

Government funding of CSOs in a rapidly changing world

EVIDENCE FROM SIX OECD-COUNTRIES



Lara Helsen, Huib Huyse, Lau Schulpen & Ignace Pollet

KU LEUVEN

HIVA

RESEARCH INSTITUTE FOR
WORK AND SOCIETY

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Research commissioned by ngo-federatie & ACODEV

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List of abbreviations

| | |
|--------------|--|
| AFD | Agence Française de Développement |
| BMZ | Federal Ministry for Economic Cooperation and Development |
| CfP | Call for Proposal |
| CICID | Interministerial Committee on International Cooperation and Development |
| CSO | Civil Society Organisation |
| DFID | Department for International Development |
| FCDO | Foreign, Commonwealth and Development Office |
| GCE | Global Citizenship Education |
| GNI | Gross National Income |
| IA | Institutional Actor |
| ICAI | Independent Commission on Aid Impact |
| JSF | Joint Strategic Framework |
| LDC | Least Development Country |
| NCDO | National Committee for International Cooperation and Sustainable Development |
| NGO | Non-Governmental Organisation |
| ODA | Official Development Assistance |
| SDG | Sustainable Development Goal |
| Sida | Swedish International Development Cooperation Agency |
| SPO | Strategic Partner Organisation |

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Executive summary

This report brings the findings of the third consecutive study on key trends in government funding of Civil Society Organizations (CSOs) involved in development cooperation. It is based on an assessment of six countries (Belgium, France, Germany, the Netherlands, Sweden, and the United Kingdom), and builds on the findings of similar studies done in 2015 and 2018.

The five years since the previous study have been turbulent for development CSOs, both due to disruptive developments at the global and national level, but also due to changes within the development sector itself. Global crises like COVID-19, the Ukraine conflict, and migration strained CSOs, impacting their operations and funding. The Ukraine conflict altered the distribution of Official Development Assistance (ODA), impacting CSO funding in various countries. Additionally, migration management remains a key policy concern in Europe, with ODA increasingly used to cover related costs. Despite economic uncertainties, European support for international solidarity remains strong. Decolonisation debates highlight historical imbalances, prompting, amongst others, calls for more direct funding to local CSOs. Moreover, global civic space shrinks due to anti-democratic trends, restricting CSOs' operations and freedoms, even in European countries, with digital advancements are posing new challenges.

The 2018 study revealed that absolute CSO funding volumes in the six countries had stagnated, while the relative importance of CSO funding had even decreased from 12% of ODA in 2014, to approximately 10% in 2016. In the period 2018-2022, funding volumes for CSOs increased or stagnated in all the countries of the study, except for the UK, where a sharp decline is observed in 2020, stabilizing again in 2021. In the six countries combined, CSO funding as a percentage of ODA was further decreasing from 9% in 2018 to around 8% in 2022. More specifically, it was increasing slightly for Sweden and France, decreasing for the Netherlands Belgium, and the UK, and stayed more or less stable in Germany. Funding that is programmed by CSOs (“to”) remained marginal compared to funding that is programmed by the donor (“through”) in the observed countries, except for Belgium where funding “to” CSOs represents between 70 and 80% of CSO funding.

The country studies offer an insightful analysis of evolving government funding patterns for CSOs across six OECD countries. It highlights a notable shift away from long-term, predictable, and flexible agreements in most countries towards more donor-driven funding modalities in which CSOs act in service-delivery roles. This trend is coupled with a reduced role for civil society in shaping and governing these funding schemes in several countries. Furthermore, there is a clear preference for ODA and CSO funding that align with donor-country interests. Despite these trends, there are indications that direct funding to Southern CSOs is slightly increasing, although it is difficult to obtain a comprehensive view, suggesting a slow pivot towards locally led interventions. Finally, across our sample of countries, there is evidence of a downward trend in the available government funding for global citizenship education programs. Taking a long-term perspective, Belgium can be seen as an exception in this area as it has safeguarded, even increased budgets over time.

Country case studies: key findings

- **Belgium** - Belgium's development policy and CSO funding have been stable, with a progressive co-financing program that respects CSO autonomy. Although CSO funding slightly decreased, it remains largely programmable by CSOs. Concerns about instrumentalization have diminished, and opinions on the Joint Strategic Frameworks are mixed but pragmatic. The CfP funding share hasn't grown significantly compared to co-financing but may face future scrutiny. Belgium also invests more in global citizenship education than other countries.
- **France** - Since 2017, France has pursued a more ambitious development agenda, increasing ODA and CSO funding for the first time since 2010. Thematic priorities have evolved, but there are concerns about the increasing instrumentalisation of French ODA in new policies and funding. CSO involvement in policy development has decreased, and while global citizenship education remains funded, it is increasingly linked to deradicalisation goals.
- **Germany** - German ODA increased well above 0.7% of GNI, reversing trends in other countries in the study, but its nature and composition do face some critique. CSO funding is mainly through block grants to specific sub-set of CSOs (foundations) and a smaller, growing fund for traditional development NGOs, with project-based applications managed by Engagement Global. Both systems respect CSO autonomy, but the project logic for development NGOs risks stop-and-go dynamics and challenges small CSOs with uncertain, lengthy application processes.
- **The Netherlands** - The Dutch CSO funding system continues to emphasize the political role of CSOs. It maintains a competitive process, aligning CSO funding with Dutch development policy themes, including a focus on gender equality and local ownership by Southern CSOs. However, the funding landscape remains fragmented, with limited predictability for CSOs. There is limited political support for activities on development awareness, as the policy of global citizenship from the late 2000s has faded and ministers have been largely silent on this issue since 2010.
- **Sweden** - Sweden, traditionally meeting the OECD-DAC 0.7% target with a 1% GNI commitment, recently adjusted its ODA to around 0.7% of its 2022 GNI. The historical five-year funding framework remains crucial for Swedish CSOs. A transitional one-year CSO Strategy was published in early 2024. CSOs anticipated significant changes, but the transitional strategy builds largely on the previous one, except for the fact that Sweden's development agency (Sida) will no longer have the final say in the selection process for CSO funding eligibility.
- **UK** - The UK development sector, impacted by COVID-19 and Brexit, saw significant changes in ODA and its modalities. The merger of DFID into FCDO altered development cooperation goals and strategies. ODA volumes decreased sharply in 2021, compounded by increased in-donor refugee costs. A recent White Paper announces a rise in ODA budgets and a plan to return to value-based development agendas. However, budget cuts and funding mechanism changes have led to a hyper-competitive CSO funding landscape favouring larger organizations and the private sector, including consultancy firms, and emphasizing CSO-private sector collaboration.

Introduction

This study examines government funding trends of Civil Society Organizations (CSOs) and CSO-donor relationships in six European donor countries (Belgium, France, Germany, the Netherlands, Sweden, and the United Kingdom). In 2015 and 2018, ngo-federatie commissioned two similar studies conducted by HIVA-KU Leuven. Both studies assessed changes in donor policies and practices against the context of important societal shifts, such as the rise of populist movements, increased privatization, the migration crisis, and related security concerns, the establishment of the Sustainable Development Goals (SDG) framework and its implications for global development policy. We provide a brief overview of the key findings of the 2018 study in the box below.

Box 1: Key findings of the 2018 study

- In the 2015 study, an upward trend in CSO funding was registered, which did however not persist in the 2018 study. Absolute funding amounts had stagnated in the period 2015-2018 and the relative importance of CSO funding in the observed countries decreased, although differences exist between the six countries.
- The 2018 study observed an evolution towards a more unstable and more fragmented funding landscape. New and smaller grant schemes with a narrower thematic and or geographical focus became more significant. This together with the emphasis on funding through CSOs and result-based assessments, presented new risks of jeopardising CSO autonomy.
- The study also concluded that CSO funding was to a larger extent allocated according to instrumental or managerial considerations. At the same time, substantial differences exist between the six countries. At the time, Germany and Sweden were swearing by stable funding frameworks respecting CSO-autonomy. The Netherlands supported the political role of CSOs and was striving to minimise bureaucracy. In Belgium and France, the traditional grant schemes were increasingly complemented with more competitive project grants. And in the UK, grant schemes tended to have a more explicit thematic or geographical focus and stimulate collaboration with the private sector.

Several geopolitical, social and economic trends observed in the previous study, continued to influence development cooperation policies and practices after 2018. Migration and security concerns, for example, remained at the forefront of numerous European nations' policy agendas. Funds designated for development cooperation are increasingly redirected towards managing migration in donor countries. In the six countries of the study, in-donor refugee costs more than doubled between 2009 and 2022 (figure 4.1 and 4.3 in appendix). Furthermore, the rise of populist regimes and the subsequent restriction of civic space have persisted in recent years. However, also new crises have emerged. The COVID-19 crisis and the war in Ukraine have significantly altered development policy and Official Development Cooperation (ODA) allocation. Moreover, perceptions of development cooperation are rapidly evolving. Development policies and practices have become a hot topic in debates about decolonisation. Countries in the Global South are increasingly criticizing Western activities abroad and are intensifying partnerships with other states like Russia and China.

Considering current global events, this study aims to examine CSO funding and government relations in Belgium, France, Germany, the Netherlands, Sweden, and the United Kingdom. These six countries together make-up about 35% of the total public funding for CSOs of all OECD-DAC countries in 2021¹. The study consists of five chapters, with chapter one providing insights into the

¹ Belgium makes up about 1.5%, France 3.4%, Germany 11%, the Netherlands 5%, Sweden 6.7% and the UK 7.2%. Based on OECD-DAC CRS database.

global context in which CSOs have operated in the past five years. Chapter two presents the main trends in ODA and CSO funding in each of the six countries. Chapter three scrutinizes each country's domestic changes in ODA, development strategies, and funding mechanisms for CSOs. Chapter four presents a cross-country analysis, highlighting the apparent differences and similarities among the six countries.

1 | The context

This first section paints the broader picture in which the six country studies should be situated. The period 2018-2023 has witnessed multiple global crises, fundamentally shaking the aid system on its foundations. Each of the trends was selected because of its impact on ODA, the modalities and the size of ODA allocated to CSOs, and/or the working environment of CSOs.

1.1 Global crises and conflicts

The last few years have seen a rapid succession of crises, including COVID-19, the war in Ukraine, migration, and climate change. The COVID-19 pandemic in 2020 led to global lockdowns, bans on movements and public gatherings. Governments introduced restrictive policies, and both local and donor based CSOs saw their resource base diminishing, leading to a contraction of civic space². CSOs in both donor and recipient countries encountered a harsher working environment. The imposition of movement restrictions and the reallocation of financial support jeopardised the operational activities of CSOs in delivering services³. Nevertheless, in response to this crisis, CSOs forged regional partnerships, exchanged best (and worst) practices, and initiated new initiatives to maintain their activities to a certain extent. Thus, despite the challenges posed by the COVID-19 crisis, it also stimulated CSOs to take collective action, develop new strategies, and engage in dialogues⁴.

The war in Ukraine has had direct and indirect effects on the distribution and composition of ODA. In some countries, like Sweden, Ukraine has become a development and aid priority. In those cases where governments did not compensate for this shift in ODA by increasing their budgets, allocations to CSOs were affected⁵. However, in other countries, like Belgium for example, financial support to Ukraine is channelled through humanitarian aid. As a result, the ODA budget for Belgian CSOs was safeguarded. There are indications the Russian-Ukrainian war is re-enforcing critical views on Western aid in low-income countries, and sometimes even leading to hostile reactions⁶. These critical attitudes also extend to the activities of Western companies, trade agreements, and EU lobby and advocacy positions about human rights issues (see also 1.3).

The management of migration continues to be high on the policy agenda in Europe. Migration exerts substantial pressure on asylum systems and on public order in general. Governments are under pressure to invest more in the reception of refugees and asylum seekers. ODA budgets are increasingly used in European countries to cover these increased costs (also referred to as in-donor refugee costs), and to support migration management interventions in the countries of origin.

Finally, climate change is increasingly impacting the daily lives of societies in low-income countries, for example in agriculture. ODA budgets are increasingly being allocated to projects or CSOs trying

2 Abrahams, N., Wünsche, F., van Schalkwyk, F., Chidzero, N., Guhr, K., Harrer, A., ... & Szilat, J. (2022). Shrinking or Opening? Civic Space in Africa during COVID-19.

3 Tageo, V., Dantas, C., Corsello, A., & Dias, L. (2021). *The response of civil society organisations to face the COVID-19 pandemic and the consequent restrictive measures adopted in Europe: Study*.

4 Ibid.

5 OECD. (2023). *Development Co-operation Report 2023: Debating the Aid System*. Paris: OECD Publishing. <https://doi.org/10.1787/16edc3c2-en>.

6 Ibid.

to tackle these consequences as well as making communities and environments more resilient against climate change.

1.2 A wide support base for international solidarity

The developments described above also affected the daily lives of millions of people across Europe, through reduced purchasing power, higher costs for energy and housing and deteriorating health care systems. Despite these multiple insecurities and concerns and the rise of anti-migration parties in several European countries, the support for international solidarity and development cooperation continue to be quite high across Europe⁷. In countries, such as the UK and Norway, the support base is reported to be higher in recent years than it has been for many years⁸. Also in Belgium, a wide support base continues to exist, with almost 90 percent of the Belgian population reported to support the idea that the EU should collaborate with external countries to eradicate poverty⁹. On a European level, eight of out ten EU citizens indicate that combatting poverty outside the EU should be one of the EU's priorities. At the same time, the same studies show that there is also support for types of ODA policies that are connected to the domestic agenda, such as linking migration and security interests with the allocation of ODA budgets. While the support base remains rather high, the metaphor of a support base that is 'a mile wide and an inch deep' seems to remain valid, as actual knowledge on development cooperation remains generally low¹⁰.

1.3 Decolonisation and development cooperation

Ongoing debates about the unbalanced historical relationships between Western powers and low-income countries are also finding their way into development cooperation. The double standards that exist in how the West engages with the Global South on economic, social, cultural, and political issues, are a growing source of frustration¹¹. In the literature on decolonisation, development cooperation is portrayed as an instrument that has its roots in the colonial era and is still struggling with some of its legacies¹². Uneven donor-beneficiary relationships, donor-driven agenda setting, the pushing of agendas that serve donor interests, the limited access of Southern-based CSOs to donor funding, are all part of the decolonisation debate. Rising geopolitical powers, such as China and Russia, use these frustrations with the former colonial powers, to increase their own influence in the region. The decolonisation debate has, however, also become a source of positive change, as an important lever to discuss the uneven relationships between CSOs and their counterparts in the Global South. The rising awareness has initiated calls for more direct and flexible funding for local CSOs, locally led development and local ownership.¹³

7 European Commission. (2023). *EU citizens and development cooperation*. <https://doi.org/10.2841/746402>

8 Morini, P. (2023, January 12). *Are the UK government going to lose the public with its latest announcement of UK aid cuts?* | Bond. Bond | the International Development Network. https://www.bond.org.uk/news/2023/01/are-the-uk-government-going-to-lose-the-public-with-its-latest-announcement-of-budget-cuts/?utm_medium=email&utm_campaign=Advocacy%20options%20advocacy%20update%20blogs%20and%20job&utm_content=Advocacy%20options%20advocacy%20update%20blogs%20and%20job+CID_80c43eb29ab9cf22ae4d832876a6b572&utm_source=Campaign%20Monitor&utm_term=Read%20more

9 Eurobarometer. (2022, June). <https://europa.eu/eurobarometer/surveys/detail/2673>

10 Donor Tracker. (2021, June 8). *Policy updates*. https://donortracker.org/policy_updates?policy=survey-shows-record-high-support-norwegian-development-assistance

11 Langan, M. (2017). *Neo-colonialism and the Poverty of development in Africa*. Springer.

12 Wessel, M. V., & Kontinen, T. (2023). Conceptual foundations: Reimagining roles, relations, and processes. *Reimagining Civil Society Collaborations in Development: Starting from the South*.

13 Concord. (2023). *Who holds the lion's share?: A closer look at Global Europe Funds for CSOs*. <https://concordeurope.org/wp-content/uploads/2023/10/Global-Europe-Funds-for-CSOs.pdf>

1.4 Shrinking civic space

The past years have witnessed increasing anti-democratic tendencies across the globe¹⁴. With the erosion of democratic principles across the globe, civic space is shrinking significantly¹⁵. While the extent to which civic space is closing differs between countries, CSOs increasingly face a more difficult working environment. This ranges from hindering and making the functioning of CSOs more difficult, to actual violence, harassment against and imprisonment of CSO staff. Governments introduce restricting legal and regulatory frameworks, criminalise their activities, ban CSOs funded with foreign sources and brand CSOs as foreign actors threatening the welfare of the local people^{16,17}. At first, these trends were mainly localised in authoritarian states, but are now expanding to other countries including several European countries. In 2023, the civic space in Germany contracted because of the enforcement of restrictive policies aimed at curbing the activities of environmental activists. Additionally, heightened censorship was witnessed in relation to the Israeli war in Gaza¹⁸. Similar patterns are observable in France and the UK¹⁹. The rise of digital technologies, especially in artificial intelligence, create new risks for supervision and control of CSOs by state actors (add source).

14 Garcia, L. (2022, 4 April). *Democracy Index 2021: Decline in World Democracy* | Economist Intelligence Unit. *Economist Intelligence Unit*. <https://www.eiu.com/n/democracy-index-2021-less-than-half-the-world-lives-in-a-democracy/>

15 Civicus. (2022). *People power under attack: A report based on data from the Civicus monitor*. Civicus Monitor. <https://monitor.civicus.org/globalfindings/>

16 Aho, E. (2017). *Shrinking space for civil society: challenges in implementing the 2030 agenda*.

17 Infamia Content Editor. (2022, 25 January). *Shrinking civic spaces: The risks and implications for youth activists and young human rights Defenders* - Center for International Private Enterprise. Center for International Private Enterprise. <https://www.cipe.org/blog/2021/09/22/shrinking-civic-spaces-the-risks-and-implications-for-youth-activists-and-young-human-rights-defenders/>

18 CIVICUS Monitor - *Civicus Monitor*. (2023.). Civicus Monitor. <https://monitor.civicus.org/>

19 Ibid.

2 | Trends in CSO funding

In this chapter we briefly present the latest trends in ODA volumes and CSO funding more specifically, for six countries: Belgium, Germany, France, the Netherlands, Sweden, and the United Kingdom. Considering the recent global developments and crises, discussed above, as well as geopolitical shifts, it is interesting to look at these overall trends first before delving more deeply into the changing nature and modalities of CSO funding.

2.1 Methodology

As for the previous reports, this section is largely based on the OECD-DAC CRS database²⁰. OECD-DAC donors report their ODA expenses following a uniform protocol. In 2019, a new standard for measuring ODA, the grant equivalent method, was agreed upon. Up to then, ODA was measured using a simpler methodology that did not differentiate accurately between grants, for which the donation element is 100%, and (soft) loans and guarantees, that contain both a loan and a grant element (of less than 100%). However, this method did not reflect fully the real financial efforts of a donor country as part of funds were returned to the donor when the loan was refunded. The grant equivalent method solves this problem as it converts diverse types of financial assistance, such as loans and guarantees, into an equivalent amount that is comparable to a grant or subsidy. The more generous a loan is, the higher the ODA value will be. It facilitates the comparison of ODA between countries and whether they meet international standards. Because of the new ODA measures, however, ODA numbers from before 2018 are no longer comparable with the post-2018 numbers. We choose to use the new grant equivalent method because of its accuracy when comparing ODA in different countries. It does imply that we cannot compare the absolute funding levels before 2018 and after 2018. However, by comparing the relative trends in ODA funding in both periods, we can still obtain a long-term historical picture.

As OECD-DAC members report their ODA expenses, the quality of data depends on the precision of donor countries. Specifically, discrepancies may arise in the reported ODA amounts, with instances where donors incorporate inflated aid²¹ within their ODA budgets, which can overstate ODA figures. Other discrepancies may exist because of a different coding of ODA channelled “to” and “through” CSOs, which is the case for example for Sweden and Germany. In the Swedish context the main CSO funding mechanism is reported as funding “through” CSOs despite the fact that CSOs have substantial autonomy within this mechanism. In the case of Germany, there were divergent views within the ministry whether the German coding of ODA “to” and “through” was aligned with the official OECD-DAC distinction between the two categories.

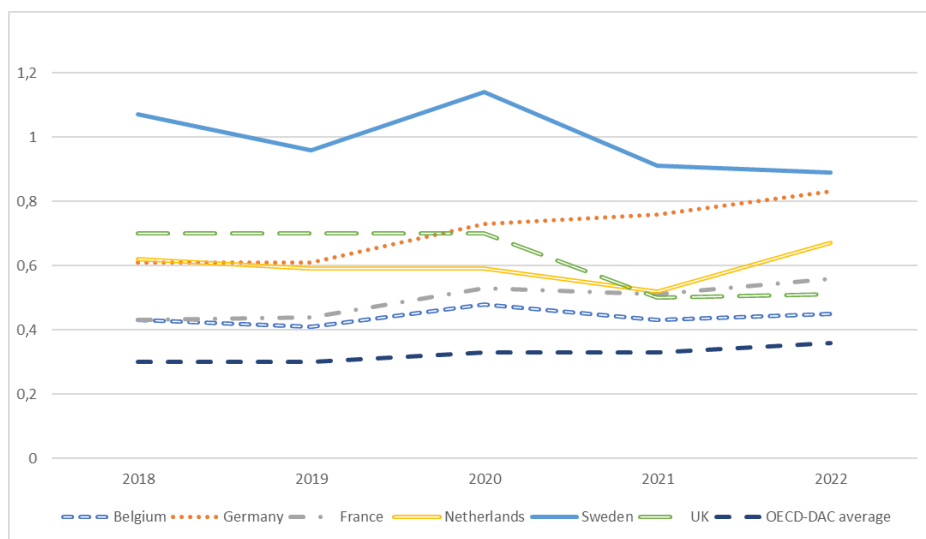
²⁰ <https://stats.oecd.org/index.aspx?datasetcode=crs1> |

²¹ Inflated aid is defined as funding that does not contribute to development in developing countries (e.g., in-donor refugee costs and student subsidies).

2.2 ODA contrasting country performances

The case study countries follow the global trend of rising ODA funding (as a percentage of GNI) in the period under review, except for Sweden and the UK (figure 2.1). While the rise in Germany and France is substantial, the Netherlands and Belgium only show a modest increase. In the case of the Netherlands, the current stabilisation of ODA follows after a long period of declining funding. In Belgium, ODA is now fluctuating around 0.45% for some years. In line with the previous study, Germany continues its gradual increase of ODA, now reaching the 0.7% target. Sweden and the UK make the opposite move. While the UK exactly met the 0.7% target in the period 2018-2020, funding made a real dive afterwards. Sweden was far above the target, fluctuating for some time with 1% ODA, but showed a sharp decline after 2020, landing just above the 0.7% target. For all countries, except Germany, ODA peaked in 2020 but dropped when the pandemic broke out.

Figure 2.1 ODA as a percentage of GNI



2.3 CSO funding to and through

In the OECD-DAC CRS database, a difference is made between two types of CSO funding: “to” CSOs and “through” CSOs. In essence, the distinction provides an indication of the extent to which CSOs can exert their right of initiative (“to” CSOs) or are rather acting in a contracting /service delivery role for activities set by the donor (“through” CSOs). More technically, aid “to” CSOs can be programmed by the CSO itself, with quite some autonomy in the thematic and geographic choices, often in the form of framework agreements. Aid “through” CSOs is also known as earmarked funding. The funding should in this case be used for interventions for which the goals, targets, geographic setting, and the strategies have been defined largely by the donor, although to different degrees.

Figure 2.2 shows the overall funding trends in absolute terms, that is funding both “to” and “through” CSOs combined. The funding volumes for CSOs increased or stagnated in all the case study countries, except for the UK, where a sharp decline is observed in 2020, stabilising again in 2021. At this moment, Germany is in absolute terms the largest donor to CSOs among the six countries. France’s CSO funding also increased in absolute terms over the period under review. While the previous period recorded a significant decrease, CSO funding stabilised at a low level in the Netherlands during the period 2018-2022. The same can be said for Belgium and Sweden, which remained relatively stable (figure 2.2).

In relative terms the picture is different (figure 2.3). As the overall ODA volume was shrinking for Sweden, while the absolute funding for CSOs remained stable, its share increased substantially. However, as from 2021, relative CSO funding dropped, reaching 20% of ODA. After the steady decrease in the Netherlands and a stabilisation of CSO funding, the prominence of CSO funding in the overall budget started decreasing again in 2021. Despite an increase in both absolute and relative numbers, CSO funding as a percentage of ODA remained low in France. While Germany was the largest donor to CSOs in absolute terms, it has the second lowest share in relative terms. In Belgium and the UK, the share of CSO funding decreased slightly, continuing the fluctuating trends before 2018.

Figure 2.2 ODA channelled to and through CSOs (in million USD, constant 2021 prices)

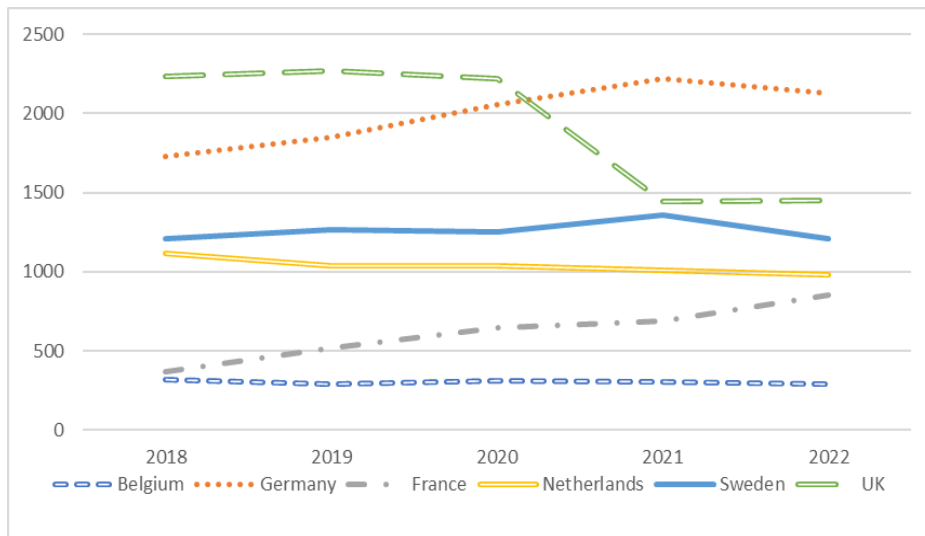
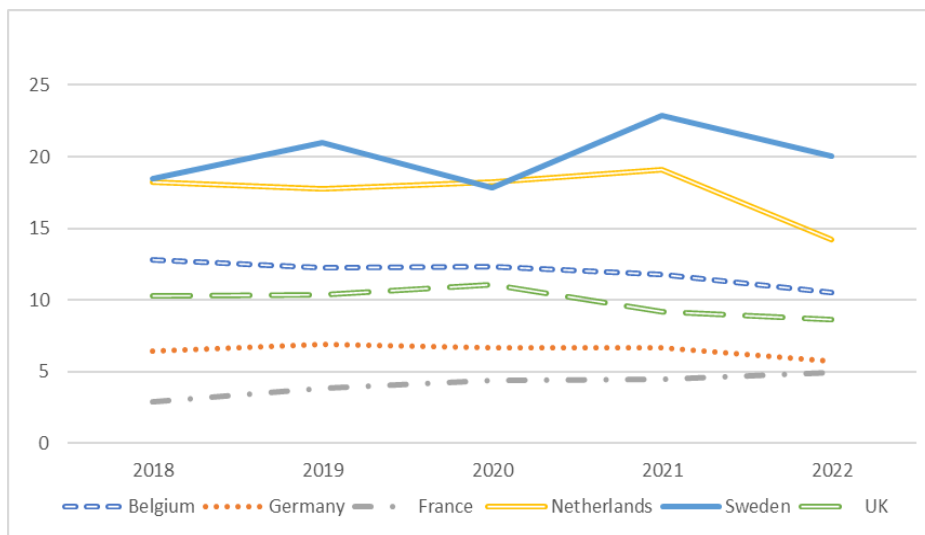


Figure 2.3 ODA channelled to and through CSOs (as a percentage of ODA)



2.4 Funding “to” versus “through” CSOs

Funding that is programmed by CSOs (“to”) remained marginal compared to funding that is programmed by the donor (“through”) in the observed countries, except for Belgium where funding “to” CSOs represents between 70 and 80% of CSO funding. The sharpest decline in funding “to” CSOs can be seen in Germany, where it dropped from around 57% in 2018 to 20% in 2022. Several rounds of interaction with the relevant ministry in Germany did not bring clarity for the reason behind this decline, with some wondering if there were changes in the way of coding (as has also been the case in the period 2015-2016). In the other countries, the share of core contributions, although small, has remained relatively stable (figure 2.4). Looking only at funding “to” CSOs in figure 2.5, we see that the largest donors in absolute terms, Germany, and the UK, have continued to decrease the portion of funding that can be programmed by CSOs. In Germany this drop was compensated financially with a rise in earmarked funding (figure 2.6). This was not the case in the UK, where earmarked funding decreased as well. However, in the UK funding “to” CSOs rose again in 2022, approximating the level of 2020. In the other four countries (Belgium, France, the Netherlands, and Sweden), the funding levels were more stable in the reporting period than in the previous period. Earmarked funding (“through”) was rather stable in Belgium, the Netherlands, and Sweden. In France, earmarked funding rose significantly until 2022.

Figure 2.4 ODA channelled to and through (as a percentage of CSO funding)



Figure 2.5 ODA channelled to CSOs (in million USD, constant 2021 prices)²²

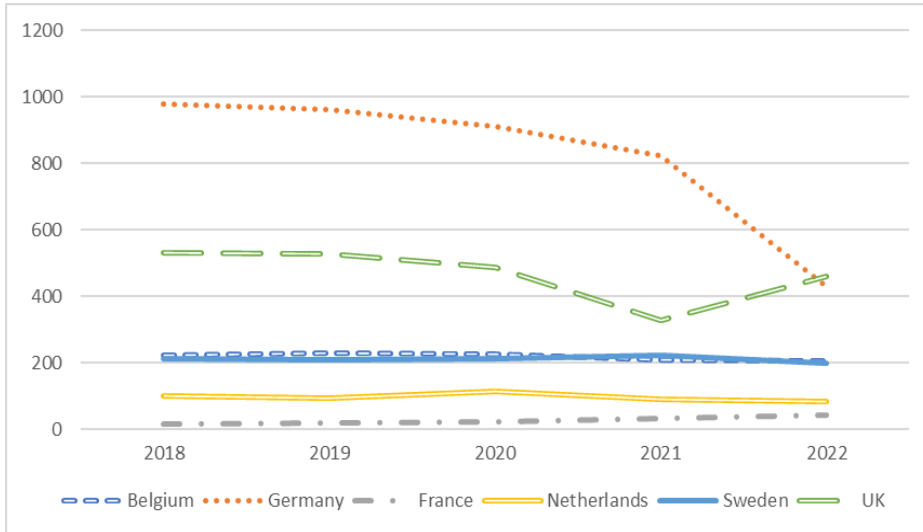
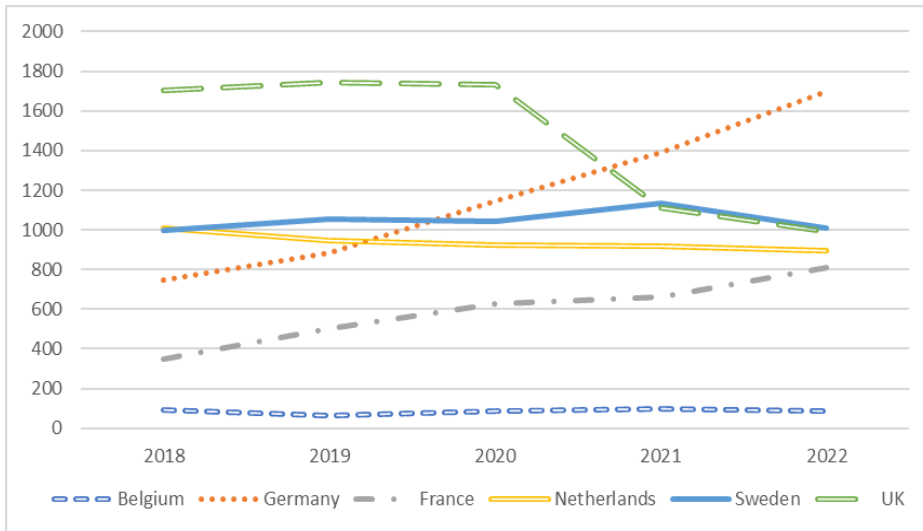


Figure 2.6 ODA channelled through CSOs (in million USD, constant 2021 prices)



²² Note: our German correspondents remarked that the OECD distinction "to" CSOs and "through" CSOs does not fit with the way budget aggregations are defined and calculated in the German aid system.

3 | Country analysis

3.1 Methodology

After looking at the broad ODA trends, we dive deeper into each of the six countries: Belgium, France, Germany, the Netherlands, Sweden, and the UK. Every country section starts with a brief overview of the policy context, followed by ODA trends, as well as elements of the geographical and thematic concentration of development cooperation. Afterwards, we discuss one of the main CSO funding mechanisms and look at what has changed since 2018. The country case studies draw from a wide diversity of secondary sources (policy documents, reports by the donor, reports from think tanks and academic sources, news reports, and other papers) and interviews with key informants from civil society, and where possible, from governmental agencies and development experts. Since the degree of available information and the type of respondents differs between the countries, the level of detail on certain topics can vary.

3.2 Belgium

Box 2: Key takeaways

- Belgium has known a period of stability in terms of development policies as well as in funding. The co-financing program is the main funding mechanism for CSOs. Due to the historical decline of funding "to" CSOs in other countries, it can now be considered as one of the most progressive mechanisms in Europe, respecting the right of initiative and the autonomy of CSOs.
- Despite a slight decrease, the lion's share of CSO funding is still allocated as funding that can be programmed by CSOs.
- Previous fears for instrumentalisation of CSO funding have largely disappeared under the current government. The CSOs position towards the Joint Strategic Frameworks is pragmatic, there are diverging views about the merits of the system, but it seems a useful instrument to address at least the information needs of the donor, and in some cases, to improve collaboration between Belgian CSOs on the ground.
- The share of funding through call for proposals (CfP) did not increase substantially compared to the volume of the main co-financing program. Yet, the CSO community realises that this system might be under scrutiny in the future.
- Belgium invests substantially more in global citizenship education than other countries.

3.2.1 Context

Among the DAC countries, Belgium ranks 13th in terms of the ODA/GNI ratio. After a decline between 2010 and 2016, Belgium's ODA has been fluctuating but showed an upward trend in 2022 reaching almost USD 2.8 billion. Belgium's ODA/GNI ratio increased slightly to 0.45% in 2022 (figure 2.1). However, its ODA remains far below the OECD target of 0.7%.

In 2022, 10.54% of ODA was spent on CSOs, which is a slight decrease compared to previous years as the percentage has been fluctuating between 11 and 13% (figure 2.3)²³. Funding that can be programmed by CSOs represents the largest share of total funding to CSOs in Belgium (figure 2.4),

²³ OECD (2023), "Belgium", in *Development Co-operation Profiles*, OECD Publishing, Paris, <https://doi.org/10.1787/58873fc4-en>

around 70% in 2022. The large majority of the CSO funding is going to CSOs based in Belgium²⁴. Geographically, Belgium's ODA prioritizes least development countries (LDCs) and fragile countries, which absorb around 35% of its gross ODA (excluding the multilateral channel). Thematically, gender equality, women's empowerment, as well as poverty and climate are key themes in the country's development programs²⁵.

The Belgian government's approach to development CSOs has been rather stable for more than a decade, not only in terms of funding volumes but also in terms of policy. The current five-year co-financing framework, which was introduced in 2014 and became operational from 2017 onwards, has continued under the tenure of the next two ministers. The current stability in policy allows CSOs to capitalize and focus on their core work²⁶.

The co-financing program remains the most important funding channel for Belgian CSOs. It is considered as one of the most progressive and flexible systems in Europe, respecting CSO autonomy and the right of initiative. Other forms of funding, such as CfPs, remain far below the level of the five-year co-financing program in terms of budgetary resources²⁷. These CfPs²⁸ were introduced as an additional complementary funding mechanism to realise a more direct contribution of CSOs to governmental development agendas. However, while CfPs are not necessarily considered as problematic as such, some fear that this source of funding will grow in importance under future governments and will pose a threat to the current five-year program still exists.

3.2.2 CSO funding mechanism

For the current co-financing scheme (2022-2026), the government provided a total of EUR 1.2 billion, of which CSOs and Federations receive around 60 percent²⁹. The remaining part is granted to, what is described as, accredited institutional actors (IAs), such as universities, municipalities, and quasi-governmental agencies. To have access to the scheme, CSOs and IAs need to be accredited through a comprehensive screening process. Once they pass, they are eligible for 10 years and are free to submit their development cooperation programs and budgets for approval by the government. The programs are submitted within the framework of the so-called Joint Strategic Frameworks (JSFs), a system that was suggested by the CSO sector itself when the government demanded more collaboration and coherence between Belgian CSOs.

Returning to the eligibility criteria of the last screening round, CSOs were assessed on their performance in nine management areas³⁰ and organizational characteristics. As of 2027, additional criteria will be added which require CSOs to demonstrate their support base in Belgium. These additional conditions for eligibility were requested by the CSO sector itself³¹ as a reaction to the

24 OECD. (2022). *Aid for Civil Society Organisations: Statistics based on DAC Members' reporting to the Creditor Reporting System database (CRS), 2019-2020*. <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/Aid-for-CSOs-2022.pdf>

25 OECD (2023), "Belgium", in *Development Co-operation Profiles*, OECD Publishing, Paris, <https://doi.org/10.1787/58873fc4-en>

26 Interview with ngo-federatie

27 Interview with DGD and ngo-federatie

28 While not the topic of this study, it is useful to refer to the different situation for humanitarian aid interventions, where all Belgian CSOs (eight) receive their funding through CfPs. However, in this case the CfP mechanism is reported to sufficiently respect the right of autonomy, providing freedom to choose the nature of their interventions.

29 Based on document "Niet-gouvernementele samenwerking – feitelijke gegevens" provided by DGD

30 The nine management areas are financial management, strategic management, process-oriented management, result-oriented management, partnerships, consideration of cross-cutting issues such as gender and the environment, risk management, human resources management and transparency. As from 2027 only eight management areas will be considered. Integrity will replace process and human resources management <https://diplomatie.belgium.be/nl/beleid/ontwikkelingssamenwerking-en-humanitaire-hulp/de-partnerschappen-van-de-belgische-ontwikkelingssamenwerking>

31 Interview with ngo-federatie

observation that foreign CSOs, registered in Belgium with a postal address but without a real support base, could gain access to substantial budgets, creating more competition and leaving less budget for Belgian CSOs. While the eligibility procedure is difficult, it is highly appreciated by the sector because it guarantees stability and more autonomy. At the same time, the selection procedure tends to create an exclusive access to government funding for a limited club of CSOs, that is three federations, nine IAs and 81 CSOs³². Due to the lengthy screening process, many new (and smaller) CSOs struggle to secure access due to insufficient levels of professionalisation and capacity to effectively manage the workload and resources required for the selection procedure³³. Another critique coming from smaller CSOs, concerns, what they perceive as, an unbalanced budget allocation in the five-year programs. Larger CSOs tend to submit larger programs, leaving less for the smaller CSOs, which gives them the feeling of being stuck at a certain budget level. This creates certain tensions within the sector. CSOs from partner countries in the Global South are not eligible to participate in the screening process.

The in-depth screening process that underpins the 10-year eligibility recognition is seen by CSOs as an important argument to maintain their programming autonomy, and to be able to operate in trust-based management systems, with as little administration as possible. While the co-financing system is perceived as feasible and reasonable in terms of administrative burden, some respondents indicated that it does contain administrative tasks that are perceived as red tape. As in other funding systems, the accountability requirements cover both financial and content-related reporting. Regarding the latter, each program requires at least two evaluations, a system that will become more flexible as the government announced that CSOs will be able to choose what will be evaluated and its timing. This change has been made to reduce costs and enhance effectiveness.

32 FOD Buitenlandse Handel en Ontwikkelingssamenwerking. (2023, October 16). Actoren en partners van de Belgische Ontwikkelingssamenwerking. FOD Buitenlandse Zaken - Buitenlandse Handel En Ontwikkelingssamenwerking. <https://diplomatie.belgium.be/nl/beleid/ontwikkelingssamenwerking-en-humanitaire-hulp/actoren-en-partners-van-de-belgische-ontwikkelingssamenwerking>

33 Interview with 11.11.11

Table 3.1 Co-financing Program

| | |
|------------------------------|--|
| Key features | Funding for submitted programs by CSOs or IAs. Programs differ in outcomes, partner countries, thematic issues but should be submitted within one or more JSFs 25% of the program budget can be outside the JSF. |
| Funding modalities | <ul style="list-style-type: none"> - 5-year-funding cycle - Co-financing 20% for CSOs, 0% for IA |
| Eligibility | Only accredited CSOs and IAs. Accreditation is granted for 10 years after passing an eligibility process. These take place every five years and the next one is scheduled for 2025. |
| Private sector | No |
| Application and selection | Accredited CSOs and IAs submit their proposals referring to one or more JSFs Programs are evaluated and selected based on OECD-DAC criteria and criteria set by political priorities (digitalization, rights-based approach, migration) |
| Reporting and evaluation | Relatively low number of requirements, accountability and reporting criteria Results-oriented approach for programs OECD-DAC criteria (relevance, effectiveness, impact, coherence, efficiency and sustainability) Financial and moral report (IATI-reporting, lessons learned, performance scores) Yearly institutional dialogue between the eligible organisations and the administration to follow up the (strategic) progress of the organisation and its programme. |
| Level of competition | Goal of JSFs is to facilitate partnerships between Belgian CSOs and between Belgian and local CSOs. However, there no consensus in the sector. The club of accredited CSOs is small, which minimizes competition as well. |
| Accessibility | Access only to accredited CSOs and IA The relatively harsh eligibility procedure leaves new (and smaller) CSOs |
| Right of initiative | Funding is based on right of initiative Program domain should be related to JSFs, but these were created by the sector themselves |
| Level of political influence | Long term funding cycle limits influence Strategic policy priorities becoming more important Minister has final decision on JSFs |

3.2.3 Joint Strategic Frameworks

The programs submitted by the accredited organisations are aligned within 30 Joint Strategic Frameworks (JSFs), which can be thematic or geographic in nature. In the first cycle (2017-2021) of the JSFs, only one thematic framework existed, which was on the topic of decent work. Currently, three more thematic frameworks have been added³⁴, which are environment and environmental resilience, higher education and academic research (HE4SD) and sustainable cities³⁵. The majority (25) of JSFs are geographical frameworks, focusing on 14 partner countries of the Belgian development cooperation. In addition, one Belgium-based JSF has been developed.

As described earlier on, the JSFs were a pragmatic response from the CSO federations to the governmental calls (period 2015-2016) for more collaboration and coherence between the programs of Belgian CSOs on the one hand and the looming threat of a shift towards more Cfp funding on the other hand. The actual merits of the JSFs are a source of debate. According to ngo-federatie, several CSOs see JSFs mainly as an administrative requirement with limited added value, while some have a more positive reading. The latter argue that the JSFs have led to more consultations, more informal networking, and more exchange of information. However, some have critiqued the fact that Southern-based CSOs do not have direct access to and limited leverage over the JSFs in the context

34 Interview with DGD

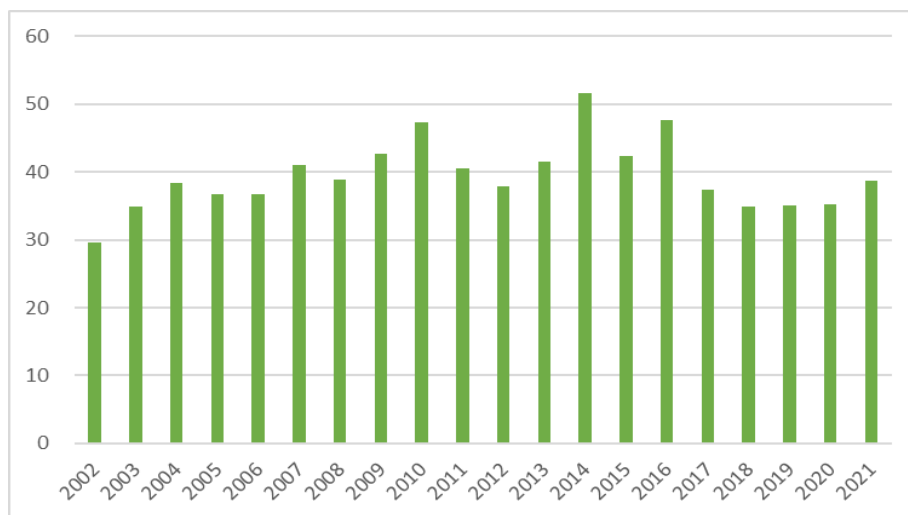
35 Ibid.

of the decolonisation debate. While the JSF process ideally involves consultations in the partner countries, their influence on agenda-setting remains limited, and most is decided at the Belgian level. There are no plans to increase the involvement of local CSOs. With this, the debate about the role and access of Southern-based CSOs to Belgian CSO funding, as well as regarding locally led development is not as prominent as in other case study countries. Finally, at an operational level, CSO critiques about the heavy administrative load of the first JSF framework, have been addressed by the Belgian government by removing several procedures and restrictions. Besides the original aim of promoting complementarity and constructive interaction among CSOs, both sides, also stressed the importance of seeing the JSFs as position papers³⁶. These should provide the government with the necessary information to build up a constructive collaboration with the CSOs.

3.2.4 Global citizenship education

Among the 30 JSFs, one is focused on activities in Belgium, grouping all eligible actors (CSOs, universities, cities, and communities...) that work on Global Citizenship Education (GCE). It is an integral part of the five-year program. The funding modalities are therefore identical to those of other programs focused on the Global South. Amongst all JSF frameworks, GCE receives the most funding, slightly more than CSO funding for the Democratic Republic of Congo (the main partner country). In addition to the five-year program, there are two other modalities for GCE, that is 'Be Global', which is implemented by Enabel; and the co-financing of audio-visual production programs. In Europe, Belgium spends proportionally the most on GCE, on average 2.22% of total ODA over the 2017-2021 period³⁷ (figure 4.2). Belgium was commended in the DAC 2020 peer review for enshrining global citizenship education in the Law on Development Cooperation and for providing 'a robust strategy and a substantial budget' (p.30). The budget allocation for GCE had an average of USD 39.49 million between 2002 and 2021 (figure 3.1). However, there is a perception within the CSO sector that austerity measures tend to affect GCE programs more than other channels of development cooperation. It remains to be seen to what extent the upcoming GCE strategy, developed by DGD in consultation with CSOs, can play a role in reversing this downward trend.

Figure 3.1 Belgian funding for Global citizenship education (in million USD, constant 2021 prices)³⁸



³⁶ Interview with DGD and with ngo-federatie

³⁷ OECD-DAC database

³⁸ As from 2022; Belgium's reporting method to the OECD-DAC has changed. GCE programmes of CSOs and financed by core-contributions are not included anymore. Because of this loss of information, we decided to display only data until 2021.

3.3 France

Box 3: Key takeaways

- From 2017, a more ambitious development agenda was released, with ODA as well as funding for CSOs increasing steadily for the first time since 2010.
- Thematic priorities evolved slightly over time, but concerns are raised that French ODA is increasingly instrumentalised in new development policies and the corresponding funding channels.
- The consultation and participation of CSOs in policy development has decreased compared to previous strategies.
- Global citizenship education continues to receive attention and funding from the French government, although with an instrumental focus, linking it mainly to deradicalisation goals.

3.3.1 Context

France's influence abroad has been waning over the last decades. There are signs that its foreign affairs and trade policies are increasingly looked at critically in the Global South, including in its former colonies³⁹. Historically, French aid has been subject to criticism for its perceived political bias and lack of efficiency⁴⁰. Considering the challenges to its reputation on the African continent, the revitalisation of France's development cooperation agenda has been one of the policy initiatives from the Macron government to turn the tide.

After more than a decade of stagnation and decline, ODA budgets in France have been increasing substantially in recent years. France's ODA reached over USD 17 billion in 2022, compared to just under USD 12 billion in 2017. While increased aid budgets to sub-Saharan Africa provide part of the explanation, higher in-donor refugee costs in France are also an important component of this rise in ODA. In-donor refugee costs have been rising in France since 2009, with costs for migration management currently pegged at almost 12% of ODA (figure 4.1 and figure 4.3 in appendix 1). As a percentage of the country's GNI, ODA accounts for 0.56% in 2022 (figure 2.1). The future ODA budgets are, however, not going to reach the initial budgetary targets that were set in a programming law on inclusive development, adopted in 2021 and which are highly supported by civil society⁴¹. Two years after the adoption of this law, the government decided to postpone the policy intention of reaching the 0.7% target by 2025 to 2030. Reaching this target by 2030 is however not binding. CSOs calculated that the postponement will decrease the future ODA budget (2025-2030) with EUR 11 billion⁴². CSOs argue that the Interministerial Committee on International Cooperation and Development (CICID), is increasingly distancing itself from the original policy intentions of the 2021 law⁴³.

For years, ODA has been largely channelled to emerging economies, with Least Development Countries (LDCs) receiving a substantial lower share of ODA (16.3% in 2021 compared to the DAC average of 22.9%)⁴⁴. The mechanisms differ, however, between both types of countries. Loans are extended mostly to emerging economies, while grants are distributed to LDCs. This ODA allocation

39 Berrault, L. (2022, October 13). *France needs to rehabilitate its African policy*. GIS Reports. <https://www.gisreportsonline.com/r/france-africa-policy/>

40 Tull, D. (2023). *France's Africa policy under president Macron: Good intentions, partial reform and the fiasco in the Sahel* (No. 51/2023). SWP Comment.

41 Coordination SUD. (2023). *Une solidarité instrumentalisée: l'aide publique au développement prise au piège des intérêts économiques et diplomatiques?* https://www.coordinationsud.org/wp-content/uploads/Note-Analyse_CICID_2023.pdf

42 CICID 2023: *France's new strategy for international development cooperation*. (2023, August 3). Focus 2030. <https://focus2030.org/CICID-2023-France-s-new-strategy-for-international-development-cooperation>

43 Coordination SUD. (2023). *Une solidarité instrumentalisée: l'aide publique au développement prise au piège des intérêts économiques et diplomatiques?* https://www.coordinationsud.org/wp-content/uploads/Note-Analyse_CICID_2023.pdf

44 Fürst, M. (2023, 5 October). *Donor profile: France*. Donor Tracker. https://donortracker.org/donor_profiles/france

is remarkable as France's former priority countries⁴⁵ were all categorised as LDCs, but none of them can be found in the top 10 of France's largest ODA recipients. 40% of the development assistance allocated to Africa is distributed to only five countries (Côte d'Ivoire, Egypt, Morocco, South Africa, and Tunisia). As part of the CICID conclusions, from 2024, France commits to substantially increase its support for LDCs and raise the overall share of grants to 70% by 2025⁴⁶.

Looking at CSO funding more specifically, there is an upward trend in the period 2018-2022, which follows a long period of stagnation (since 2010). In 2022, total CSO funding was reported to be USD 857 million (figure 2.2). France allocated CSO funding almost completely as funding "through" CSOs (94.7% in 2022) (figure 2.4). In the 2024 general budget, the government disclosed a new funding trajectory for CSOs until 2026, which pegs CSOs funding at the same level (8% of total ODA, excluding multilateral funding) for the period 2024 to 2026⁴⁷.

Several funding lines exist for CSOs in France. The most important ones are the CSO Initiatives Mechanism, the Appels à projets OSC (APCC), FISONG, the Support Fund for Feminist Organisation (FSOF). In the next section we look more closely to the CSO Initiatives Mechanism because it resembles the most important instrument that could be qualified as funding "to" CSOs⁴⁸.

3.3.2 CSO funding mechanism

The budget for CSO initiative mechanism (Dispositif Initiatives OSC) has been increasing significantly over the years, from EUR 42 million in 2010 to EUR 161.5 million in 2023. While significant, this budget is still modest for a country of the size of France. France's CSO funding is the lowest amongst our six observed countries. The Dispositif Initiatives OSC is, for example, considerably smaller than the main co-financing instrument of Belgium. In addition, the demand of the French CSO sector was four times higher than the available budget for the last funding round. As a consequence, the federation of French CSOs has been calling for higher budgets, in line with the needs of the sector. While a lot of advocacy work has gone into these calls, it has not changed the position of the government. Another reported trend is the increased orientation of CSO funding towards large international CSOs, which can act as contracting agents to achieve French strategic objectives. The exact motivation for doing so could not be confirmed with AFD, but it is reported to be related to the perceived impact that larger CSOs might have, and the fact that it is easier to manage a small number of grants. As the budgets for the OSC Initiatives are limited, only a small part of the diverse CSO community obtains access.

The main feature of the OSC Initiatives mechanism is the fact that CSOs can submit projects and programs without real sectoral, thematic, or geographical restrictions. The procedures do require CSOs to invest in capacity development of Southern-based CSOs as a priority. Between 2018 and 2023, the Strategy for Partnerships with CSOs was the guiding policy framework of l'Agence Française de Développement (AFD) for its interactions with CSOs, in which climate, migration, gender and the Sahel were listed as France's development priorities. This civil society strategy highlights the right of initiative and the involvement of CSOs in France's international activities⁴⁹. Also, for the first

45 France had a list of 19 priority countries, all classified as LDCs and predominantly from Africa. Under a revised strategy (2023), the country has opted to set aside the list of priority countries in favor of extending support to all LDCs (50% of bilateral and multilateral ODA)

46 CICID 2023: *France's new strategy for international development cooperation*. (2023, August 3). Focus 2030. <https://focus2030.org/CICID-2023-France-s-new-strategy-for-international-development-cooperation>

47 Correspondence with Coordination SUD

48 Coordination SUD. (2023). *Comparative study on CSO right of initiative in six European countries*. https://www.coordinationsud.org/wp-content/uploads/CSUD_CSO_Right_Initiative_Europe.pdf

49 Ministère de l'Europe et des Affaires étrangères. (2023). *Stratégie de la France pour la société civile et l'engagement citoyen*. France Diplomatie - Ministère de l'Europe et des Affaires étrangères. <https://www.diplomatie.gouv.fr/fr/politique-etrangere-de-la-france/societe-civile-et-volontariat/strategie-de-la-france-pour-la-societe-civile-et-l-engagement-citoyen/>

time, direct support to Southern CSOs became possible⁵⁰. More specifically, CSOs as well as trade unions from countries that are by the OECD categorised as ODA recipient countries and have received funding from AFD before, can apply directly. In contrast to other countries in this study, there is no eligibility procedure before applying for funding. The eligibility criteria are integrated in the application.

Table 3.2 The Initiatives OSC

| | |
|------------------------------|---|
| Key features | Programme and project grants administered by AFD Wide range of eligible activities, no clear thematic or geographical focus |
| Funding modalities | Duration: 3 years Amount: yearly EUR 95.5 million Co-funding requirements of 25-40 percent (10% for local CSOs*) |
| Eligibility | Both French and Southern-based CSOs |
| Private sector | No |
| Application and selection | 2 rounds: proposal of 4 pages, when accepted full proposal Complaints about transparency? |
| Reporting and evaluation | Result-based management is becoming increasingly important, but so far operationalisation remains limited to logical framework and indicators |
| Level of competition | Emphasis on collaboration between CSO. AFD is also encouraging consortium bids to minimize workload. |
| Accessibility | Rather complicated and time-intensive administrative procedures and, which undermines access for smaller CSOs |
| Right of initiative | No thematic or geographical restrictions |
| Level of political influence | Administered by specialized division within AFD that operates fairly independently from the executive |

* All non-governmental organisations as well as trade unions. They should have been supported by AFD before and be active in classified ODA recipient countries.

3.3.3 Overall discontent despite a more ambitious development agenda

The renewed and more ambitious development agenda of the French government is met with mixed feelings on the side of French CSOs. A first main critique relates to the overall perception that the development agenda is too much driven by French national interests. Economic influence and supporting French companies are becoming more prominent in the French development doctrine. The CSO sector argues that economic priorities are increasingly overshadowing France's development agenda. In addition, there is a fear that the systematic promotion of private interests may undermine the credibility of France's development policies⁵¹. Even though the expansion of the thematic areas is welcomed by CSOs, critiques remain that ODA continues to be instrumentalized due to the fact that diplomatic and economic interests are pushed as important side-objectives⁵². This dual agenda is experienced as 'a programming straitjacket' by French CSOs. ODA is reportedly also increasingly used as an instrument to put pressure on partner countries, for example in the Sahel region, where, in the past, funding has been stopped by the French government when it was not

50 *Support for Civil Society Organizations – 2022 Activity Report*. (2022). AFD - Agence Française de Développement. <https://www.afd.fr/en/ressources/support-civil-society-organizations-2022-activity-report>

51 *Coordination SUD*. (2023). *Une solidarité instrumentalisée: l'aide publique au développement prise au piège des intérêts économiques et diplomatiques?* https://www.coordinationsud.org/wp-content/uploads/Note-Analyse_CICID_2023.pdf

52 *Ministère de L'Europe et des Affaires Etrangères*. (2022). *Orientations de la politique de coopération internationale et de l'aide publique au développement*. https://www.diplomatie.gouv.fr/IMG/pdf/orientations_cle017322.pdf

agreeing with policy developments on the ground⁵³. This also affects the work of French CSOs and their partners, with some of them, for example, being forced to stop the delivery of basic services to vulnerable groups in the Sahel region by March 2024 due to what has been described as ‘diplomatic conflicts’⁵⁴. A second area of critique relates to the volume and modalities of CSO funding, which was already described in section 3.3.2. A third critique relates to the erosion of the policy dialogue between CSOs and the French government. CSOs argue that, over the last few years, the government has shown limited or no commitment to invest in a genuine and strategic policy dialogue with them for policy development and implementation. While CSOs can raise issues during certain high-level events or on public platforms, there is a sense that they are hardly listened to. New aid policies tend to be developed with limited or no consultation of the CSO sector. There might be ad-hoc interactions between AFD and large international CSOs about specific programs and thematic areas, but this does not include the broader CSO community and does not go beyond specific, often more operational, issues. CSOs feel they are relegated solely to the function of service-delivery operators and communication conduits, neglecting the crucial role they fulfil. More recently, the government’s discourse on the role of CSOs in development seems to be changing. While the launch of a new overall strategy for CSOs is still pending, the ministry of foreign affairs has renewed its own strategy towards CSOs in 2023, stating more clearly its commitment to the CSOs’ right of initiative.

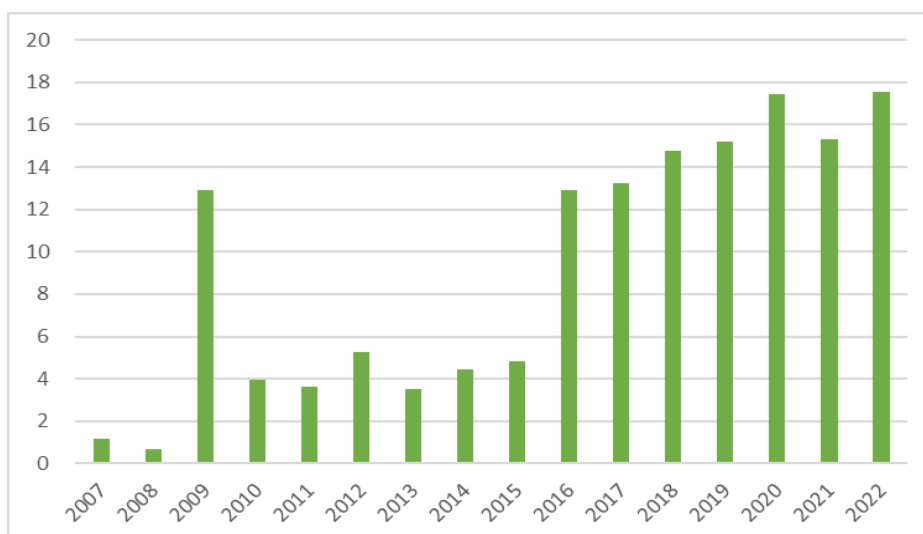
3.3.4 Global citizenship education

Global citizenship education has gained more prominence for both the French government and AFD since 2018. Project proposals submitted under the Initiatives OSC are encouraged by AFD to cover the topic. In 2007, funding allocated was a mere USD 1.15 million. By 2019 it had surged to over USD 15 million (figure 3.2). In 2022, GCE funding topped at USD 17.56 million. With an average of only 0.09% of ODA spent on GCE between 2007 and 2022, however, this remains a rather neglected policy area of the French government. In addition, with the main aim of most GCE funding restricted to combatting Islamic radicalisation, rather instrumental views seem to prevail inside the government. CSOs also complain that a clear policy framework on GCE is lacking, with diverging views between the multiple ministries that deal with the topic. The CSO sector hopes that adaptations made to the Initiative OSC channel will create more clarity in the next round of proposals.

53 Interview with Coordination Sud

54 Coordination SUD. (2023, 29 September). *Sahel: rester aux côtés des populations vulnérables et des sociétés civiles* - Coordination SUD. <https://www.coordinationsud.org/communique-de-presse/sahel-rester-aux-cotes-des-populations-vulnerables-et-des-societes-civiles/>

Figure 3.2 French funding for global citizenship education (in million USD, constant 2021 prices)



3.4 Germany

Box 5: Key takeaways

- ✓ German ODA increased to a level well above 0.7% of the GNI in the reporting period, a trend which gives it a unique position in the study. Some critiques are recorded about the nature and composition of German ODA.
- ✓ CSO-funding in Germany continues to be dominated by block grants to a small sub-group of CSOs, more specifically foundations with a political, religious and/or a social movement background. Traditional development CSOs have access to a separate funding channel, which is growing but remains substantially smaller than the block grants system.
- ✓ In both systems, the right of initiative and autonomy of CSOs is largely respected, but the funding channel for development NGOs is characterised by a strong project-logic. Each NGO must submit multiple project applications rather than one overall programme, increasing the risk for stop-and-go dynamics.
- ✓ The application process for development NGOs is managed by an intermediary agency called Engagement Global, which is reported to be responsive and flexible. The project-based application process has a long run-through period with uncertain outcomes, constituting a bottleneck for small CSOs.

3.4.1 Context

Germany is the second largest DAC donor, and the fourth most generous relative to the size of its economy. ODA is under the overall lead of the Federal Ministry for Economic Cooperation and Development (BMZ). BMZ's current thematic priorities are peace, food security, sustainable economy, climate and energy, environmental protection, and health and social security. In recent years, humanitarian crises related to the Covid-19 pandemic and the relocation of the Ukrainian refugees have been the subject of additional efforts by the different pillars of the German aid system.

After increasing substantially between 2010 and 2016, German ODA fell back slightly the subsequent years, only to steadily resurge from 2020 onwards. In 2022 Germany's total ODA was over USD 37 billion⁵⁵, representing 0.83% of the GNI⁵⁶ (figure 2.1). Reasons for the ODA increase include a surge in in-donor refugee costs (in 2022 14.6% of ODA) (figure 4.1 and figure 4.3 in appendix) and ever more important contributions to international organisations. Even when excluding the growing share

⁵⁵ Constant 2021 prices

⁵⁶ OECD (2023), "Germany", in *Development Co-operation Profiles*, OECD Publishing, Paris, <https://doi.org/10.1787/0079f636-en>. In 2019, Germany's ODA was at 22.6 bio €, in 2020 at 25.9 bio €, in 2021 at 28.1 bio €, in 2022 at 31.5 bio €

of ODA going to migration management, Germany's ODA is still on the rise⁵⁷. The AidWatch 2022 report of Concord⁵⁸, however, takes a critical look at those figures, stating Germany's ODA would be 13 percent points lower if activities "not genuinely contributing to the objectives of development or international cooperation", such as hosting of international students, interests on concessional loans, and donation of in-excess Covid-19 vaccines would be cancelled out⁵⁹. More recently, also in Germany development cooperation has come under increasing scrutiny⁶⁰, and, after many years of ODA growth, the ministry of foreign affairs announced early 2024 a budget cut of 0.7 billion euro.

Since 2010, CSO funding has continuously fluctuated around 6-7% of ODA in Germany (figure 2.3), which is substantially lower than the OECD-DAC average of 15%. The allocation to CSOs has been increasing gradually since 2011 but started a stronger upward trend since 2016. Within BMZ, CSO funding rose from USD 1.729 billion in 2018 to USD 2.128 billion in 2022, constituting an increase of almost 50% (figure 2.2). The bulk of this amount is spent by German CSOs, the remaining, smaller, part by international CSOs and CSOs based in the Global South.

German aid focusses geographically on Africa, Asia and the Middle East, often using loans as an instrument. Since the start of the Scholz government, and the current Minister for Economic Cooperation and Development, 'feminist development policy' - mainly gender equality and women empowerment- has been promoted to become a central theme in all of Germany's development efforts.

3.4.2 CSO funding mechanism

In Germany, political foundations, faith-based networks and recognized social movements still receive the largest part of CSO funding (EUR 532 million in 2017 and EUR 702 million in 2022⁶¹). They are funded under the form of block grants, each of them composed of many (up to hundreds) of projects executed by these organisations and their partners. This system is largely based on trust and historical political agreements.

For German development NGOs, the funding channel managed by Engagement Global is the evident source to turn to⁶². Engagement Global is a public agency with the specific task of handling the large contingent of (non-block granted) CSOs and the steady stream of their project proposals, which presently come at 1200 projects annually. While the budget of this mechanism has always been significantly lower than the block grants, it has been growing, and has nearly quadrupled since 2010. In 2022, German development NGOs were granted EUR 233 million altogether while in 2010 this was only EUR 58 million⁶³. The total budget for this channel is not fixed in advance, but is adapted according to the number of granted applications throughout each calendar year. While some development CSOs look with envy towards the block granted organisations, this is reported to not lead to tensions or a sphere of competitiveness among the German CSOs. In general, German CSOs continue to retain their autonomy as was the case in the past, there are few risks for instrumentalisation by governmental policy and institutions.

57 Confirmed by BMZ and VENRO (interviews). It has been a deliberate policy not to 'substitute' funds meant for projects in the Global South by funds meant for reception of refugees.

58 Concord, AidWatch 2022. Is the EU a payer, a player, or just full of hot air? <https://aidwatch.concordeurope.org/2022-report/>

59 Concord considers these types of activities as inflated aid.

60 tagesschau.de. (2024, January 23). Interview zu Kürzungsplänen: "Entwicklungspolitik ist wichtiges Instrument." [tagesschau.de. https://www.tagesschau.de/faktenfinder/kontext/interview-entwicklungshilfe-100.html](https://www.tagesschau.de/faktenfinder/kontext/interview-entwicklungshilfe-100.html)

61 Interview with Engagement Global

62 Förderung entwicklungswichtiger Vorhaben privater deutscher Träger

63 Interview with Engagement Global

Table 3.3 Development CSO funding mechanism in Germany

| | |
|------------------------------|--|
| Key features | Project funding that aligns with the German civil society strategy (focus on support through CSOs and a rights-based approach) Funding is administered by Engagement Global |
| Funding modalities | Funding amounts range between EUR 50 000 – EUR 10 000 000 Co-funding requirement of 25% (exceptionally 10% for smaller CSOs operating in difficult context (e.g., when working space for civil society activities is reduced)) 4-year funding cycle with an optional extension of 1 year |
| Eligibility | Registered German CSOs with a minimum of 3 years of experience |
| Private sector | No |
| Application and selection | Annual call and free applications for small projects Application procedures are dialogue-based and therefore time-consuming Engagement Global does eligibility checks it is the BMZ who finally decides |
| Reporting and evaluation | A system of self-evaluation for smaller organisations or self-appointing an external evaluator for larger organisations Verification of implementation according to the logical framework indicators Reporting of outcome-affecting hazards |
| Level of competition | Not perceived as competitive |
| Accessibility | Co-funding obligations poses difficulties for smaller CSOs to access funding |
| Right of initiative | There exist no strict geographical and 7 broad thematic conditions There is no risk for instrumentalisation. |
| Level of political influence | The independent operation of Engagement Global is questioned. |

Projects submitted Engagement Global must fit under BMZ’s thematic priorities, being peace, food security, sustainable economy, climate and energy, environmental protection, and health and social security⁶⁴. Since 2020, the project cycle has been extended with one year, that is from a maximum period of three years plus one year extension to a four-year funding cycle with the possibility of a one-year extension. About ten years ago, when the use of a logical framework became obligatory for project proposals, a proper formal evaluation procedure was introduced in the CSO-projects under Engagement Global. Since then, a system has been gradually introduced, putting the accent on self-evaluation for smaller organisations or self-appointing an external evaluator for larger organisations.

The application procedure is quite extensive (5 months in case a proposal does not need editing or reviewing, up to 8 months if a dialogue is set up to make a proposal acceptable to the donor). The lengthy period of uncertainty before a project is finally approved, tends to create stop and go dynamics, with risks for staff disruptions and turn-over. Last minute assessments by BMZ can cause a review of budgets, and/or changes to the selection of partners in the Global South, for example when a partner is thought to be inadequate for the proposed tasks. For small organisations, the requirement that all staff costs should be integrated in the overhead part of the budget, may force them to work with volunteers only.

⁶⁴ BMZ. (2021). *Guidelines for bilateral Financial and Technical Cooperation with cooperation partners of German development cooperation*. <https://www.bmz.de/resource/blob/92794/guidelines-for-bilateral-financial-and-technical-cooperation.pdf> and: BMZ (2016), *Guidelines for the funding of projects of importance to development under the responsibility of private German executing agencies (Chapter 2302 Title 687 76)* (Revised version, effective as of 1 January 2016) – Engagement Global Archive, downloadable as pdf.

3.4.3 Special feature: Engagement Global, an intermediary organization

Engagement Global features quite a unique position in the German (and to some extent European) institutional aid landscape⁶⁵, as the use of a one-stop intermediary structure to channel funding to all the development NGOs was not found in other settings. Engagement Global has about 80 staff, who work contract-based (different from the staff of BMZ, who tend to have the status of civil servants). Engagement Global is considered to be a flexible and easily accessible agency, building and maintaining a confidential bond with the development NGOs. The internal work organisation is such that NGOs usually deal with Engagement Global staff members familiar to them. This holds a risk of arbitrariness, with different staff sometimes using different (or gradually diverting) criteria for judging the soundness of the proposals, sometimes described as ‘micro-management’. However, Engagement Global tries to overcome that risk by regularly organising intervision meetings.

At the same time, NGOs also look critical at some aspects of Engagement Global’s operations. While the system of open dialogue is appreciated, it is thought to be too time-intensive, leading to long application procedure, which can last up to eight months. This causes disruptions, which are difficult to manage, especially for smaller NGOs who often depend on the outcome of a single proposal for the continuation of projects and staff. Additionally, Engagement Global staff are often thought to be too strict, acting with ‘BMZ breathing down their neck’, afraid to make mistakes for which they could be held accountable. Therefore, Engagement Global is seen by the German CSOs as a useful, but not really autonomous organisation.

3.4.4 Other funding mechanisms

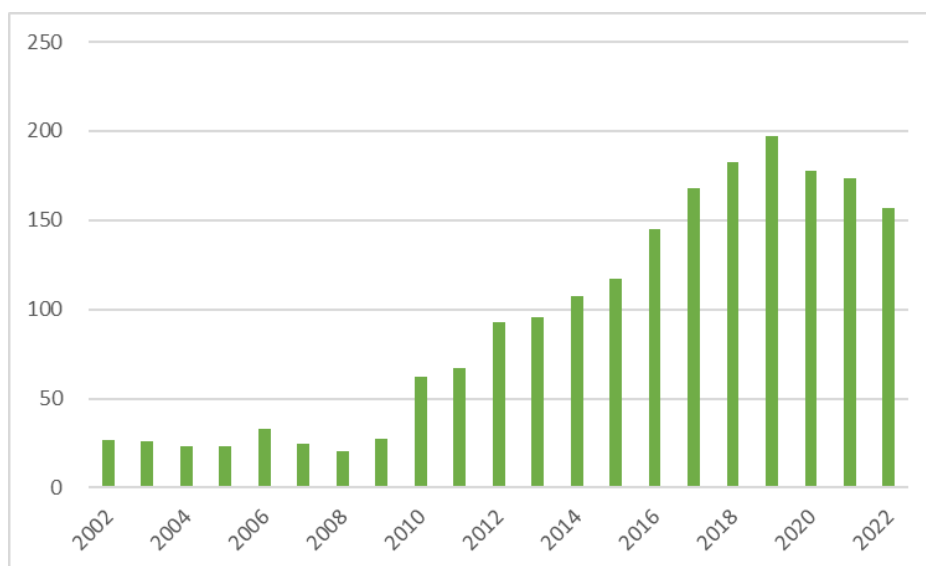
3.4.4.1 Global citizenship education

After a steady increase in GCE funding from USD 26 million in 2002 to USD 197 million in 2019, the total GCE envelope has been decreasing again (USD 157 million in 2022) A special desk within Engagement Global monitors the management and application procedure regarding these funds. The application procedure is similar to the one for projects in the Global South, but the period between submitting and approval is much shorter, and the funding cycle is only three years. Submitting is occasionally open for the private sector such as publishers of schoolbooks or syllabi. In 2017, Germany adopted a National Action Plan to support the UNESCO Global Action Programme on Education for Sustainable Development. This support is provided by a national multistakeholder platform involving expert forums, partner networks, civil society, the federal ministries for environmental affairs, family affairs and economic cooperation and development as well as representatives of the 16 federal states, responsible for formal education and schooling. Various projects funded by Engagement Global feature within this National Action Plan⁶⁶.

⁶⁵ Interview with VENRO and with Engagement Global.

⁶⁶ Raising awareness about global issues (europa.eu): <https://national-policies.eacea.ec.europa.eu/youthwiki/chapters/germany/94-raising-awareness-about-global-issues>

Figure 3.3 German funding for global citizenship education (in million USD, constant 2021 prices)



3.5 The Netherlands

Box 6: Key Takeaways

- ✓ The focus on the political role of CSOs in the Dutch CSO funding system has remained, also under a liberal minister in recent years.
- ✓ The same holds for the competitive assessment process - including conditionalities linking CSO funding schemes to thematic and country preferences of Dutch development policy.
- ✓ More emphasis has been placed on gender equality (covering four of the seven central schemes), and on increasing ownership of Southern CSOs. As such, the CSO funding system is instrumental in facilitating localisation processes.
- ✓ The fragmentation of the funding landscape for CSOs in the Netherlands has not decreased (with new schemes starting or old ones being extended) although discussions are geared mainly to just a few of the major ones under the strengthening civil society policy framework.
- ✓ Public support (or: development awareness) is a non-issue in Dutch policy. Expenditures in this field have dwindled, the global citizenship policy of the late 2000s has disappeared and successive ministers since 2010 have been deafeningly quiet about it.

3.5.1 The context

Between 1975 and 2012, the Netherlands stayed well above the internationally agreed target of 0.7% GNI. Since then, the country reached that target only in 2015 and scored a low of 0.52% in 2021⁶⁷. In 2022, the ODA/GNI ratio rose again to 0.67% (figure 2.1) In absolute terms, ODA reached a peak in 2022 (USD 6.88 billion), which was just above 2008 (USD 6.77 billion) and 2015 (USD 6.85 billion). Crucial here is that in-donor refugee costs take up an increasing part of the development budget (with peaks of 31% in 2015 and 21.6% in 2022) at the expense of expenditures in, for instance, the social infrastructure and services sector (see figure 4.1 and 4.3 in appendix). Debt relief expenditures have come to a virtual standstill since 2018. Overall, sectoral ODA expenditures can differ substantially per year. The economic infrastructure sector, for instance, was good for 17% in 2011 and was left with 4.7% ten years later.

Budget changes over the year have also impacted CSO funding. The latest DAC Peer Review of the Netherlands notes that CSOs as a primary channel, are good for 31% of Dutch ODA (excluding the

⁶⁷ The previous study elaborates further on this decrease: Verbrugge, B., & Huysse, H. (2018). Donor relationships with development CSOs at a crossroads? A comparative study of changing funding realities in 6 European donor countries.

multilateral channel, administrative costs and in-donor refugee costs)⁶⁸. Data for 2018-2022 shows that the Netherlands allocated around USD 1 billion to CSOs (figure 2.2). Crucial here, is the substantial decrease in CSO funding from 2016 onwards: from an annual average of USD 1.24 billion over 2010-2015 to USD 0.99 billion over 2016-2020⁶⁹. Still, with some 19% of ODA going to CSOs in 2021, the Netherlands ranked well above the DAC average. In 2022, CSO funding decreased until 14% of ODA (figure 2.3). Regarding aid “to” versus aid “through”, Dutch CSO funding does not deviate from the picture seen by most DAC peers; aid “through” is substantially larger than aid “to”. However, the share of funding “to” CSOs has increased from 3% in 2011 to around 9% ten years later (figure 2.4).

Many different CSO funding schemes exist in the Netherlands (figure 3.4). The ministry of foreign affairs in The Hague generally administers specific partnership programmes (e.g., Power of Voices Partnerships - see below). However, many other CSO-funding schemes are outsourced to the Netherlands Enterprise Agency RVO (certainly those in which companies can also participate) or to Dutch or foreign CSOs. Oxfam Novib and Hivos, for instance, administer the Voice programme, while four regional women’s funds run the Leading from the South programme. Finally, Dutch embassies are responsible for some schemes (e.g., Accountability Fund, Civic Space Fund, parts of Humanitarian Rights Funds). The discussion about the capacity of embassies to handle CSO funding schemes and the extent to which they prioritise such activities continues in the meantime⁷⁰.

The ministry of foreign affairs is preparing for the following subsidy cycle (2026-2030) and holding consultations with various actors - including from the Global South. This procedure is in line with the ministry’s history of relative openness in terms of developing a shared theory of change on CSO funding, reviews on the effectiveness of the CSO channel and the research programme looking into the assumptions underlying CSO funding⁷¹. Although the way in which such consultations are held might not always be optimal (e.g., with internet consultation being seen as a kind of black box in which it is unclear what happens to input), the fact that they exist, can be seen as illustrative for openness with which civil servants of the ministry deal with CSOs⁷². It is not expected that content-wise things will change dramatically in the short term (e.g., advocacy, partnerships, gender, and localisation will remain central), although over the last few years there was some pressure to strengthen the link with trade⁷³.

3.5.2 Common features

Notwithstanding the diversity in Dutch CSO funding schemes, they also share things. Crucial here is the idea of competition between CSOs for subsidies based on tendering in which the quality of the organisation and the proposal is decisive⁷⁴. Generally, funding schemes know a three-step selection process with, among others, criteria on the theory of change, the vision on cooperation with Southern-based partner organisations and the quality of the track record. This idea of competition is enshrined in the Dutch subsidy system and is the primary starting point for all schemes, although specifics may differ per scheme. At least two major discussion points exist related to this competitive system with rounds every five years. The first relates to the idea that it is a relatively expensive

⁶⁸ DAC (2023), *OECD Development co-operation Peer Reviews: Netherlands*, Paris, DAC. <https://doi.org/10.1787/67b0a326-en>.

⁶⁹ Schulpen, L. (2016), *The NGO funding game - the case of the Netherlands*, Nijmegen, CAOS; <https://repository.uhn.ru.nl/bitstream/handle/2066/157395/157395.pdf>

⁷⁰ Interview with Partos

⁷¹ Verbrugge, B. & Huyse, H. (2018), *Donor relationships with development CSOs at cross-roads? - a comparative study of changing funding realities in 6 European countries*, Leuven, Research Institute for Work and Society.

⁷² Interview with Partos

⁷³ Ibid.

⁷⁴ Schulpen, L. (2016), *The NGO funding game - the case of the Netherlands*, Nijmegen, CAOS; <https://repository.uhn.ru.nl/bitstream/handle/2066/157395/157395.pdf>

assessment and monitoring system, and the second relates to problems in securing long-term partnerships and continuity in the programmes started⁷⁵.

Similarities, however, run further than that (figure 3.4 comparing the four biggest subsidy schemes on main characteristics). That certainly holds for a few schemes that receive the most attention, if only because they take up the bulk of the money. These schemes fall under the 'policy framework for strengthening civil society'. This includes three schemes under the heading of 'Power of Voices' (i.e., Power of Voices Partnerships, Voice, and Accountability Fund) and four under the heading of 'SDG 5 fund' (i.e., Power of Women, Women, Peace and Security, SRHR Partnership Fund, and Leading from the South). Together, they have an annual budget of more than EUR 275 million.

Fundamental to these schemes is a focus on lobbying and advocacy - or, more precisely, on strengthening CSOs in low- and lower-middle-income countries in their role as advocates and lobbyists. This objective reflects a view on CSOs as primarily having a political role based on 'the underlying idea [...] that only through lobby and advocacy the root causes of poverty and (gender) inequality can be tackled' (p.30)⁷⁶. This focus also implies that service delivery activities are not fundable under these schemes - although this has been relaxed for some of the central schemes.

The lobby and advocacy objective were taken up for the first time in the 2014 Dialogue & Dissent policy framework for 2016-2020. In 2019, the objective remained unchanged under the 'Strengthening Civil Society' framework (with the seven central schemes as indicated earlier). Also unchanged remained the idea of strategic partnerships - and thus the idea that the ministry and (consortia of) CSOs will work together 'in pursuit of a common strategic goal that is difficult for a partner to reach through individual efforts'⁷⁷. At the same time, CSOs should also work together and apply for subsidies together. The four biggest schemes in these seven central ones are only open for alliances. Civic space also remained a precondition for CSOs to do their work as advocates and lobbyists and a field of action. In the 2019 policy⁷⁸, civic space forms an even stronger starting point and argument for strengthening civil society 'as an advocate and influencer for human rights compliance and thus the achievement of the SDGs'.

Flexibility - linked primarily to the use of theories of change as a flexible planning instrument but also, for instance, in not excluding service delivery in all schemes - and capacity strengthening also remained as central elements or principles underpinning the CSO policy. Interestingly, compared to the 2014 policy, the policy of 2019 explicitly talks about 'mutual capacity strengthening', thereby emphasising the introduction of a new principle: more ownership by local organisations. The policy emphasises changing power relations within CSO alliances and between Northern and Southern CSOs in the aid chain. Power relations must be tackled by a greater say and ownership of these Southern organisations and mutual decision-making over, e.g., objectives, responsibilities, implementation and funding. As such, the framework can be seen as pushing CSOs under these subsidy schemes into a localisation or shift-the-power direction⁷⁹. As the OECD-DAC⁸⁰ notes, 'The Netherlands is leading in advancing locally led partnerships with [CSOs]. The MFA has taken action to shift the power to Southern civil society partners in programmes managed by international and

75 Interview with Partos

76 Verbrugge, B. & Huyse, H. (2018), *Donor relationships with development CSOs at cross-roads? - a comparative study of changing funding realities in 6 European countries*, Leuven, Research Institute for Work and Society.

77 Wessel, M. van, Hilhorst, D., Schulpen, L. & Biekart, K. (2020), Government and civil society organizations: Close but comfortable? - Lessons from creating the Dutch 'Strategic Partnerships for Lobby and Advocacy', in: *Development Policy Review*, 38 (6): 728-746.

78 Power Imbalances. BZ (2019), The Hague, Ministry of Foreign Affairs (Retrieved 4-10-2023; <https://www.dutchdevelopmentresults.nl/2019/theme/civil-society>)

79 Banks, N., Bukonya, B., Elbers, W., Kanya, I., Kumi, E., Schulpen, L., Van Selm, G., Van Wessel, M. & Yeboah, T. (2024), *Where do we go from here? - navigating power inequalities between development NGOs in the aid system*, Global, Academics Researching Power Imbalances.

80 DAC (2023), *OECD Development co-operation Peer Reviews: Netherlands*, Paris, DAC. <https://doi.org/10.1787/67b0a326-en>.

Dutch CSOs' (p.10). This, then, should undoubtedly hold for the smaller schemes among these seven central ones, such as Voice and Leading from the South and direct funding schemes, such as the Accountability Fund.

However, in a critical assessment, Partos⁸¹ concludes that the Dutch policy 'despite the many innovative elements and good intentions [...] still falls short of creating an enabling environment for balanced power relations'. The report notes four shortfalls related to areas in which the Dutch Ministry sets the rules. As such, Northern CSOs and the ministry must change to contribute to the desired power balance between North and South. The four areas that inhibit the goal of fighting power imbalances are related to:

1. Agenda and priority setting - with many decisions already taken before Southern CSOs joined, Dutch CSOs generally being lead parties and with priorities and time frames determined by the ministry;
2. Managing risks - with the ministry using threshold criteria (the same for all CSOs involved) and transferring risks to the lead agency, making that lead agency a crucial player in fulfilling obligations towards the ministry and granting it much power in the consortium;
3. Accountability - with the lead agency being 'accountable on behalf of all consortium partners' and forcing the lead party to enter into separate agreements with each partner on allocating funds. Besides, the financial accountability mechanism is complex and 'unworkable' for 'Southern partners, most of whom have funding relationships with multiple donors, each with their own audit protocols' and
4. Monitoring, evaluation and learning - with the ministry adopting 'the role of the client in a client-contractor relationship [and] without much consultation with the consortium partners, [acting] rather top-down and prescriptive'.

In the words of Partos, the policy of the ministry is calling for 'Southern leadership, but the practice is unruly'⁸². In reality, specific mechanisms in the funding system are thus contributing to the existing power imbalance between Northern and Southern CSOs instead of facilitating a more significant power balance.

Finally, the 2019 policy paper, more clearly and explicitly than its 2014 predecessor, includes gender equality and inclusion as a central element or principle. This is the outcome of a new policy in which gender equality and the empowerment of women and girls were identified as a goal of all components of the ministry's policy and, thus, of all components of the underlying policy framework. The centrality of gender equality is evident because four of the seven central subsidy schemes fall under SDG5. This, in turn, links up to the new Feminist Foreign Policy, which is seen as 'an opportunity to expand [Dutch] leadership on gender equality' (p.9)⁸³. Unsurprisingly, several other schemes, such as the Challenge Fund for Youth Employment and the Employment for Development in Africa (LEAD) programme, have a 'special focus on women'.

81 Partos (2023), *Recommendations for a more power balanced and effective policy framework strengthening civil society*, Amsterdam, Partos; <https://www.partos.nl/publicatie/voices-on-power/>

82 Interview with Partos

83 DAC (2023), *OECD Development co-operation Peer Reviews: Netherlands*, Paris, DAC. <https://doi.org/10.1787/67b0a326-en>.

Figure 3.4 Main criteria applying to four central subsidy schemes

| | Power of Voices partnerships | SRGR Partnership Fund | Power of Women | Women, Peace and Security |
|-------------------------------------|---|--|---|--|
| Eligibility | <ul style="list-style-type: none"> ▪ Only alliances of CSOs (no individual grants). ▪ Southern and Dutch CSOs can act as main applicant; International CSOs can be partners in an alliance. <p>Individual CSOs can join maximum two alliances and be main applicant once.</p> | <p>Identical to Power of Voices partnerships</p> <p>+</p> <p>Each alliance consists of at least one Dutch and one Southern partner</p> | <ul style="list-style-type: none"> ▪ Only alliances of women’s rights organisations (WROs) are eligible ▪ Each alliance includes at least one Southern WRO ▪ Southern WROs or WROs from high income countries are eligible as main applicant <p>Individual WROs can only join one alliance</p> | <p>Identical to SRGR Partnership Fund</p> <p>+</p> <p>Dutch CSOs should have signed the third NAP1325 before applying</p> |
| Countries | <p>Flexible but overall encouraged to work in focus regions of Dutch overall development policy</p> | <p>Identical to Power of Voices partnerships</p> | <p>Identical to Power of Voices partnerships</p> | <p>Applications should focus on one or more of a given list of 14 countries (and in the case of regional proposals up to two adjacent neighbouring countries)</p> |
| Demarcation | <p>Applications should focus on at least one of seven themes</p> <p>Service delivery activities excluded</p> | <p>Applications should focus on SDG3, SDG5 and at least one of four SRGR result areas stipulated in the policy</p> <p>Service delivery activities are possible provided they serve the primary commitment to advocacy and influence and benefit the groups listed in the four result areas</p> | <p>Applications should focus on at least two of three formulated objectives</p> <p>Service delivery activities are possible provided they serve the primary commitment to advocacy and influence. No more than 20% of the total budget of an alliance may be spent on service delivery.</p> | <p>Applications should focus on SDG5 and at least one of three formulated objectives</p> <p>Service delivery activities are possible provided they serve the primary commitment to advocacy and influence.</p> <p>Alliances apply with a country specific, a regional or a multi-country programme</p> |
| Selection process + criteria | <p><i>Process</i></p> <ol style="list-style-type: none"> 1. Threshold criteria check 2. Theory of Change + Track Record assessment 3. Full proposal assessment (including budget) <p>Maximum twenty applications allowed in phase 3</p> <p><i>Criteria</i></p> <ol style="list-style-type: none"> 1. Threshold criteria 2. Quality of ToC 3. Quality of vision on cooperation with local organisations 4. Quality of track record <p>An external advisory committee oversees the quality, consistency, and objectivity of the assessment processes</p> | <p><i>Process + Criteria + external advisory committee:</i> identical to Power of Voices partnerships</p> <p>Maximum seven applications allowed in phase 3</p> | <p><i>Process + Criteria + external advisory committee:</i> identical to Power of Voices partnerships</p> <p>Maximum seven applications allowed in phase 3</p> | <p><i>Process + Criteria + external advisory committee:</i> identical to Power of Voices partnerships</p> <p>Maximum seven applications allowed in phase 3</p> |

Source: government documents

3.5.3 A broad and diverse field of subsidy schemes

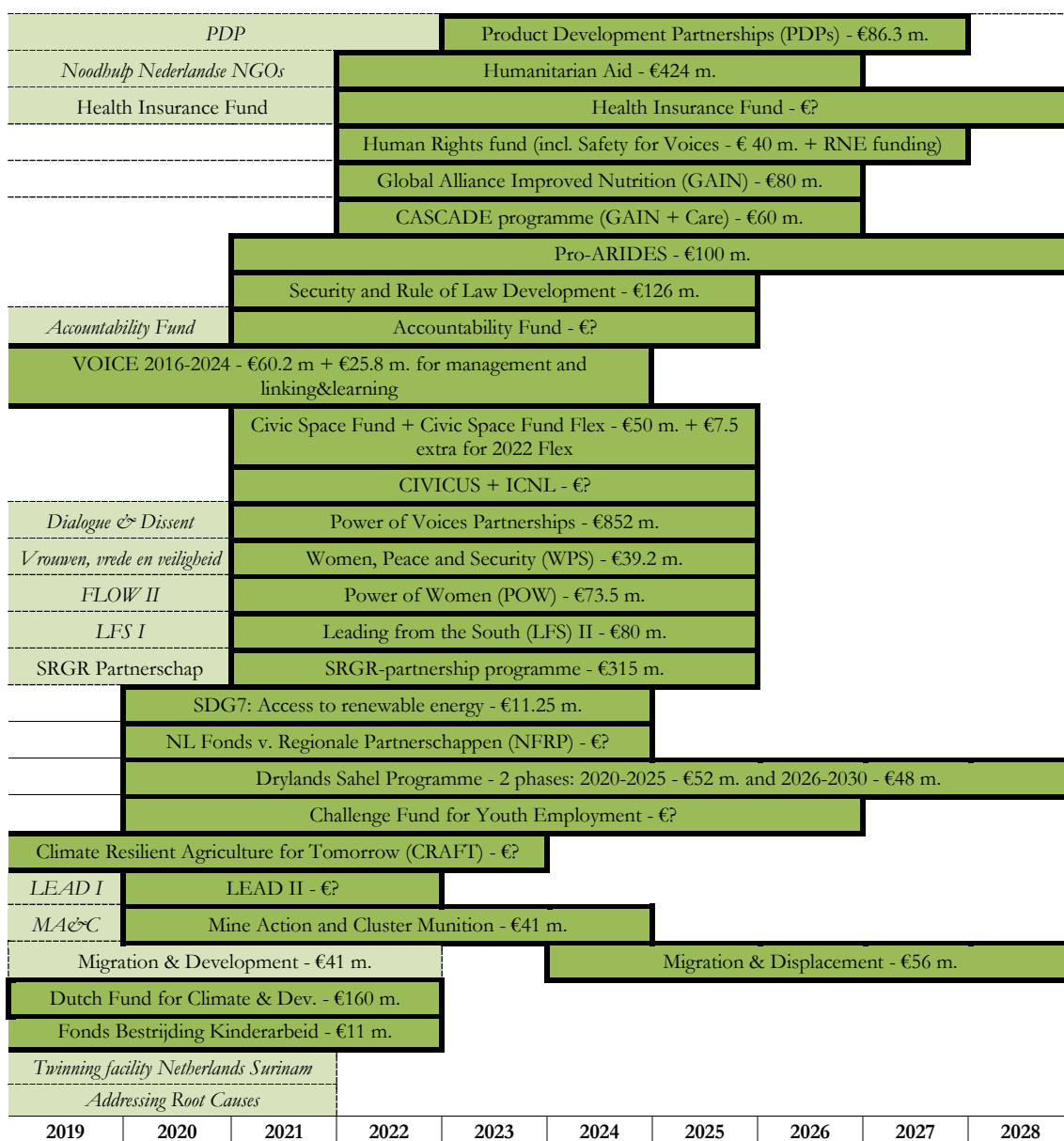
Over 2019, the Dutch ministry of foreign affairs stated to have supported ‘10.372 civil society organisations in more than 60 countries’⁸⁴. Over 2022, it claimed that because of its support in the field of ‘Strengthening Civil Society’ ‘1.395 organisations are better able to stand up for the rights and interests of citizens’ and that that support has led to ‘156 improved laws or policies or improved implementation of these laws or policies’⁸⁵. Although it is practically impossible to independently verify these numbers, such statements on Dutch civil society support results show two things. First, it shows that the political role of CSOs (i.e., advocacy and lobby) is central to Dutch CSO policy. Second, a substantial number of civil society organisations are included in this support.

The latter also holds for the number of Dutch subsidy schemes open for CSOs. Figure 3.5 provides an overview of such subsidy schemes from 2019 onwards. With the ministry not providing a clear overview of schemes, this is likely an incomplete list. While figure 3.5 shows many subsidy schemes, it hides the fact that their diversity is equally staggering. Some subsidy schemes are only open for CSOs, and others are principally meant for private companies but where CSOs can also participate. Some are meant for individual CSOs, but most aim at partnerships (e.g., combinations of CSOs or combinations of CSOs, private companies and knowledge institutes). Some are explicitly meant for Southern CSOs (and might fall under direct funding), while others focus on International CSOs, yet others are open to all. Most are outsourced to RVO (Netherlands Enterprise Agency), Dutch embassies in developing countries, private companies, or CSOs. Some have a lifespan of one or two years, and others run for over ten years. Many are renewed every few years, while others are one-off schemes. With some, the total subsidy available might be as low as EUR 25.000. With others, it might run into tens of millions. Together, they focus on a wide diversity of topics and issues, from emergency aid, water and sanitation to climate change and youth employment.

84 BZ (2019), The Hague, Ministry of Foreign Affairs (Retrieved 4-10-2023; <https://www.dutchdevelopmentresults.nl/2019/theme/civil-society>)

85 BZ (2022), The Hague, Ministry of Foreign Affairs (Retrieved 4-10-2023; <https://www.nlontwikkelingssamenwerking.nl/#/results/themes/civil-society>)

Figure 3.5 Overview of Dutch subsidy schemes (also) open for CSOs (2019 onwards) *



* Although most schemes included here are explicitly meant for CSOs/NGOs some are also open for other actors (e.g., knowledge institutions or private sector) or combinations of actors (as in PPP - Public Private Partnerships). Not in all cases, it is entirely clear whether there was a predecessor or a successor programme or scheme. Data on budgets generally refer to the budget ceiling set at the start of the programme. Actual expenditures may differ.

3.5.4 Who is in?

An overview of CSOs receiving a subsidy under the different schemes is not available - and certainly not with a breakdown of the amount per CSO. Earlier research showed that there is a group of CSOs that manages to tap into different schemes simultaneously and that Dutch CSOs are the primary recipients, although INGOs and Southern CSOs were very slowly catching up⁸⁶.

That catching up of non-Dutch CSOs continued after 2016. Whereas in 2010, 74.3% of CSO aid went to Dutch CSOs, this was down to 64.1% in 2021. In reality, it is mainly the INGOs that

⁸⁶ Schulpen, L. (2016), *The NGO funding game - the case of the Netherlands*, Nijmegen, CAOS; <https://repository.ubn.ru.nl/bitstream/handle/2066/157395/157395.pdf>

‘benefited’ (going up from 12.4% to 27.2%). Southern CSOs, in the meantime, fluctuated over the years but in 2021 ended up substantially lower than in 2010 (8.7% against 13.3%). Still, this is a substantial difference from the past when Southern CSOs ‘even in the best of years [...] receive only a meagre 1.8% of total subsidies granted’⁸⁷.

Also, significant changes have occurred in recent years regarding the number of Southern CSOs receiving funding from the Dutch government. The increased direct funding and changing subsidy rules calling for the inclusion of Southern CSOs as (co-)applicants certainly paid off. For instance, the 62 CSOs under the central funding scheme of Dialogue & Dissent for the period 2016-2020 included four Southern-based organisations, and none of them was the main applicant. The successor scheme, Power of Voices Partnerships (2021-2025), includes 97 CSOs, half Southern-based and two main applicants.

A comparable picture can be drawn for several other major subsidy schemes, such as the Power of Women subsidy scheme. The predecessor FLOW-II programme included no Southern-based CSOs as applicants, while practically all 31 CSO applicants in Power of Women fall under this category. This switch to Southern-based organisations as principal recipients of Dutch government funding naturally holds for direct funding schemes such as the Civic Space Fund or the Accountability Fund. Finally, and as already indicated, a scheme like Leading from the South is interesting as regional Southern women’s funds are responsible for deciding which Southern CSOs will receive funding. Such schemes nicely fit ‘the strong Dutch commitment to locally led development’ and the idea that this commitment ‘is increasingly translated into practice’ (p.10)⁸⁸.

3.5.5 Development awareness and global citizenship education

In 2001, the DAC Peer Review report complimented the Dutch ministry of foreign affairs for maintaining ‘an active network of public education organisations throughout the Netherlands’, resulting ‘in supplementary teaching materials on development for primary, secondary and even university level classes. In this network were CSOs and, particularly, the National Committee for International Cooperation and Sustainable Development (NCDO), which, at that time, was the central public awareness organisation fully funded by the government. This was at the start of the decade of the 2000s, with the Dutch government spending around USD 60-70 million annually on the ‘promotion of development awareness’ (figure 3.6). In this golden decade for public awareness and support, the first-ever policy paper on public support and global citizenship was issued⁸⁹.

Twenty years down the line, spending on development awareness declined to less than USD 0.5 million in 2022 (figure 3.6), the NCDO no longer exists, the 2009 policy long had disappeared in a drawer, and the DAC talked about ‘opportunities being missed to raise development awareness’ (p.76)⁹⁰. The latest DAC Peer Review⁹¹ even declared global citizenship education ‘a blind spot’ (p.39) and called for ‘greater investments and better co-ordination on global citizenship education [...] to bolster public support’ (p.10). Starting in 2011, attention (both policy- and money-wise) for creating, strengthening, or increasing development awareness, public support and global citizenship evaporated⁹².

87 Schulpen, L. (2016), *The NGO funding game - the case of the Netherlands*, Nijmegen, CAOS; <https://repository.ubn.ru.nl/bitstream/handle/2066/157395/157395.pdf>

88 DAC (2023), *OECD Development co-operation Peer Reviews: Netherlands*, Paris, DAC. <https://doi.org/10.1787/67b0a326-en>.

89 MFA (2009), *Investeren in mondiale burgerschap*, The Hague, Ministry of Foreign Affairs.

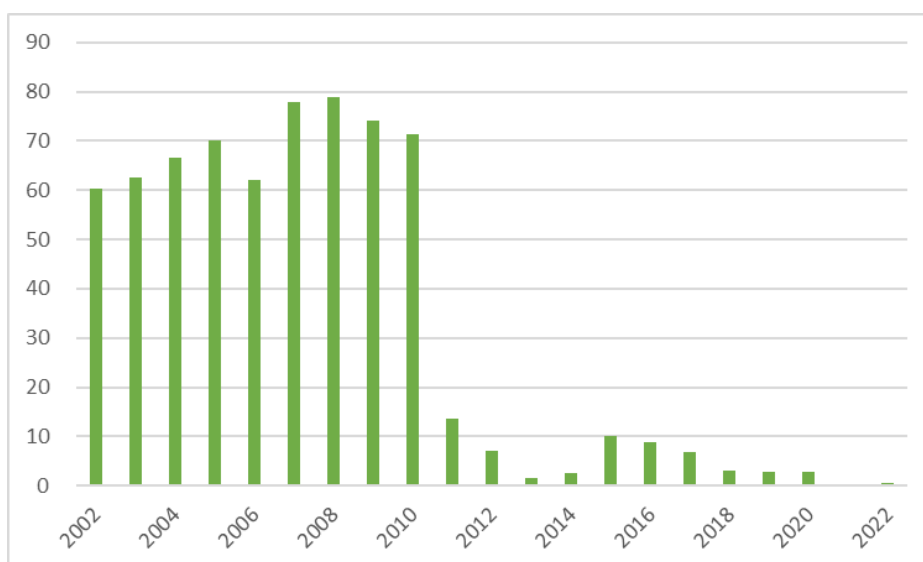
90 DAC (2017), *OECD Development co-operation Peer Reviews: The Netherlands*, Paris, DAC.

91 DAC (2023), *OECD Development co-operation Peer Reviews: Netherlands*, Paris, DAC. <https://doi.org/10.1787/67b0a326-en>.

92 Schulpen, L. & Bouwmeister, S. (2023), *Bittersweet – exploring interactions between NGOs and PDIs in the Netherlands*, in: Haaland, H., Kinsbergen, S., Schulpen, L. & Wallevik, H., *The Rise of Small-Scale Development Organisations: The Emergence, Positioning and Role of Citizen Aid Actors*, London/New York, Routledge.

Perhaps then, the remark in the latest white paper on development cooperation that ‘in the coming years, the government will further invest in raising awareness of the SDGs at home’ (p.37) should be seen as a ‘much-needed reversal’ (p.40)^{93,94}. Although it certainly is already much more than the 2019 white paper⁹⁵, which lacked any reference to global citizenship, development awareness, or public support, it remains unclear whether it marks a change again to a more proactive attitude and increasing investments in this field. Besides, ‘raising awareness of the SDGs’ is not the same as strengthening global citizenship behaviour, which was central to the 2009 policy paper⁹⁶.

Figure 3.6 Dutch funding for global citizenship education (in million USD, constant 2021 prices)



3.6 Sweden

Box 7: Key takeaways

- ✓ With its 1% of GNI target, Sweden has consistently been meeting the OECD-DAC 0.7% target. However, the last government decided to reduce ODA to a fixed amount of ODA, equivalent to around 0.7% (of the GNP of 2022).
- ✓ Aside from budget reductions, there are indications that the Swedish government will re-orient a larger part of ODA towards Swedish national interests, both thematically and in its geographic choices.
- ✓ The historical five-year funding framework was still the most important funding line for CSOs in Sweden at the time of reporting.
- ✓ A new CSO Strategy was originally announced for November 2023, but early February 2024 the government announced that 2024 would be a transitional year. In the meantime, it is decided that Sida's role in selecting which Swedish CSOs will receive structural funding will be reduced in favour of the political level, a development which worries CSOs.

3.6.1 Context

Sweden has often been perceived as a frontrunner in the development sector, both in financial terms as for, amongst others, its progressive CSO policies. The country has consistently exceeded the 0.7% target. Since 2008, ODA in Sweden has been tied to a GNI-based spending target of about 1%. But

⁹³ MFA (2022), *Policy Document for Foreign Trade and Development Cooperation: Do what we do best*, The Hague, Ministry of Foreign Affairs

⁹⁴ DAC (2023), *OECD Development co-operation Peer Reviews: Netherlands*, Paris, DAC. <https://doi.org/10.1787/67b0a326-en>.

⁹⁵ MFA (2019), *Investing in Global Prospects - for the world, for the Netherlands*, The Hague, Ministry of Foreign Affairs.

⁹⁶ MFA (2009), *Investeren in mondiale burgerschap*, The Hague, Ministry of Foreign Affairs.

also in other areas, Sweden's development assistance has been progressive, for example through its strong pro-poor focus, with attention for "leaving no one behind" and policies that are oriented towards the poorest countries and countries in conflict, especially in sub-Saharan Africa⁹⁷. Civil society, gender equality and democracy have consistently been important themes in Swedish development assistance. More recently, this frontrunner role is no longer guaranteed due to major shifts in its political landscape. As Sweden has always been a key proponent of a large role of CSOs in development cooperation, CSOs have a lot to lose if public statements on ODA by some members of the new government would turn into reality.

Since 2017, Sweden's ODA has fluctuated around USD 6 billion, peaking in 2020, ODA was highest at USD 7 billion. In percentage terms, the ODA/GNI ratio fell to its lowest level in 2022 (0.89%) (figure 2.1), which, however, is still well above the DAC average and above the OECD-DAC target of 0.7%.

Sweden strongly supports civic space, with two main objectives of the current CSO strategy being the strengthening of the sector and support for civic space at the local level. This is reflected in the budget allocation to CSOs, as Sweden spends approximately between 17 and 23% of its ODA on CSOs. From 2018 to 2021, Sweden's ODA spending on CSOs increased as a share of ODA, rising by 4.43 percentage points over the period. In 2022, CSO funding dropped with of 2.87 percentage points compared to the year before (figure 2.3). Currently, the share of gross ODA dedicated to CSOs is 22.9% well above the DAC average of 15%. The majority of ODA designated for CSOs is directed "through" CSOs, more specifically around 83% (figure 2.4), however, it should be noted that the main funding scheme has many elements of aid "to" CSOs. Over half of the CSO funding is allocated to international CSOs (59.4% in 2021). Swedish CSOs account for 31.2% of the funding, while Southern CSOs receive the remaining 9.4%. Almost all Swedish ODA is allocated as grants.

Nevertheless, the development sector has recently (2022-2023) been confronted with significant budget cuts, which are attributed to a sharp increase in refugee costs⁹⁸. In this way, Sweden follows the practices of most other countries in this study. However, according to the proposed budget for 2024, expenses for asylum seekers and those requiring protection would not exceed 8% of the aid budget⁹⁹. In 2022, 10.8% of ODA was used to cover these costs, an increase with more than 8 percentage points compared to the year before (figure 4.1 and figure 4.3 in appendix).

3.6.2 Prolongation of the CSO Strategy

Between 2016 and 2022 the five-year funding scheme for CSOs relies on the "Strategy for support via Swedish Civil Society Organizations 2016-2022", or in short, the 'CSO Strategy'. The key objectives of this CSO Strategy were capacity-building of CSOs and supporting civic space in partner countries. Although other funding opportunities from the Swedish International Development Cooperation Agency (Sida) are available, the 'CSO Strategy' channel remains the main and exclusive funding source for CSOs. Sida allocates 40% of its budget to CSOs, and 25% to the CSO Strategy financing¹⁰⁰. Support for the CSO Strategy has however been declining since 2017. In 2022, Sida spent approximately EUR 152 million on the CSO Strategy, which accounts for 17% of Sida's total support for CSOs. In contrast, in 2017, CSO Strategy support made up 21% of Sida's total budget for CSOs¹⁰¹.

97 OECD (2023), "Sweden", in *Development Co-operation Profiles*, OECD Publishing, Paris, <https://doi.org/10.1787/2dcf1367-en>

98 Interview with Sida

99 Ibid.

100 Interview with Sida

101 Data provided by Sida

Table 3.4 Multi-year framework agreements

| | |
|------------------------------|---|
| Key features | Multi-year framework agreements based on the Strategy for support via Swedish Civil Society Organisations 2016-2022. A new strategy for 2023 is not released yet. Agreements are made between Sida and 17 Strategic Partner Organisations (SPOs). |
| Funding modalities | 5-year agreements Own contribution of 5-10% |
| Eligibility | CSOs should be recognized as SPOs |
| Private sector | No |
| Application and selection | Sida initiates selection procedures in correspondence with the objectives of the CSO Strategy There exists no universal framework for selections |
| Reporting and evaluation | SPOs are required to submit narrative (year 1,2,4) and financial reports (annually) Annual independent audit |
| Level of competition | When a new strategy is released, the selection process can create some competition. But limited as there exists a certain stability in SPOs and each SPOs has its own focus |
| Accessibility | Entry costs for CSOs are high The funding scheme only available for a select few CSOs |
| Right of initiative | Activities of SPOs should adhere to the CSO Strategy (broad scope) No geographical limits, all DAC ODA recipient countries No thematic limits but integration of certain thematic perspectives (gender equality, conflict, and climate and environment) |
| Level of political influence | Influence through the CSO Strategy Lot of autonomy for SPOs |

Swedish organizations classified as Strategic Partner Organizations (SPOs) are eligible to receive funding from the CSO Strategy budget to establish projects with their CSO partners in low-income and middle-income countries. The assessment of eligibility for the SPO status is done in parallel with the selection process for new programmes. Until 2023, Sida could decide to invite new CSOs for the SPO status when it observes that some of the goals it wants to contribute to, cannot be addressed by the current set of SPOs. The actual procedure for the assessment differed from cycle to cycle, depending on the available resources and time. The procedure was perceived to be quite demanding in terms of time and expertise, which created barriers for new CSOs that wish to receive the SPO status. Currently, only 17 Swedish CSOs and 5 international CSOs are recognized as SPOs. Under the new CSO Strategy, it will be the government that decides which organisations can receive support. Nevertheless, certain CSOs that do not fall under the ‘SPO status’, are still eligible for smaller amounts of funding through the main CSO channel. Certain SPOs, such as Forum Syd, have a mandate to channel to funds to various smaller CSOs. Additionally, all CSOs have the opportunity to seek funding from alternative strategies such as through specific calls launched in the bilateral channel.

The framework agreements with SPOs are established around the principles of autonomy and the right of initiative. Sida does not interfere with the activities of the SPOs as long as they adhere to the current CSO Strategy, which has a broad scope. The CSO Strategy is not limited to any specific geographic location and includes all countries classified as ODA recipient countries on the DAC list. Furthermore, there are no thematic restrictions; however, Sida requires the integration of certain thematic perspectives in all its work, including gender equality, conflict, and climate and environment.

3.6.3 A looming threat for Swedish development CSOs?

At the end of 2022, a new centre-right government came to power in Sweden. Early February 2024, the new government published a transitional CSO strategy which will be valid for one year. The

transitional strategy is not deviating strongly from the old strategy, aside from the role of Sida in the CSO Strategy selection process, which is significantly reduced in favour of the political level. Earlier on in 2023, it was decided that ODA will no longer be tied to the 1% target but will be replaced by fixed amounts for the next three years. With the decoupling of ODA, the new government has decided to allocate a fixed amount of EUR 4.8 billion for the next three years, 2023-2025. This is a decrease in both relative and absolute terms. However, Sweden's ODA/GNI ratio would still be above the target of 0.7% and would still be among the top five OECD-DAC donors¹⁰². Decoupling increases the risk that Swedish ODA will decline over time¹⁰³. Countries that are geographically closer to Sweden will be prioritised by the new government, abandoning the “leave no one behind” policy. Development assistance will also be more closely linked to trade, economic opportunities, and private sector development, with a greater focus on middle-income countries, although it is not yet clear what form it will take exactly¹⁰⁴. Aid would be conditioned on the repatriation of refugees. Ukraine became a priority in 2022 and is likely to continue so for some time. Projections indicate that Ukraine will be the largest recipient of Swedish ODA (excluding the multilateral channel) in 2023¹⁰⁵. Sweden's strong feminist policy also seems to be moderated under the new government¹⁰⁶. There are also expectation that the attention for climate issues might go down.

3.6.4 Global citizenship education

The last policy on global citizenship education in Sweden is the now outdated “2016-2022 Strategy for information and communication activities, including through civil society organisations”. The strategy aimed to inform citizens about Swedish development cooperation and to create a support base for a “fair and sustainable global development”¹⁰⁷. The current government has not formally extended, nor renewed the GCE strategy. Obtaining a full picture is difficult due to gaps in the public information about the evolution of budget over time. A study conducted by Concord¹⁰⁸ in 2018 was able to picture GCE funding from 2011 until 2016, although it also struggled with the lack of information. According to this study public funding for GCE decreased from EUR 8 million in 2012 to EUR 7.14 million in 2015. The DAC peer review report from 2019 mentions considerable higher budgets that were allocated to the promotion of development awareness, amounting to USD 16.5 million in 2017. According to the DAC report this represents an increase of 17% from 2016¹⁰⁹. OECD-DAC CRS data show a fluctuating trend with peaks in 2005 and 2009, and a serious dip of USD 11 million in 2022 (figure 3.7). As GCE is part of a different strategy than the CSO Strategy, applications for funding are also open to different kind of organisations such as think tanks and journalists¹¹⁰. However, according to the Concord study, CSOs were the main recipients of GCE funding. Whether a new strategy on GCE will be published by the new government is unclear yet.

102 Donor Tracker. (2023, January). Draft Swedish budget falls short of 1% ODA/GNI target. https://donortracker.org/policy_updates?policy=draft-swedish-budget-falls-short-of-1-oda-gni-target

103 Käppeli, A., & Calleja, R. (2022, 4 November). *The end of an aid superpower? What to make of Sweden's new development policy.* Center For Global Development | Ideas to Action. <https://www.cgdev.org/blog/end-aid-superpower-what-make-swedens-new-development-policy>

104 Interview with ForumSyd

105 OECD (2023), “Sweden”, in *Development Co-operation Profiles*, OECD Publishing, Paris, <https://doi.org/10.1787/2dcf1367-en>

106 Denskus, T. (2023, 28 June). The worrisome shift to the right of Nordic development cooperation. *Aidnography*. <https://aidnography.blogspot.com/2023/06/Finland-Denmark-Sweden-Norway-worrisome-shift-to-right-Nordic-development-aid-humanitarianism.html>

107 Regeringen och Regeringskansliet. (2016, 21 June). *Strategi för informations- och kommunikationsverksamhet, inklusive genom organisationer i det civila samhället, 2016-2022.* Regeringskansliet. <https://www.regeringen.se/regeringsuppdrag/2016/06/strategi-for-informations-och-kommunikationsverksamhet-inklusive-genom-organisationer-i-det-civila-samhallet-2016-2022/>

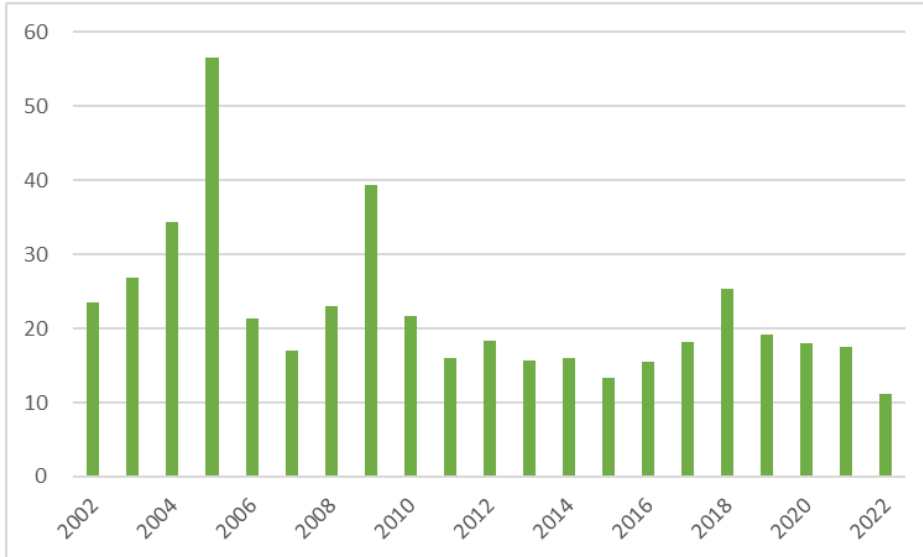
108 Concord. (2018). *Global Citizenship Education in Europe: How much do we care?* https://reterus.it/public/files/GdL/Educazione/018_CONCORD_GCE_FundingReport.pdf

109 OECD (2019), *OECD Development Co-operation Peer Reviews: Sweden 2019*, OECD Development Co-operation Peer Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/9f83244b-en>.

110 Ibid.

But there exist realistic chances that the strategy might be reviewed drastically by the new right-wing minister, potentially resulting in lower budgets for GCE.

Figure 3.7 Swedish funding for global citizenship education (in million USD, constant 2021 prices)



3.7 The United Kingdom

Box 9: Key takeaways

- ✓ The UK development sector has experienced a turbulent period, not only because of COVID-19, but especially due to political shifts as a consequence of Brexit. Especially the latter had a profound impact on ODA and its modalities.
- ✓ The integration of the former DFID into FCDO had substantial consequences for the goals, strategies and the implementation of development cooperation in the UK.
- ✓ ODA volumes took a sharp dive in 2021, further re-enforced by a sharp increase of the in-donor refugee costs.
- ✓ More recently, the government has launched a White Paper on development, announcing a rise in ODA budgets, and with fresh policy intentions to re-connect with more pro-poor development agendas.
- ✓ Aside from several rounds of budget cuts, development CSOs were confronted with the end of several funding mechanisms, and a further re-orientation of development agendas to national interests. As a result, the UK now has a fragmented and highly competitive CSO funding landscape.
- ✓ With the closure of most of the funding lines for small to medium CSOs, it is likely that CSO funding continues to privilege bigger and more established CSOs and consultancy groups.
- ✓ As in the previous study, the private sector continues to leave its mark on CSO funding, as epitomised by (1) the emphasis on collaboration between CSOs and the private sector; (2) the role of consultancy firms in managing CSO funding; and (3) the importance of commercial contracts.

3.7.1 Context

The previous years have probably been some of the most turbulent for the UK development sector since its existence. Part of the drivers of disruption are the same as in other countries, such as the COVID-19 pandemic and the war in Ukraine. Covid-19, for example, both had a negative impact on the implementation of the activities of CSOs in the partner countries and on the possibility to organise fund raising activities during lockdowns. Many CSOs had to lay-off staff in the UK and in

partner countries¹¹¹. However, it were political developments that caused the largest shock in the UK aid system. The political turmoil that followed the Brexit referendum (2016), gradually strengthened the position of hardliners in the ruling (conservative) party. While the battled government of Theresa May was not deviating strongly from the pro-aid agenda under prime minister Cameron, the situation changed when Boris Johnson took over the Tory leadership in July 2019. Hardliners that had questioned for years the relevance of the Department for International Development (DFID) and even of ODA itself, arguing that charity ‘starts at home’¹¹², took over. While previous aid policies¹¹³ had already responded to mounting criticism about aid by explicitly marrying aid spending to national economic and political interests¹¹⁴, the Johnson government, pushed through structural reforms that had a profound impact on British aid. The impact is described in detail in the report ‘UK aid under pressure: A synthesis of ICAI findings from 2019 to 2023’¹¹⁵, by the Independent Commission on Aid Impact (ICAI). The review¹¹⁶ refers to, amongst others, the sharp reduction of ODA and its growing volatility; the loss of expertise due to absorption of DFID in the Foreign, Commonwealth & Development Office (FCDO); the lack of transparency on UK aid spending; the unpredictability of funding; and the increased instrumentalisation of aid for national agendas. These reforms affected all the pillars of the UK development scene at the core, as will described in the following sections.

After several years of reaching the 0.7% target, ODA allocations made a sharp decline in the period 2020 to 2021, corresponding with a reduction in one year from 0.7% to just 0.5% of GNI (figure 2.1). In addition, the ICAI Commission¹¹⁷ calculated that around one third of the 0.5% ODA was now going to UK-based refugee costs¹¹⁸. As a consequence, ODA budgets have been increasingly handled by other ministries¹¹⁹ (from 16% of ODA in 2018 to almost 38% in 2022, figure 4.1), bringing the ‘pure’ ODA down to just 0.36% of GNI in 2022. These rounds of budget cuts have caused a shock effect in the aid sector as running programmes, long-term partnerships and staff contracts had to be ended mid-way. The downward trend was even stronger for CSOs which had to absorb proportionally a bigger cut as the share of CSO funding of the total ODA decreased from 11% to less than 9% (figure 2.3), corresponding with a drop in absolute funding levels from around USD 2.217 billion to USD 1.45 billion (figure 2.2). Furthermore, due to Brexit, many UK-based CSOs found themselves cut-off from European development funding, which again eroded their funding base. Finally, the predictability of aid went down, with different rounds of aid cuts that were unannounced, and did not necessarily follow clear logics, and that further seemed to be influenced by ad-hoc lobby work of individual organisations.

Contrary to the previous study, we could not find secondary sources that provide insight into how exactly the budgetary shifts have affected the distribution of CSO funding across CSOs. OECD-DAC data indicate that there was no shift in the high percentage of ODA-funding being channelled “through” CSOs (77%, figure 2.4), rather than as funding “to” CSOs. A more fine-grained spend analysis is impossible due to a lack of data from FCDO, as observed by Bond. The previous

111 Worley, W. (2020, March 7). *40% of UK NGOs say they will collapse within 6 months without new support The proportion of development charities worried about their immediate survival appears to be growing*. Devex. <https://www.devex.com/news/40-of-uk-ngos-say-they-will-collapse-within-6-months-without-new-support-97182>

112 Bloomfield, S. (2017). *The war on aid: the hidden battle inside Priti Patel's own department*. Retrieved online from <https://www.prospectmagazine.co.uk/politics/the-war-on-aid-the-hidden-battle-inside-priti-patels-own-department>

113 UK gov (2015). *UK aid: tackling global challenges in the national interest*. UK

114 Verbrugge, B., & Huysse, H. (2018). *Donor relationships with development CSOs at a crossroads? A comparative study of changing funding realities in 6 European donor countries*.

115 The Independent Commission for Aid Impact. (2023). *UK aid under pressure A synthesis of ICAI findings from 2019 to 2023*. <https://icai.independent.gov.uk/wp-content/uploads/UK-aid-under-pressure-synthesis-of-ICAI-findings-2019-23.pdf>

116 ICAI (2023). *UK aid under pressure: A synthesis of ICAI findings from 2019 to 2023*. UK

117 ICAI (2023). *UK aid funding for refugees in the UK*. UK

118 In a more recent update of the study on refugee costs, ICAI (September 2023) concludes that due to the new the UK government's Illegal Migration Act (from here on ‘the Act’), most of the refugee costs will no longer be able to be counted as ODA.

119 FCDO (2023). *Statistics on International Development: Provisional UK Aid Spend 2022*. UK

study^{120,121} concluded that overall CSO funding had been on the rise, that individual giving was larger than previously estimated, and that a small group of large NGOs was absorbing a large majority of the funding. It is very likely that the combined effect of the covid-19 crisis and the ODA budget shifts and cuts have changed this picture, but aside from anecdotal evidence, no further information could be found to map the changes.

As indicated, the merger, or as some say the ‘take-over’, of the former DFID into FCDO, has had consequences for the thematic prioritisation, geographic allocation, the aid modalities and the development expertise of the organisation. The thematic shift involved a larger focus on interventions that contribute to national interests related to migration, security, trade, and geopolitical agendas. It also resulted in a systematic ‘de-programming’ of traditional development-oriented themes. From a geographical perspective, aid has been increasingly channelled to countries that are strategic to the UK, such as the Commonwealth countries, and a scaling-back of the ODA to other countries. The integration of DFID into FCDO also affected the position of former DFID staff, which were now often overseen by FCDO staff with a trade, commerce, or foreign affairs background. This development, together with the effects of budget cuts and new hiring policies, led to a loss of development expertise, as documented by ICAI. Based on several reviews it noted¹²² the ‘erosion of technical capacity and institutional memory’ and concluded that the transition left ‘the department inward-focused and distracted for much of the period’. In response, FCDO has focused on further reducing the burden of managing the different aid channels, by centralising it into mechanisms that could be outsourced to large consulting firms, which then further disperse it to other actors. While this trend could already be observed in the previous study, it was reportedly taken to a new level in the period under review.

More recently, there are signs that the conservative government under prime minister Sunak wants to reconnect with earlier aid policies, as described in a new ‘White Paper on International Development’. Less than one year before the elections, this White Paper signals a change in the hardliner discourse under Johnson. Initial reviews¹²³ of the paper are carefully positive about the refocus on extreme poverty and inequality; the aim of pursuing more respectable and equitable development partnerships, including with civil society; and the promise to increase ODA funding levels to 0.7% by 2030. At the same time, questions are raised about the long time it will take to bring ODA back to its previous levels, and the lack of ‘beyond aid’ reforms, such as regarding corporate taxation, debt, and trade.

In line with the previous study, our analysis focuses on centralised CSO funding through grants. While a substantial part of DFID’s CSO funding is being distributed in a decentralized way through its country offices, it is challenging to obtain accurate data about this component. In addition, as observed in the 2018 study, funding to non-governmental organisations is increasingly channelled through commercial contracts¹²⁴. These tenders are also accessible for CSOs, but a majority are won and executed by large consultancy firms. For this reason, the remainder of this section is devoted to more traditional grant schemes.

120 Bond (2018). *Financial trends for UK-based INGOs An analysis of Bond members’ income between 2006 and 2016*. Retrieved online from www.bond.org.uk/sites/default/files/resource-documents/financial_trends_for_uk-based_ingos.pdf

121 Brockington, D., & Banks, N. (2017). *Changes in Expenditure, Income, and Income Sources for development NGOs based in the UK* Report from University of Sheffield. Retrieved online from <https://www.sheffield.ac.uk/news/nr/development-ngos-charitable-expenditure-research-1.747024>

122 ICAI (2023). UK aid under pressure: A synthesis of ICAI findings from 2019 to 2023. UK

123 Bond (2023). Blog: The UK White Paper on International Development – Has it delivered on its ambitions?. November 20, 2023 and Green, D. (2023). Blog: What to read on the new UK White Paper on International Development?. Oxfam UK

124 See the 2018 HIVA study for a detailed analysis

3.7.2 CSO funding mechanism

The last funding line that provided flexible, long-term funding that can be programmed by CSOs, already dates back as far 2016, when the Programme Partnership Arrangements came to an end. Since then, CSO funding has been largely channelled through four ‘funding pots’ that represent more short-term funding opportunities with stricter thematic and/or geographical conditionalities. Although the aid landscape changed drastically over the last five years, no new CSO funding mechanisms were created. From the four main CSO mechanisms that existed in 2018, one was ended in 2021, one was scaled back significantly, leaving only two that are currently active:

- **UK Aid Direct** was the most important funding channel for small- and medium-sized CSOs. It ended quite abruptly mid-2021. Other smaller funding lines for small charities were also discontinued, closing-off their access to public funding;
- **UK Aid volunteers** aims specifically at supporting volunteers: the original budget was reduced significantly, some organisations lost their funding, but the mechanism is still active;
- **UK Aid Match** (see also 3.7.3) aims to give the British public a greater say in CSO funding, by matching charity appeals with public funding (DFID matches every pound spent for the selected projects).;
- **UK Aid Connect** was designed specifically to stimulate coalition-building between public, private, and not-for-profit organizations. The funding was reduced in April 2021 from GBP 138 million to GBP 99 million, which had implications on the running projects.

Our analysis focuses on **UK Aid Connect** as it is the only existing mechanism that resembles to some extent the CSO funding schemes in other countries. UK Aid Connect was built on the idea of empowering civil society-led consortia to foster innovative and evidence-based responses to intricate development challenges¹²⁵. It hinges on the assumption that a consortia model could yield more innovative approaches and better Value for Money compared to a single organization model. These conditions involved diversifying providers through an open, competitive, and outcome-focused funding model, assumed to be more conducive to innovation than the previously limited, long-term, unrestricted funding for a select few. A side goal was to streamline resource management by delegating some responsibility from funder to consortia lead. This approach was anticipated to reduce the resource demands on DFID/FCDO staff in both policy and program management. The business case underscored the significance of continuous learning for both funders and implementers, promoting adaptive programming and emphasizing the need for attention to the environmental impact of consortia. This included the concept of a co-creation phase of six to nine months.

The application was organised as a one-stage, light-touch process, with the aim of enhancing accessibility and inclusion, but also avoiding unnecessary investment of resources for unsuccessful applications. The selection led to the identification of 13 consortia which had submitted programmes under eight thematic areas: promoting sexual and reproductive health and rights; disability inclusion; working towards global security and stability; building civil society effectiveness; building open societies; tackling child labour and modern slavery; addressing lesbian, gay and bisexual and transgender inclusion; supporting tolerance and freedom of religion or belief.

A review¹²⁶ of the first phase shows that UK Aid Connect was successful in bringing together a diverse group of stakeholders. Aside from INGO, many consortia included membership networks, academia, and private sector actors. However, only 11% of the consortium members were from low or middle- income countries. The UK Aid Connect model was judged as innovative and relevant to

125 UK Aid Connect Annual Review 2021: Annex A: Learning for Consortia: UK Aid Connect Lessons:
https://iatf.fcdo.gov.uk/iatf_documents/90000419.odt

126 UK Aid Connect Annual Review 2021: Annex A: Learning for Consortia: UK Aid Connect Lessons:
https://iatf.fcdo.gov.uk/iatf_documents/90000419.odt

explore complex global challenges, for example through the investment in a co-creation phase. Certain modalities were perceived to be in contradiction with the objectives, such as the four-year funding timeline, which is perceived to be insufficient, the focus on value-for-money, and the engagement models with Southern-based actors.

Table 3.5 UK Aid Connect¹²⁷

| | |
|-----------------------------------|--|
| Key features | Civil society-led consortia with a diversity of profit and non-profit partners, focusing on tackling complex global challenges with innovative solutions. |
| Funding modalities | Overall funding was reduced in April 2021 from GBP138 million to GBP99 million. The budget covered the interventions of 13 consortia, or on average GBP6-7 million per consortium. |
| Eligibility | Civil society-led consortia with broad diversity of stakeholders |
| Private sector | Yes, strongly encouraged |
| Application and selection | one-stage, light-touch process |
| Reporting and evaluation | Not clear |
| Level of competition (++) | High |
| Accessibility (+) | High diversity of partners, including first-time recipients, but limited participation of Southern partners |
| Right of initiative (+) | Relatively high, within eight main thematic areas |
| Level of political influence (+-) | Limited |

3.7.3 Global citizenship education

Early 2000, with the growing policy attention for results-based management in the UK, programmes aimed at raising awareness about development issues, were funded by DFID under the assumption that these programmes would need to show that they contribute to a reduction in poverty in the Global South. When a review of DFID’s portfolio of development awareness work concluded that such direct link was difficult to establish, the UK government decided to stop funding for development awareness projects after 2010¹²⁸. Since then, governmental funding for global citizenship education has been fluctuating (figure 3.8), but overall limited and mainly directed towards supporting global learning in schools. From 2013 to 2018, the UK government, through DFID, provided, amongst others, relatively small levels of funding of around 3 to 4 million pounds a year, for the Global Learning Program supporting schools across England to implement GCE interventions¹²⁹. Over the last few years, FCDO is reported to have contributed, amongst others, around 17 million pounds to the ‘Connecting Classrooms through Global Learning’ program, co-delivered and co-funded by the British council. The programme operates across the UK and in 29 overseas countries and seeks to support schools to implement GCE through the development of partnerships between school¹³⁰.

In addition to the school-based programmes, the conservative government introduced the UK Aid Match mechanism, as a way to raise additional private funding for charities, as well as contribute to public engagement objectives. This was seen as a more effective way of doing CGE. While it is unclear if this was actually coded as CGE in the OECD-DAC database, the theory of change underpinning

127 For more information see www.ukaidirect.org

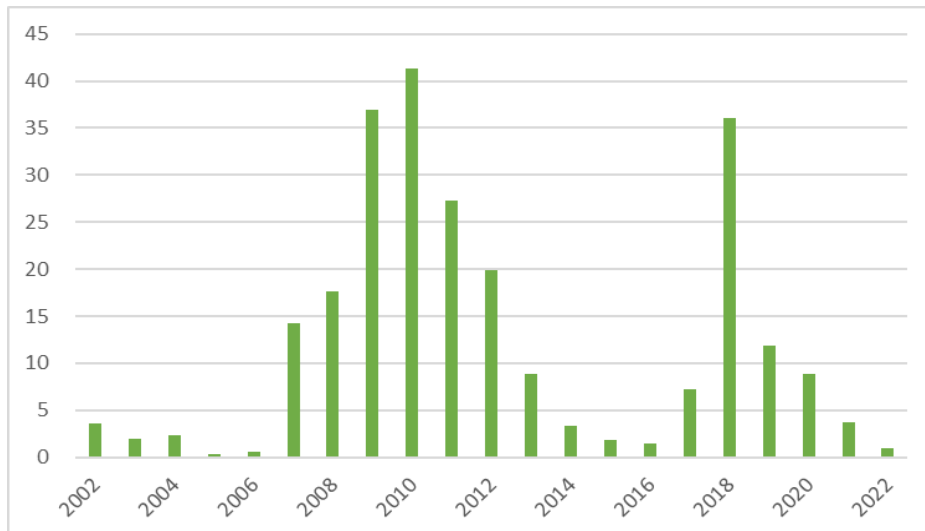
128 O’Brien, S. (2011). The Department for International Development’s Approach to Development Education. Policy & Practice-A Development Education Review, (13)

129 UK Aid Connect Annual Review 2021: Annex A: Learning for Consortia: UK Aid Connect Lessons: https://iafi.fcdo.gov.uk/iafi_documents/90000419.odt

130 Ipsos report (britishcouncil.org)

UK Aid Match explicitly links the funding channel to CGE objectives. It builds on the conservative government’s vision for a “bigger stronger society”, more specifically the idea that by giving the British public a greater say in CSO funding, they will not only increase private funding but also give the charities more opportunities to communicate with their donators. The government matches¹³¹ every pound raised in charity appeals with one pound of public funding. A review¹³² of the first round of the UK Aid Match mechanism, states that there are indications that the matching approach did raise additional funds, but the report does highlight that it is not possible to do a full contribution analysis due to methodological challenges. The review also refers to monitoring data that is reported to show that the mechanism reached people that were not donating previously. However, the evaluation did not determine the effect on public attitudes or levels of engagement in international development, while these should be important goals of any GCE activity. The 2020 DAC peer review was critical about the UK’s approach to GCE and pointed out that the government’s communication on development remains quite aid-centric and that it could benefit from the lessons learned from its global citizen education programmes. It is not clear to what extent this recommendation has been picked up.

Figure 3.8 UK funding for Global citizenship education (in million USD, constant 2021 prices)



131 DFID matches every pound spent for the selected projects

132 Ecore (2020) DFID Performance Evaluation for the UK Aid Match II Programme: <https://devtracker.fcdo.gov.uk/projects/GB-COH-01650169-C5959/documents>

4 | Cross-country analysis

4.1 Bringing it all together: previous and current trends

Table 4.1 Evolutions between 2018 study and 2024 study

| Key findings of the 2018 study | Key findings of the 2024 study |
|--|--|
| <p>While absolute CSO funding levels stagnated over the period 2015-2018, the relative share of CSO funding in the total ODA-mix decreased in most countries.</p> | <p>We observe a mixed picture for the absolute funding levels, with growth in Germany and France, stagnation in Belgium and Sweden, and a sharp drop in the UK. The share of CSO funding of the total ODA is eroding in four out of six countries but increasing slightly in France and Sweden. Political developments in Sweden and the Netherlands raise doubts about future funding levels.</p> |
| <p>Earmarked funding, or funding ‘through’ CSOs, remained the dominant funding mechanism compared to more flexible, long-term funding arrangements (funding ‘to’ CSOs, or framework agreements).</p> | <p>Earmarked funding increasingly outweighs the funding modality of long-term framework agreements (funding ‘to’ CSOs), with Belgium being a remarkable exception. However, Germany and Sweden offer funding modalities that resemble to some extent funding ‘to’ mechanisms.</p> |
| <p>The funding landscape has become increasingly unstable and fragmented, with emerging prominence attributed to new and smaller grant schemes characterized by narrower thematic and/or geographical focuses.</p> | <p>Fragmentation remains a key challenge in several countries. The rise of political parties that are critical about ODA further brings instability and uncertainty.</p> |
| <p>CSO funding was predominantly allocated based on instrumental or managerial considerations, although it’s crucial to highlight variations among the observed countries.</p> | <p>Instrumentalisation persists as an ongoing trend across most countries, yet to varying degrees. Private sector interests and migration management are becoming more prominent in ODA allocations.</p> |
| <p>The heightened reliance on forms of funding where CSOs are acting as contractors for the donor (funding ‘through’) and the domination of result-based management working arrangements posed a potential threat to the autonomy of CSOs.</p> | <p>Several developments mentioned above further heighten the risks to the autonomy of CSOs.</p> |

4.2 Flexible, predictable, long-term framework agreements are becoming the exception rather than the norm

Germany, Belgium, and Sweden are the only countries in our research that still reserve a sizeable part of their CSO funding for framework agreements (funding “to” CSOs), with limited thematic and geographic conditionalities, and a relatively high predictability beyond the current funding cycle. These trust-based modalities allow for the development of long-term partnerships and are typically associated with CSO policies that respect the right of initiative. Among the six countries, Belgium excels by far in allocating funding in the form of framework agreements. Also in Germany, the share of framework agreements is relatively high, but decreasing since 2018 for reasons that could not be established (even changing coding practices could be at the origins). At the same time, framework agreements are only available for a small set of German foundations (block grants system). Other development CSOs have substantial thematic and geographic flexibility, but their funding mechanism (channelled through an intermediary organisation) is project-based and provides limited predictability. Furthermore, in Sweden, the long-term political consensus around the importance of development CSOs is under attack with the election of a centre-right government in 2023. While the

CSO policy that was announced on the 1st of February 2024 is only transitional, covering one year (2024), it breaks with a long tradition by shifting the final decision about which Swedish CSOs will receive structural funding from Sida to the government. In addition, the new government has reportedly been pushing Sida to be more demanding in terms of compliance and reporting requirements towards CSOs¹³³.

In reality, the distinction between funding “to” CSOs and “through” is not as straightforward as the OECD-DAC definitions suggest, which leads, amongst others, to diverging coding practices of donors. Some funding schemes have elements of both. In the Netherlands, for example, some of the funding mechanisms allow for quite some programming flexibility (within certain thematic conditionalities) and allow for the development of comprehensive programmes that provide funding for four to five years. Similarly, the main CSO funding channel of France has elements of funding “to” CSOs (multi-annual, quite some programming flexibility), but the predictability is low because the call is highly over-subscribed. Moreover, while framework agreements are a good instrument to respect the right of initiative of CSOs, these funding mechanisms for CSOs risk operating as rather closely-knit networks, creating an insider culture that can be challenging or impossible for new, smaller and/or Southern CSOs to enter. Most often, there exists a notable stability in determining who is granted participation, contributing to a closed funding system. In contrast, the Netherlands exhibits a different dynamic, with many funding schemes open for all CSOs, fostering the emergence of more diverse coalitions. However, this funding landscape has downsides as well as. There is a market-oriented approach with intense competition among various CSOs, which entails the potential of abrupt cessation of funding, and thus limited predictability for CSOs beyond the current funding cycle.

From this it can be derived that long-term and predictable CSO funding, in line with the concept of the right of initiative of CSOs¹³⁴, no longer is a basic operating principle in several countries. This situation is a major shift compared with the funding models of 10-15 years ago when most countries still offered these flexible, trust-based modalities. It is also in contradiction with some of the OECD-DAC principles for CSO funding that donors agreed upon.

4.3 Eroding civil society participation in the design and governance of CSO funding schemes

Together with the changing funding modalities, we observe in several countries a breakdown in the dialogue between the government and CSOs, while research shows the importance of including CSOs in the governance of sustainable development¹³⁵. In France, UK and Sweden, CSOs are less or no longer invited to the table when development policies are designed and implemented. They might be consulted at some stage, but this is often not experienced as a genuine and strategic interaction. This development is experienced as part of larger process of shrinking civic space, with a reduction of the role of civil society in the governance of global challenges. While in Sweden the drafting process was a black box, in France the government invites only a small group of larger CSOs to the table, CSOs that have the capacity and are willing to act in a service-delivery role for the government’s development strategies. In the UK, the period 2020-2022 was experienced as a unilateral change of the playing field by the conservative government, with major disruptions of the funding volumes and modalities. More recently, the government is reconsidering its CSO funding policies, and has assigned the CSO umbrella organisation Bond the task to organise a global consultation process on the way forward (concluded in the fall of 2023). On the positive side, it’s important to note the practices in

133 Interview with Forum Syd

134 Coordination SUD. (2023). *Comparative study on CSO right of initiative in six European countries*. https://www.coordinationsud.org/wp-content/uploads/CSUD_CS0_Right_Initiative_Europe.pdf

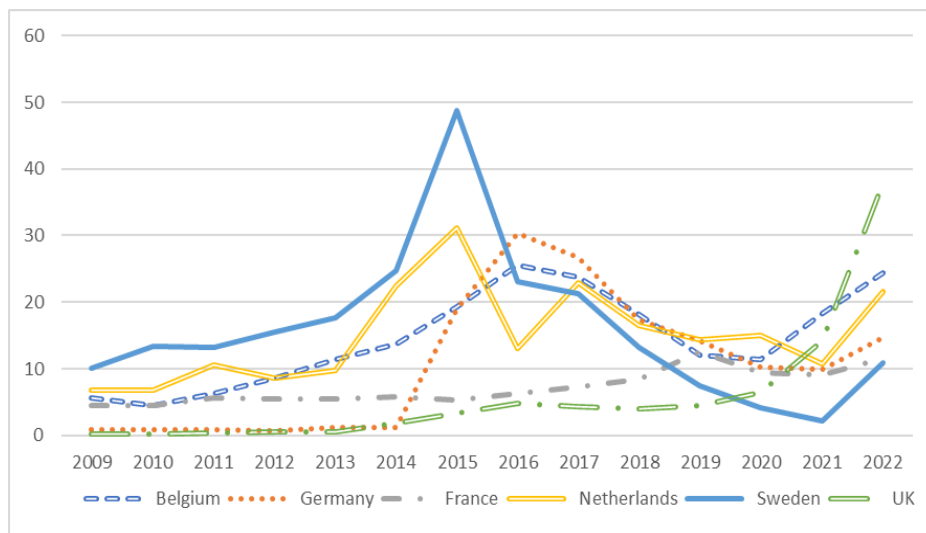
135 Huyse, H. Governance for Sustainable Development: Re-Asserting Civil Society’s Role. 27 (2021). HIVA-KU Leuven

Belgium and the Netherlands. In Belgium, there are structures and policies that allow for a robust dialogue between CSOs and the government, something the strong CSO sector federations have always fought for. While the intensity of the dialogue will still vary between different ministers of development cooperation, the institutionalised dialogue results in a proactive engagement about critical policy decisions and strategic directions. In the Netherlands, there is a tradition of maintaining an active and critical dialogue between CSOs and the government to shape future CSO policies, often backed-up by evidence-based insights. Whether this practice will continue, remains to be seen. Uncertainty has grown recently due to the outcome of the 2023 elections, which make a coalition of ODA-critical parties more likely.

4.4 A shift towards CSO development cooperation that serves national interests

In several countries (Sweden, UK, France), ODA is increasingly used to serve national interests. This is reflected, for example, in the geographical scope, where a shift can be witnessed from supporting fragile, low-income countries to middle-income countries and countries closer to the donor (including Ukraine). Thematic shifts lead to an increased focus on the (domestic) private sector, geo-political agendas, migration management and security concerns. The increased prominence of costs related to the hosting of refugees in the ODA budgets can be witnessed across the six countries. In all observed countries, a bigger part of ODA is used to cover in-donor refugee costs and thus managed by other ministries than foreign affairs. In 2015-2016, in-donor refugee costs as a percentage of ODA spiked to decrease again until 2019-2021. Currently, its share is growing again (figure 4.1). Although certain types of instrumentalisation can be observed in the six countries, it is less prominent and comprehensive in Belgium, Germany, and the Netherlands. While the debate about development cooperation has gradually embraced the idea of combining value-driven agendas and interest-based agendas, there are pitfalls along the way, for example in relation to the role of CSOs. As described in earlier sections, the instrumentalisation of ODA risks jeopardising the right of initiative of CSOs, contributing to closing civic space, and pushing CSOs in roles of contractors. This strongly limits the roles CSOs can and should take in the governance of sustainable development.

Figure 4.1 In-donor refugee costs (as a percentage of ODA)¹³⁶



¹³⁶ In contrast to previous figures, figure 4.1 does not rely upon the ODA grant equivalent measure. Discrepancies in percentages may arise contingent upon the selection of the grant equivalent measure. In this instance, we have opted for the former measurement approach to elucidate the longitudinal trajectory of in-donor refugee costs.

4.5 Modest rise in direct funding to Southern CSOs

The idea that more CSO funding channels should be made accessible directly to Southern CSOs, is mainly gaining ground in the Netherlands and Sweden, and to a lesser extent in France. In Sweden and the Netherlands both the government and domestic CSOs largely share the same position on this topic. The debate seems most advanced in the Netherlands, where several instruments have been opened for Southern CSOs and there seems to be a broad consensus within the development community that is the way to go¹³⁷. The country launched calls explicitly targeting Southern CSO, also related to specific themes, such as feminist activism or strengthening civil society. Funding lines might be administered by embassies or local CSOs themselves. In France, direct funding of CSOs is made possible through the main funding channel for CSOs. In Sweden, initial steps have been taken to improve accessibility for Southern CSOs. Direct funding for local CSOs is managed in a decentral way through the bilateral aid channel, with a clear role for the embassies. Also here the actual funding volumes remain small, although there is reportedly a willingness to increase it over time. In the other countries, direct funding for Southern CSOs remains small in terms of overall budgets, and there are no breakthroughs within the existing funding mechanisms.

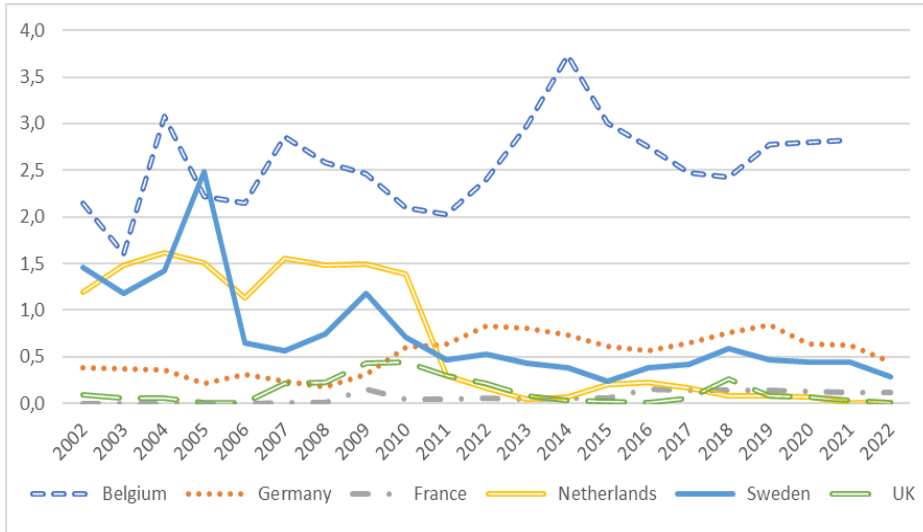
4.6 Global citizenship education

Across our sample of countries, there is clear evidence of a downward trend in the available government funding for GCE programs (figure 4.2)¹³⁸. Taking a long-term perspective, Belgium can be seen as an exception in our dataset, as it has safeguarded, even increased budgets for GCE over time, against trends in other countries. GCE funding also increased in France in absolute terms, but the budgets remain very small, and they are largely earmarked to fight Islamic radicalization. Germany increased its funding of GCE in the period 2009-2012 (as a % of ODA), but it has been fluctuating since then and is showing a downward trend since 2019. The existence of a GCE strategy, which is endorsed by different government ministries and civil society, as in the case of Germany, and which builds on realistic assumptions and objectives, has contributed to a more stable funding environment, which is less vulnerable to (though not completely safeguarded from) shifting political priorities. Especially the Netherlands and Sweden show a drastic cut in GCE funding, however, similar dynamics could be observed in the UK in the post-2010 period. In the three countries, this is reported a consequence of changing political views about the relevance and added value of GCE.

137 Dutch Ministry of Foreign Affairs. (2014). *Useful patchwork Direct funding of local NGOs by Netherlands Embassies 2006-2012*. <https://www.oecd.org/derec/netherlands/Useful-Patchwork-Direct-Funding-of-Local-NGOs.pdf>

138 It is important to repeat that the OECD-DAC coding for GCE activities is not uniform across countries, although efforts are being made to harmonise this (with mixed results). However, some main trends can be derived from the dataset.

Figure 4.2 Global citizenship education (as a percentage of ODA)¹³⁹

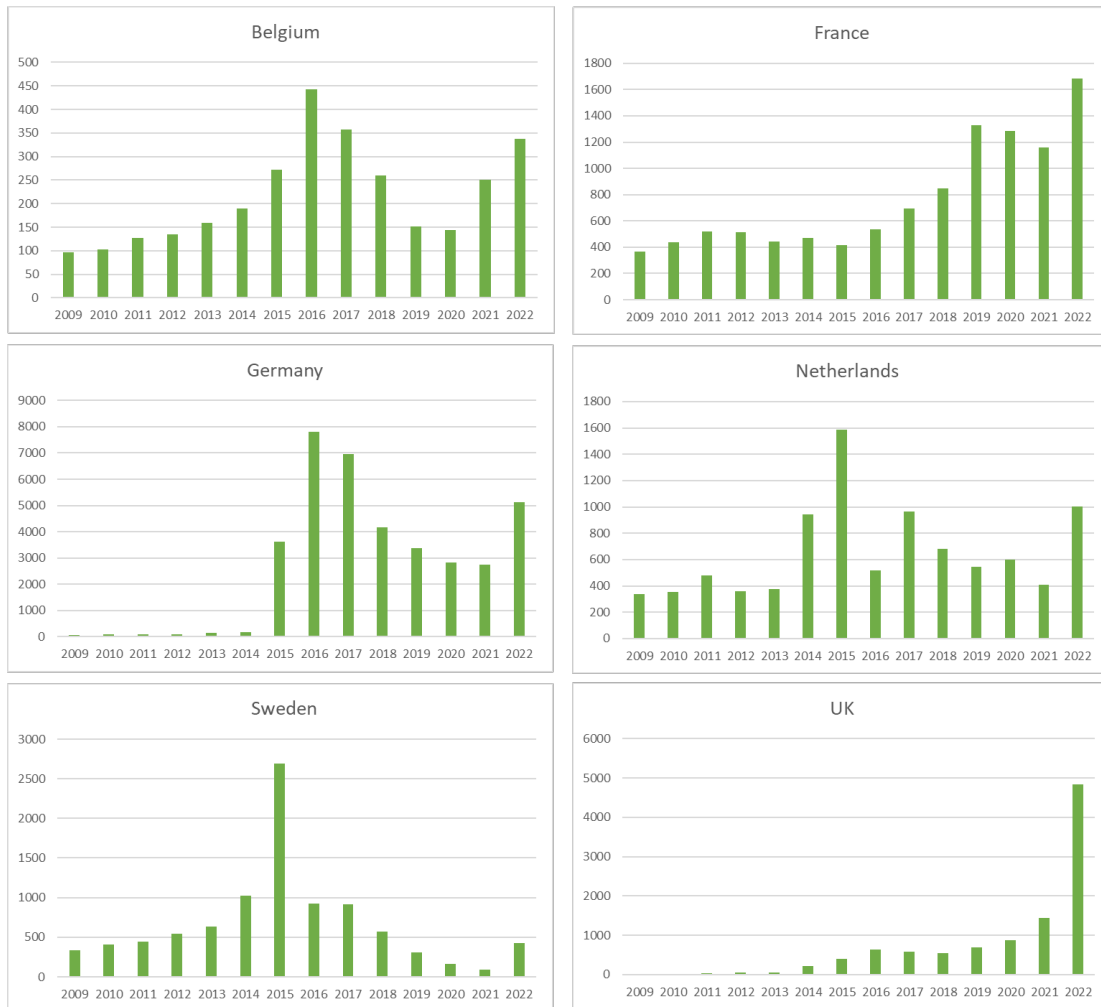


¹³⁹ In contrast to previous figures, figure 4.2 does not rely upon the ODA grant equivalent measure. Discrepancies in percentages may arise contingent upon the selection of the grant equivalent measure. In this instance, we have opted for the former measurement approach to elucidate the longitudinal trajectory of GCE funding.

- APPENDICES -

appendix 1 In-donor refugee costs

Figure 4.3 In-donor refugee costs (in million USD, constant 2021 prices)¹⁴⁰



¹⁴⁰ It is important to note that in-donor refugee costs cannot always be compared between donors because of differences in reporting practices.

