking actions of civil society contribute to significant, long-term change.
- Urge donors to be braver and take more risks.
- Encourage donors to devolve funding decisions as close to the ground as possible. For this, there may be a need to establish intermediary bodies to help devolve funding.
- Assert and defend the right to receive funding, for all CSOs, from all sources.
- Make conscious efforts to better connect, share information and build support networks between different civil society forms, and civil society actors engaged in different activities. Particularly needed are south-south as well as north-south partnerships, and horizontal partnerships that connect different civil society forms. Partnerships must be principled, and should enable international connects of solidarity to support civil society when it is threatened.
- Demonstrate exemplary transparency, ensure accountability to citizens, and communicate better the essential and intrinsic contribution of civil society as a whole.
- Seek and publish better data on funding patterns for change-seeking activities.
- Develop entrepreneurial capacity, including through collaboration with social enterprises and CSR initiatives, but ensure that these are tested rigorously against values.

It is time for a fundamental rethink about the resourcing of civil society, particularly the change-seeking activity of global south CSOs.

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