

EXECUTIVE SUMMARY

FCDO Engagement Report on shaping the Future of Centrally Managed Civil Society and Civic Space Programming

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List of Abbreviations

APN	African Philanthropy Network
CAN	Climate Action Network
CEO	Chief Executive Officer
CSOs	Civil Society Organisations
CSOSI	Civil Society Organisations Sustainability Index
DAC	Development Assistance Committee
FCDO	Foreign, Commonwealth & Development Office
HRDs	Human Rights Defenders
IATI	International Aid Transparency Initiative
ICR	Information, Communication and Reporting
INGO	International Non-Governmental Organisation
KPI	Key Performance Indicators
LMIC	Low- and Middle-Income Country
M&E	Monitoring and Evaluation
MEAL	Monitoring, Evaluation, Accountability and Learning
NNGO	Nigeria Network of NGOs
ODA	Official Development Assistance
RINGO	Reimagining INGOs
SDGs	Sustainable Development Goals
UK	United Kingdom
UN	United Nations
USAID	United States Agency for International Development
VPN	Virtual Private Network
WACSI	West Africa Civil Society Institute
ToR	Terms of Reference

Acknowledgment

In August 2023, the Foreign Commonwealth and Development Office (FCDO) engaged the West Africa Civil Society Institute (WACSI) and Bond UK to oversee a collaborative initiative aimed at shaping the future of the FCDO's centrally managed civil society and civic space programming. WACSI warmly embraced this opportunity for partnership with Bond to facilitate engagements across diverse countries and regions, including the United Kingdom, Eastern Europe, the Middle East, North Africa, sub-Saharan Africa, Central Asia, and the Indo-Pacific. Drawing upon our extensive expertise and experience in working with civil society and governments, we developed a comprehensive framework firmly rooted in the principles of meaningfulness, inclusivity, and intentionality. These guiding principles played a pivotal role in fostering constructive engagement between governments and civil society. We carefully designed engagement sessions to be not only relevant but also purposeful, yielding outcomes of significant value.

We wish to extend our sincere gratitude to all the stakeholders who made invaluable contributions to the realisation of this project. We are especially thankful for the active participation of civil society practitioners, activists, and advocates from around the world who engaged in both virtual and in-person sessions. Your insights, experiences and input have been instrumental in shaping the development of this report.

We would like to specially recognise the dedicated members of the WACSI and Bond teams who coordinated this intricate process. In particular, we would like to acknowledge the following individuals for their contributions: Charles Kojo Vandyck, Head of the Capacity Development Unit at WACSI; Zoe Abrahamson, Sector Transformation Manager at Bond; Farouk Alhassan, Capacity Development Officer at WACSI; Katherine Strasser-Williams, Sector Transformation Coordinator at Bond; Melissa Simo, Capacity Development Assistant at WACSI; Tushar Talukdar, Locally-led Advisor at Bond, and the communication, programmes, and finance teams of both WACSI and Bond.

Furthermore, we express our special thanks to Stephanie Draper, the former executive director of Bond, for her invaluable support and guidance from the project's inception. Her contributions have played a pivotal role in enabling us to document these engagements.

Lastly, our profound appreciation goes to Freya Pascall, Deputy Head of Civil Society and Civic Space, and all her colleagues at the Development and Open Societies Directorate at the FCDO for their timely, unique, and significant collaboration. This initiative aimed to explore innovative approaches to ensure that the FCDO's civil society and civic space programming aligns with the interests of civil society in the UK and worldwide. We are profoundly grateful for the efforts made to make this process meaningful, inclusive, and empowering. We hope this report will have a lasting impact on shaping the FCDO's engagement with civil society.

Nana Asantewa Afadzinu
Executive Director, WACSI

Executive Summary



Photo by Darkshade via Pexels

In August 2023, the Civil Society and Civic Space Department at the Foreign Commonwealth and Development Office (FCDO) contracted the West Africa Civil Society Institute (WACSI) and Bond to run an engagement process with civil society on the future of the FCDO's centrally managed programmes. These programmes are managed by the Civil Society and Civic Space Department and are the focus of the engagement process. When we mention the FCDO in this report, this refers to the Civil Society and Civic Space Department, unless we have specifically identified another part of the organisation.

The engagement process took place between September and October 2023 and covered international regions identified by the FCDO. WACSI's expertise was instrumental in orchestrating engagements across West Africa, East Africa, Southern Africa, Central Asia, and the Indo-Pacific. Bond led on the engagements in England, Northern Ireland, Scotland, Wales, and Eastern Europe. The engagement process combined a mix of virtual and in-person engagement sessions and a survey. This approach ensured a good coverage of regions and allowed for a broad spectrum of perspectives to be captured

Recommendations responding to the key questions identified by the FCDO:

Below, we have highlighted the prioritized recommendations resulting from our engagement process. For more comprehensive details on these findings and recommendations, please refer to the full report. We have broken down the recommendations to reflect the key questions that formed the basis for the engagement process and were agreed upon with the FCDO during the early stages of this consultancy. Many of the recommendations, such as on flexible funding and addressing racism within the sector, came up across numerous conversations that we had with civil society. We have included them where they are most relevant, but this does not mean they were not discussed in response to multiple questions.

These recommendations provide a transformative vision for the FCDO's future. They are characterised by transparency, inclusivity, and a renewed commitment to fostering positive, equitable change. Embracing these recommendations would propel the FCDO toward a brighter and more impactful future on the global stage and will reinforce the agency's dedication to being a global leader in advancing sustainable development and equitable partnerships.

Rebalancing power dynamics: The White Paper on International Development commits the UK Government to reshaping their partnership model: "It will move us beyond an outdated 'donor-recipient' model. We will engage with humility and acknowledge our past". The FCDO wants its future programming and support to encourage difficult reforms and good policies that drive progress towards local ownership.

How can the FCDO best work with and support UK civil society, and at the same time meet its goal of investing in local leadership, equitable partnerships, and sustainable outcomes?

Addressing Systemic Challenges

To effectively tackle systemic challenges within the FCDO, it is imperative for the organisation to make a dedicated commitment. This commitment not only aligns with ethical considerations but also serves as a strategic approach to overcoming challenges identified in local leadership. A thorough examination of power dynamics and potential inequalities is essential, encompassing the FCDO's work, organisational culture, and policies. The FCDO should position itself as an advocate and ally in its role as a funder.

By doing so, the organisation can actively engage with civil society and support local leadership, thereby establishing trust and credibility. Recognising the limitations faced by the Civil Society and Civic Space Department, it is recommended that the team adopt an allyship role. The team should leverage its influence within the FCDO to champion equity and justice. This advocacy should extend beyond the team, encouraging the entire organisation to proactively address systemic challenges. By taking this proactive stance, the FCDO can position itself at the forefront of organisations committed to dismantling systemic barriers.

This approach not only enhances the organisation's reputation but also ensures a meaningful impact on the communities it serves. Through sustained commitment and strategic action, the FCDO can lead by example in the pursuit of equity and justice, fostering an inclusive environment both within the organisation and in its broader engagements.



Photo by Tope. A. Asokere via Pexels

Develop a strategy on locally led initiatives

A strategy should be formulated to outline the FCDO's vision for collaborating with civil society. This strategy should include a clear definition of local leadership, locally led initiatives and localisation. The FCDO should reaffirm its commitment to the existing obligations it has signed up to, ringfence 25% of its funding to go directly to civil society organisations (CSOs) in low- and middle-income countries (LMICs) and commit to dialogue with civil society. It should review its approach to risk management, recognising that risk is a necessary catalyst of change and impact.

Promote a trust-based approach to funding

This is an approach to funding that addresses the inherent power imbalances between funders, CSOs and the communities they serve. Flexible funding should become standard practice, enabling organisations and projects to readily adapt to circumstances and needs.

How can the FCDO shift the balance of power in the relationships between UK CSOs and international CSOs?

Have difficult conversations

Facilitate a sector-wide discussion to determine the best approach for achieving equitable power balance and power shifting. The FCDO should explain its own approach and aspirations and how it would like to work with civil society to see this shift. It should show that it is serious about shifting the balance of power by developing a strategy on locally led development.

Invest time and resources in building relationships with CSOs in LMICs

Invest more time and resources in building relationships with LMIC CSOs and require UK CSOs to report on their commitments to becoming more equitable partners. Provide funding and support for UK CSOs to transition towards more equitable practices.

Design funding models to support a shift in power

The FCDO should design its funding for civil society so that its funding criteria stipulates equitable partnerships between UK CSOs and LMIC CSOs. It should also ringfence funding to go directly to LMIC CSOs.

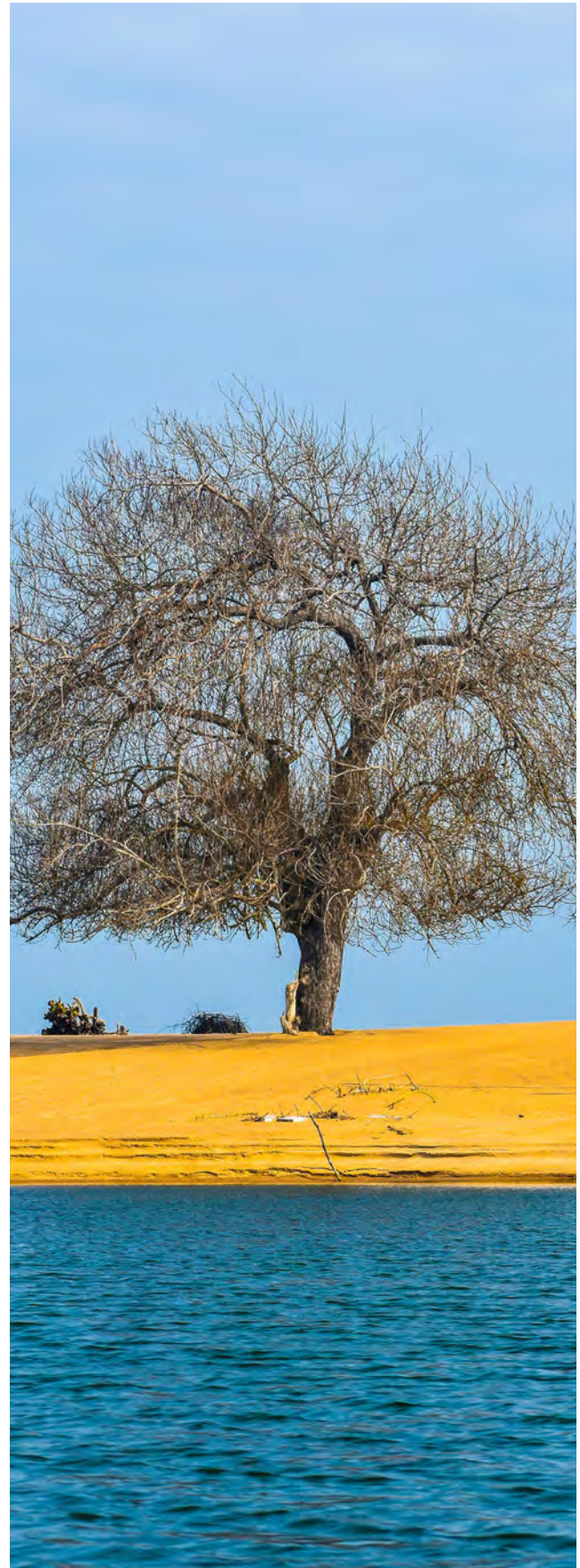



Photo by Fiifi Boateng via Pexels

A group of people, including men and women, are shown harvesting rice in a field. They are bent over, cutting the rice stalks. The field is filled with tall, golden-brown rice plants. The background is slightly blurred, showing more people working in the field.

How can the FCDO best help to promote and champion the work of civil society partners?

Photo by Jon Zeus via Pexels

Invest in additional civil society staff capacity

To bolster its engagement with civil society, the FCDO should increase its staff headcount. This expansion will create the capacity needed to build stronger relationships and trust with civil society stakeholders in the UK and internationally, relationships that extend beyond mere transactional funding agreements and include time for listening and learning from each other. Upskill FCDO staff so they recognise the importance of working with civil society and having LMIC and small CSOs in the lead.

Build strong relationships with civil society organisations

There is a need for the FCDO to commit more resources and additional staff capacity to rebuild its relationship with UK civil society, which has been strained over the last few years since UK aid budget cuts and the merger between the Department for International Development (DFID) and the Foreign Office.

Communicate and promote the work of civil society partners

Provide a platform for CSOs to tell their stories. Include, by default, budget for communications in programmes to cover storytelling relating to impact. Encourage the use of local filmmakers and photographers to help LMIC CSOs tell their story.

Transformational funding

Craft robust funding mechanisms tailored to the unique needs of CSOs that not only cater to their financial requirements but also stimulate and showcase their optimal capabilities. We advocate for the institutionalisation of flexible funding as a standard practice, recognising the dynamic challenges confronted by CSOs. In addition, we propose an active strategy for sharing the valuable insights and innovations generated by CSOs throughout the FCDO. Furthermore, our recommendation involves moving away from a reliance on commercial fund managers. Instead, we suggest adopting a more direct and collaborative approach to funding. By removing intermediaries, FCDO can streamline the funding process, ensuring that resources are channeled more efficiently and directly contribute to the intended transformative goals. This shift promotes transparency, accountability, and a closer alignment between funders and CSOs, fostering a more effective partnership for positive change.

Advocate for civil society

Promote civil society as key partners for achieving the Sustainable Development Goals (SDGs).

How can the design of a new match-funding programme for UK public appeals ensure that local leadership and sustainable outcomes are embedded in what is funded?

Enable LMIC communities and CSOs to design fundraising appeals:

Communities that are going to benefit from a public appeal should be integral to the appeal's design. Learn from Amref's study [Who Owns the Story](#) which shows that fundraising appeals led by the people they intend to help can raise more money and be more effective than those created by a charity.

Enable communities to lead

Leverage the resources, networks, and knowledge of diaspora communities to identify and support locally led projects and raise money. Encourage grant-making organisations to involve the community in decision-making processes. This approach ensures that local voices are heard and that projects align with community needs.

Learn from successful government fundraising programmes

Examine the mechanisms and practices that have made Gift Aid effective and adaptable. Apply similar principles to the match-funding programme to encourage giving and provide tax incentives.

Review the match contributions policy

Consider in-kind contributions as match funding. Recognise the value of non-monetary contributions, such as volunteer time, expertise, and resources.

Capacity strengthening funding

The FCDO seeks guidance on how to provide sustainable financial support to a diverse range of CSOs, drawing on the expertise of UK-based international civil society organisations and international non-governmental organisations.



Photo by Darkshade via Pexels

How can the FCDO ensure that their funding reaches smaller, local, and more embattled organisations?

Challenge funding assumptions

The FCDO should challenge long-standing funding assumptions, such as the belief that UK organisations should always take the lead and that directly funding LMIC CSOs is inherently risky. A reassessment is necessary to encourage more agile, equitable funding strategies and to develop policy based on evidence.

Direct funding to LMIC CSOs

Transitioning to direct funding for LMIC CSOs is recommended. Initially, this can be done through national intermediary networks, but in the long term this should be done by directly funding LMIC civil society. Taking this approach will lead to more direct and impactful partnerships.

Support for small CSOs

Recognise the unique role that smaller organisations play in building partnerships with LMIC CSOs and provide tailored funding for them.

Diaspora funding and engagement

Acknowledge the essential role of diaspora communities in LMICs. See them as specialist organisations that have a big contribution to make and integrate these communities into the FCDO's work.

Full cost recovery

Ensure full cost recovery for all CSOs, including those based in LMICs. Make sure this is a consistent approach used across all programmes of FCDO.



Photo by Darkshade via Pexels

How can the FCDO reform funding relationships, governance arrangements and reporting for CSOs?

Alternative reporting and measures of success:

Shift the focus from conventional metrics to alternative success indicators. Assess the internal development of CSOs, including capacity building, financial stability, governance structures and adaptive capabilities. Empower communities to develop their own success metrics.

Learn from other funders that promote alternative approaches to reporting

Think outside the box and learn from funders such as the Dutch MFA which can see beyond traditional approaches to reporting. Promote video report submissions and applications.

Review the approach to risk management

Review the FCDO's approach to risk management, recognising that risk is a necessary catalyst for change and impact.

Invest time in building stronger relationships and trust with grantees

Consider how AI will be used in traditional reporting and use this as an opportunity to dial back reporting and build trust with grantees.

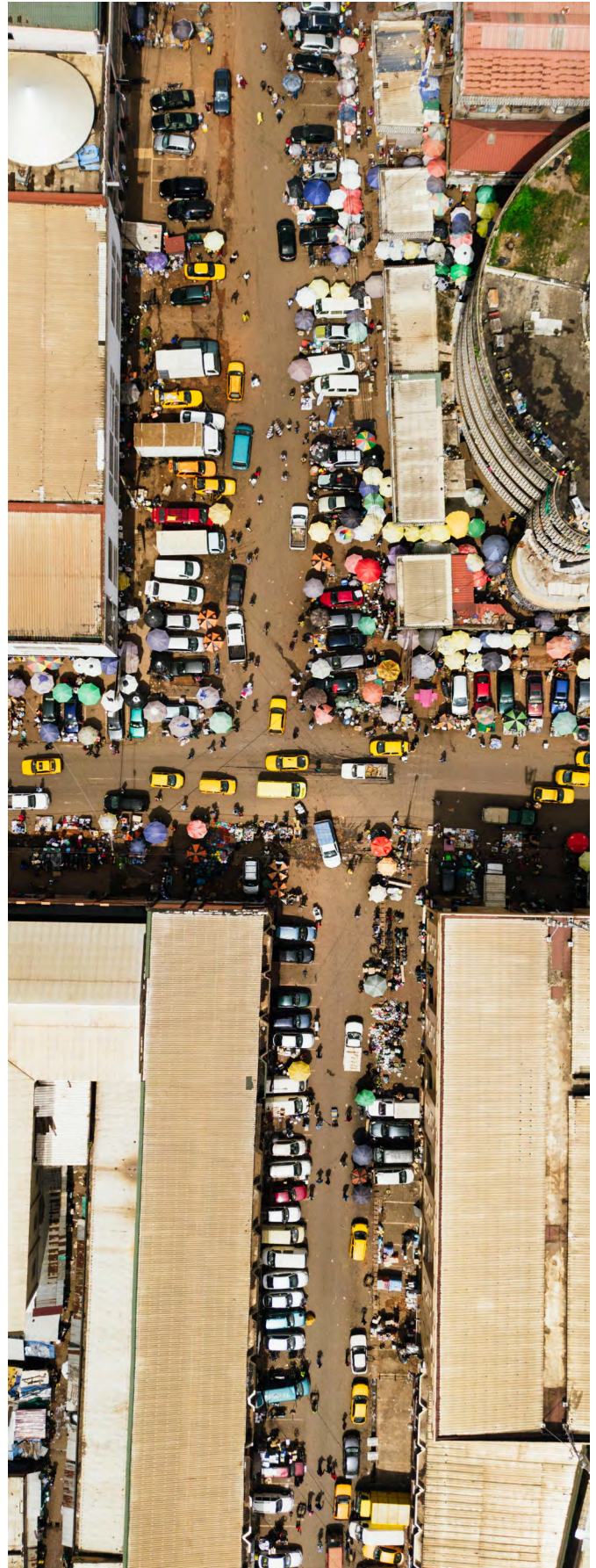


Photo by kelly via Pexels

How can the FCDO ensure that their approach to funding reflects best practice in mainstreaming inclusion and sustainability across its design in an integral and meaningful

Mainstreaming sustainability and inclusion:

Don't be tokenistic, promote genuine inclusion and sustainability.

Budgeting for inclusion and safeguarding

Allocate dedicated budgets for inclusion and safeguarding. These budgets are designed to ensure community safety and monitor progress in this critical area.

Support learning

Work with networks and umbrella bodies to support communities of practice and peer-led support networks to address inclusion and sustainability issues throughout the funding duration.

Upskill the sector:

Provide training and webinars during grant application periods to demonstrate best practices. Offer stronger guidance on working safely in countries with regressive LGBTQ+ laws to protect LGBTQ+ people and other people with protected characteristics.

Enhancing mutual accountability

Exploring strategies for mutual accountability.



Photo by Anna Shvet via Pexels

How can the FCDO demonstrate accountability and adaptability to local communities, individuals, and delivery partners?

Accountability is not a neutral concept

It involves a complex interplay of relationships and responsibilities. The processes of being accountable to communities and taxpayers should not be seen as distinct entities; rather, they are interconnected. It is crucial to recognise that accountability is not neutral, it is influenced by power dynamics. In the context of the FCDO, ICSO, local government, and partners, each entity exercises power in different ways. A decolonised approach to accountability necessitates a transparent examination of the FCDO's power, values, and priorities. Acknowledging the economic, political, and aid power held by the FCDO is essential for clarity.

To **foster enhanced trust**, consider trusting local organisations more, thereby improving mutual accountability. This involves allowing for flexible funding structures that accommodate the diverse needs of these organizations. One effective strategy is the creation of smaller funds, which can empower organizations to meet their minimum requirements and operate more effectively. This approach acknowledges the diverse contexts and capacities of local entities, contributing to a more balanced and trusting relationship.



Photo by RDNE Stock via Pexels

What strategies could strike a balance between holding delivering partners accountable to the FCDO and supporting accountability to the UK parliament and taxpayer, while not overburdening small CSOs? How could smaller CSOs be supported with necessary reporting?

Redefine risk considerations

The FCDO should carefully determine its risk appetite. It should aim to reduce risks that might hinder access to funding and achieving programme outcomes, particularly in capacity building. It is important to reconsider the perception of risk, moving beyond traditional notions like fraud and addressing issues such as racism and colonial practices.

Simplified administrative requirements

Focus on simplifying administrative reporting requirements in long-term policies, lowering entry barriers for local CSOs. Shift to a less frequent reporting schedule to ease the reporting burden on smaller CSOs while providing valuable insights. Bi-annual reporting can be a more reasonable and sustainable approach.

Accountability mechanisms

Develop accountability mechanisms that ensure LMIC organisations co-lead programme design and co-develop monitoring and evaluation frameworks. LMIC CSOs should be instrumental in defining the metrics of success.

Redefining success

In the long term, explore innovative approaches like real-time storytelling and partnerships with academia for reporting purposes. Adapt these methods over time.



Photo by Gpop Yef via Pexels

Measuring impact and metrics for sustainability

Ensuring that the FCDO understands the state of the sector and can measure the impact of its work to become more locally led.

What metrics should the FCDO use to evaluate changes in sector sustainability and resilience?



Photo by Akil Mazumder via Pexels

Align with existing metrics for sector sustainability and resilience:

The [Civil Society Sustainability Index \(CSSI\)](#) and the Partners Global Resilience Framework are helpful frameworks for measuring CSO growth and impact.

What metrics should the FCDO use to assess changes in local leadership?



Photo by Tima Morishnichenco via Pexels

Align with existing locally led initiatives: The FCDO should not reinvent the wheel

it should adapt existing locally led metrics that organisations are already reporting on, such as [the Pledge for Change](#). Or it could align with locally led metrics developed by other bilateral donors, such as [USAID's indicators on measuring local leadership](#), or with the Partos [Power Awareness tool](#) which looks at power within development partnerships.

Protecting civil society in crisis:

Ensuring the safety and resilience of civil society during crises, including human rights defenders, to enable them to effectively respond to growing risks.

How should the FCDO best protect civil society in crisis situations?



Photo by Ron Lach via Pexels

Develop a rapid response fund

Establish a 24-hour rapid response fund to provide immediate assistance and safeguard activists, including extraction and legal aid, with a primary focus on those facing the highest risks. These funds can be managed regionally or within a centrally controlled fund.

Legal and policy frameworks

To ensure the protection of civil society during crises, the FCDO should actively advocate for the creation of robust legal and policy frameworks that uphold the rights and autonomy of CSOs.

Mental health support

Prioritise the mental health and well-being of both staff members and social activists who are directly or indirectly affected by crisis events. This can be achieved by offering support and resources to address psychological trauma and emotional stress.

How should the FCDO protect human rights defenders so that they are able to respond to growing and manifesting risks while also at the same time ensuring that they do not create additional risks?



Photo by Life Matters via Pexels

A “do no harm” approach is vital, particularly concerning financial transactions in crisis situations. The FCDO should recognise that human rights defenders may be put in danger if it is known that they are supported by the UK government, and it should work through intermediaries when necessary. The consolidation of DFID and the Foreign Office presents challenges, as entities receiving funding from the FCDO might inadvertently lend support to governments involved in human rights violations.

Mental health support

Prioritise the mental health and well-being of both staff members and social activists who are directly or indirectly affected by crisis events. This can be achieved by offering support and resources to address psychological trauma and emotional stress.

Network and umbrella organisations

Exploring strategies to empower networks and umbrella organisations that offer vital services and support to wider civil society.

What do you find to be the main benefits of being part of a network organisation?



Photo by Pixabay via Pexels

Representation and advocacy

CSOs need networks to represent and amplify the voices of various communities, groups or stakeholders that may not have the same level of access or influence in decision-making processes. For advocacy, this can include lobbying for changes in legislation or regulations. Lobbying efforts can take various forms, such as meetings with policymakers or grassroots campaigns.

Innovation for civil society

Networks and umbrella bodies are uniquely placed to try different approaches and support projects or initiatives that can bring fresh ideas because they tend to be more flexible in their approach. If successful, these innovations can be shared among civil society and scaled up.

Working together to solve joint challenges

Networks and umbrella bodies can bring the sector together over joint challenges which cannot be solved in isolation, especially in relation to existential questions such as locally led development and the future of the UK CSO.

Solidarity

There is a lot of solidarity among network organisations, which fosters collaboration, mutual support, and a unified front in advocating for shared goals. This encourages shared learning and best practices. Networks can share knowledge and experiences to avoid duplication and enhance understanding and gain a broader perspective on issues which is essential.

What sort of support and services do CSOs want from their networks and umbrella organisations, or what support do you feel is missing where these organisations do not exist?



Photo by Polina Zimmerman via Pexels

Invest in supporting civil society

Recognise the vital role of networks and umbrella bodies in supporting and strengthening civil society. These entities play a pivotal role in building a resilient international community, can act as intermediaries for funding, especially in LMICs, and provide capacity strengthening opportunities.

Bring CSOs and donors together:

UK civil society has been impacted by the UK aid cuts and a lack of communication with the FCDO and its networks/umbrella bodies. This has resulted in the closure of many organisations, especially smaller ones, and a reduced interest in FCDO funding. UK participants suggested it may be challenging for the FCDO to rebuild trust and collaboration at this point and expressed an expectation that the FCDO's networks/umbrella bodies will represent it instead and work to rebuild relationships.

Include social movements in networks

Supporting social movements that align with the FCDO's mission can be a valuable part of their support to networks. This would mean working with grassroots organisations and the diaspora.

How should the FCDO support networks and umbrella organisations that work with civil society?



Photo by Pixabay via Pexels

Adaptive funding model for networks

Funding for networks needs to be adaptive, allowing organisations to respond quickly to changing circumstances and to build resilience. Flexibility in funding outcomes is crucial. This means using funding to incentivise sector-wide shifts (e.g., locally led development, decolonising development) and to address the remaining barriers that are preventing these shifts.

Funding innovations for sector-wide shifts

Encourage innovative approaches and solutions within networks, supporting projects or initiatives that can bring fresh ideas to the table within network organisations. This would involve leveraging funding to encourage broader sector-wide changes, such as promoting sustainable practices, addressing issues like locally led development and driving systemic transformation.

Strengthening networks for groups that have been marginalised

Ensure that networks are inclusive and prioritise the needs of communities that are marginalised and diaspora organisations, promoting equity and representation. The diaspora can be useful to the FCDO in bridging the gap with LMIC and smaller organisations.

**Specific questions identified
for networks and umbrella
bodies**

Which are the most in-demand services you provide to your members?

Strengthening advocacy and influence

Network organisations often play a crucial role in advocating for systemic changes and influencing policies and practices at local, national, and international levels. This aids in building legitimacy and credibility within the sector.

Providing access to external stakeholders

Network organisations usually have access to external stakeholders. Simplifying and streamlining the process for external stakeholders to engage with CSOs can enhance collaboration and support.

Convening the sector

Network organisations provide a space and time for the sector to come together at important moments, such as conferences like CADA's One World Festival.

Supporting transition and the future of development

Networks can play an active role in supporting the sector to transform, be strategic and look toward the future. They are the critical friend to the sector, challenging the status quo.

Training

Network organisations offer training programmes to help network leaders and members develop essential skills, for example on digital security, enabling them to better fulfil their roles and objectives.

Which do you consider most important for building sector resilience?



Photo by Ingo Joseph via Pexels

Predictable funding

Consistent and reliable funding pipelines so that CSOs can plan and prepare for the future, alongside encouragement and support so that organisations can generate their own income and consider different trading models.

Innovations in funding and income generation

CSOs should consider new ways of generating income outside the traditional funder-grantee relationship. This will not only give them more security, but it will also give them independence from funders so they can make decisions that are right for their organisations.

Strong civic space

CSOs should feel safe and comfortable to exist without fear of reprisal.

How can governments most usefully provide support to network organisations in a way that promotes independence and sector sustainability?



Photo by Keith Wako via Pexels

Sector sustainability

In the UK there are pressures for organisations to close, especially smaller ones, which is a sign that the sector is not sustainable. There will be multiple consolidations, mergers, and closures. Organisations will need to respond to this; those that will adapt will survive, those that don't will close. We need to accept that some organisations will close, not all will remain, but we need to encourage and support the right ones to survive.

Future of UK CSOs

The biggest challenge for the UK sector is what it will become and the future role of UK CSO. There needs to be consensus on both issues.

Increased emphasis on collaboration and partnerships

LMIC organisations in the sector are likely to face increasing pressure to collaborate and form strategic partnerships. This can help them pool resources, share expertise, and collectively address challenges. Collaborative efforts may involve joint programs, shared services, or even mergers to ensure sustainability.

Technological integration and innovation

The integration of technology will play a pivotal role in the sector's evolution. LMIC CSOs will need to adapt to new technological trends, such as data analytics, artificial intelligence, and digital platforms, to enhance their efficiency, outreach, and impact. Embracing innovation will be crucial for staying relevant in a rapidly changing landscape.

Focus on impact measurement and transparency

Donors and stakeholders are becoming increasingly concerned about the measurable impact of the sector. CSOs will likely face greater scrutiny in demonstrating their outcomes and value for money. Adopting robust impact measurement frameworks and ensuring transparency in operations will be essential for maintaining trust and securing funding.

How can governments most usefully provide support to network organisations in a way that promotes independence and sector sustainability?

Should funding for CSOs and their network organisations be delivered through the same mechanisms, or are there separate requirements to meet?



Photo by MD Jawadur Rahman vis Pexels

Encourage a diverse funding model

Encourage networks and umbrella bodies to have independence by supporting them to have a diverse funding portfolio.

See networks and umbrella bodies as critical friends

Networks and umbrella bodies are critical friends to governments. They should have the confidence to speak up and represent the sector at important times without feeling the need to restrict what they say.



Photo Alexander Suhorucov via Pexels

Hybrid Approach

A nuanced strategy that combines joint funding mechanisms for CSOs and their network organisations where applicable, recognising the unique nature of each.

Maintaining Separate Funding Streams

Advocating for independent funding channels for CSOs and networks, acknowledging their distinct goals and incompatibility for direct comparison.

Networks as Intermediaries

Supporting a model where networks, especially in Low- and Middle-Income Countries (LMICs), can serve as intermediaries for funding to CSOs, while recognising the challenges associated with amalgamating funding for both entities.



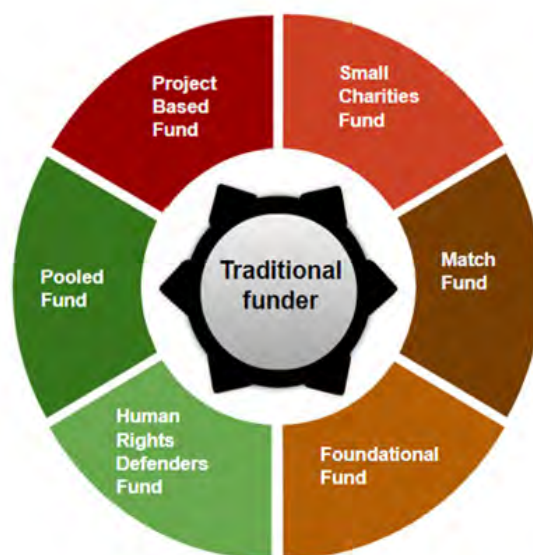
Models for the FCDO to consider

As part of the consultancy, we were tasked to formulate proposals for diverse funding models that can be crafted and implemented. We are of the opinion that the FCDO can examine these models and cherry-pick elements from each to mould their funding mechanism. These illustrations are intended to provide a comprehensive view, allowing the FCDO to carefully consider and incorporate specific features that align with their funding approach. We acknowledge the need for flexibility and adaptability in shaping a funding mechanism that suits civil society and aligns with FCDOs objectives.

Traditional funder

Definition of a traditional funder: A traditional funder is characterised by an approach that closely aligns with established modes of financing in civil society. It comprises a series of interconnected funding mechanisms that bear resemblance to existing civil society funding initiatives administered by the FCDO.

Traditional Funder



Key components of the traditional funder

- **Project-Based Fund:** This approach, akin to UK Aid Direct, focuses broadly on the SDGs and FCDO priority countries. However, unlike UK Aid Direct, it does not involve fund managers. It is open to UK CSOs working in collaboration with CSOs from LIMCs, emphasising genuine partnership.
- **Small Charities Fund:** Like the Small Charities Challenge Fund, this fund is exclusively directed towards small organisations in both the UK and international contexts, with proportional compliance requirements. This fund is structured to cater to the specific needs and capacities of smaller entities, recognising the challenges they may face in comparison to larger organisations.
- **Match Fund:** Like the UK Aid Match, this fund is matched pound for pound by the UK government.
- **Foundational Fund:** This funding source aims to support CSOs to enhance the sustainability of their organisations and the communities they serve with measurable impact as a key focus.
- **Human Rights Defenders Fund:** Designed as a crisis fund, this fund provides timely support for human rights defenders, including in-country capacity and support.
- **Pooled Fund:** Potentially a collective fund, pooling resources for a specific cause.

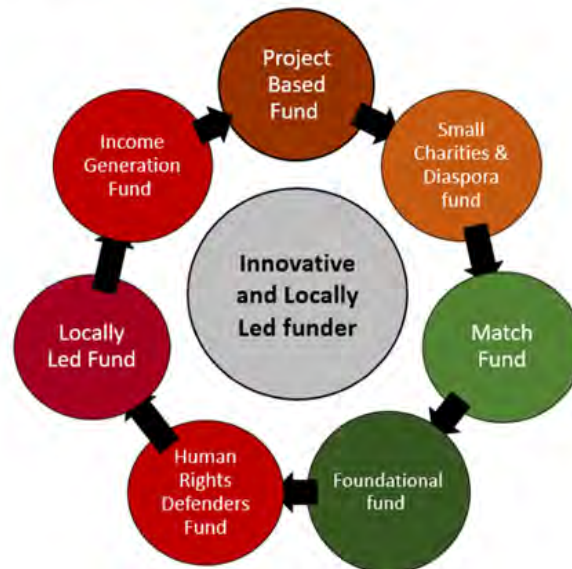
Core principles across all funds in the traditional funder model

- Full cost recovery for all partners
- Inclusion of safeguarding costs in all budgets
- Absence of commercial fund managers
- Additional staff dedicated to managing relationships directly with civil society to build trust
- Proportional compliance

Innovative and locally led funder.

Definition of an innovative and locally led funder: This approach combines elements of traditional funding with a strong emphasis on becoming a locally led funder. It prioritises community-led initiatives for sustainability, leverages the knowledge of individuals with lived experiences, and empowers communities to drive transformative change at the grassroots level. Key components of the traditional funder

Innovative and locally led Funder



Key components of the innovative and locally led funder model

- **Project-Based Fund:** Like the UK Aid Direct, this fund maintains a broad focus on the SDGs and FCDO priority countries, devoid of fund managers. It promotes genuine partnership with UK CSOs and LMIC CSOs while emphasising community involvement.
- **Small Charities and Diaspora Fund:** Akin to the Small Charities Challenge Fund, this fund caters to small organisations in the UK, internationally and diaspora communities, with proportional compliance requirements.
- **Match Fund:** Like the UK Aid Match, this fund is matched pound for pound by the UK government and accepts in-kind match contributions. It recognises the significance of diaspora communities and places communities at the forefront of matching campaigns.
- **Foundational Fund:** This fund supports CSOs in investing in the sustainability of their organisations and communities, with a focus on measurable impact.
- **Human Rights Defenders Fund:** A crisis fund accessible to human rights defenders when needed, providing support for in-country capacity and assistance.
- **Locally Led Fund:** Modelled on existing successful initiatives, such as the Dutch MFA's Leading from the South Fund, this approach works through anchor partners and national intermediaries. It has a capacity strengthening component and promotes participatory grant making.
- **Income Generation Fund:** Acknowledging the importance of sustainable organisations, this approach aids CSOs in developing and exploring different income-generating strategies.

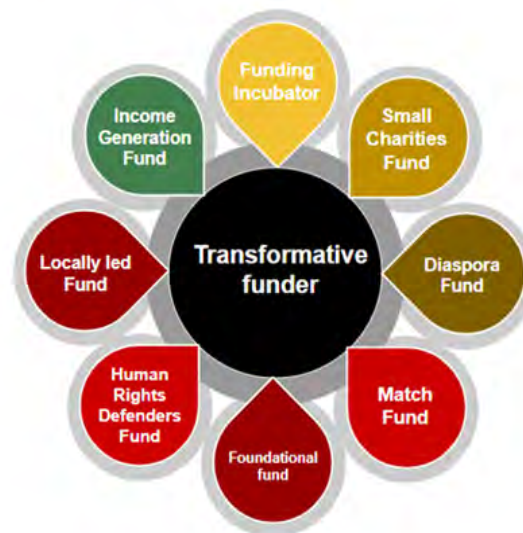
Core principles across all funds in the Innovative and locally led funder model

- Full cost recovery for all partners
- Inclusion of safeguarding costs in all budgets
- Exclusion of commercial fund managers
- Decentralises power to UK embassies to promote local leadership.
- Additional staff dedicated to managing relationships directly with civil society.
- A trust-based approach that empowers communities.

Transformative funder

Definition of a transformative funder: A transformative funder seeks to empower communities by granting them more control over the issues that impact their lives. It acknowledges that individuals with lived experiences possess the expertise needed to drive positive change in their communities. This approach involves engaging deeply with communities, embracing risk, and trusting community efforts. The transformative funder takes a leadership role, sets the agenda, and shares learnings with other funders.

Transformative Funder



Key components of the transformative funder model

- **Project-Based Fund:** Like the UK Aid Direct, this fund retains a broad focus on the SDGs and FCDO priority countries without involving fund managers. It promotes genuine partnership with UK CSOs and LMIC CSOs, while prioritising community involvement.
- **Small Charities Fund:** This is a fund designed to support small organisations, both within the United Kingdom and internationally, by providing funding with a focus on proportional compliance. This fund is structured to cater to the specific needs and capacities of smaller entities, recognising the challenges they may face in comparison to larger organisations.
- **Diaspora Fund:** A fund for diaspora communities in the UK which promotes the unique role that the diaspora can play in international development, with proportional compliance requirements.
- **Match Fund:** Like the UK Aid Match, this fund is matched pound for pound by the UK government

and accepts in-kind match contributions, with a focus on diaspora communities and community-driven matching campaigns.

- **Foundational Fund:** Supports CSOs in investing in the sustainability of their organisations and communities with a strong emphasis on measurable impact.
- **Human Rights Defenders Fund:** A crisis fund accessible to human rights defenders, offering support for in-country capacity and assistance.
- **Locally Led Fund:** Modelled after existing successful initiatives, such as the Dutch MFA's Leading from the South Fund, this approach leverages anchor partners and national intermediaries. It has a capacity strengthening component and promotes participatory grant making.
- **Income Generation Fund:** Acknowledging the importance of sustainable organisations, this approach assists CSOs in developing income-generation strategies.
- **Funding Incubator:** Collaborates with civil society to test different funding approaches and innovations, including NGO transformations. It scales up successful initiatives and shares knowledge.

Core principles across all funds in the transformative funder model

- Full cost recovery for all partners
- Flexible funding covering core costs, safeguarding and more.
- Exclusion of commercial fund managers
- Decentralises power to UK embassies to promote local leadership.
- Additional staff for managing relationships directly with civil society.
- A trust-based approach that empowers communities.

What happens next?

WACSI and Bond have submitted the report to the FCDO. The FCDO will review the recommendations and take them into consideration as it designs its new centrally managed programmes. The FCDO has agreed to share the executive summary with those who took part in the engagement process. To close the feedback loop, we have recommended that the FCDO provides either a written response to the recommendations or hosts an online event.



EXECUTIVE SUMMARY

FCDO Engagement Report on shaping the Future of Centrally Managed Civil Society and Civic Space Programming

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