

Breaking the repetitive cycle: How re-imagining civil society funding could help us all weather the coming storm

A strong global civil society will help us all to confront ongoing environmental and human rights crises. But the fate of our civil society partners, and of new regulatory approaches to due diligence, depends on exploring new approaches to funding.

As Citizen Voices for Change (CV4C), a creative capacity-strengthening project draws to a close, the [Centre for International Development and Training](#) and its civil society partners in the Congo Basin are reflecting on the future. The success of innovative due diligence rules currently being adopted globally may hinge on re-thinking funding and support to civil society organisations (CSO).



A serious climate crisis is bearing down on us, aggravated by unrelenting deforestation and biodiversity in free fall. Child labour and human rights abuse continue to taint commodity supply chains. Many committed parties have been engaged in combatting such issues for years, fuelled by considerable grant investments and gaining significant ground in areas of governance such as stakeholder involvement, transparency, traceability, accountability. Despite the fact that so many have put their shoulders to the wheel, however, the tipping points for climate, forests and biodiversity are not receding.

A multitude of factors are slowing progress, of course. Too many issues need urgent attention, and resources to attend to them are inadequate. Political will is often lacking. Policy coherence is elusive, and one policy silo cheerfully digs a grave for another policy silo's heartfelt ambitions. Corruption is a multi-headed beast that seems difficult to lay to rest. At the private sector's behest, governments avoid regulation and opt for 'voluntary measures' that have consistently failed for decades, without much consequence to industry – the list goes on.

One thing stands out, however: Lack of global progress is not for want of innovation or commitment on the part of civil society, or the donors who fund them. Taking the EU and FCDO's CV4C project as an example, civil society partners in key timber-producing countries – Cameroon, the Central African Republic, the Democratic Republic of the Congo, Gabon, and the Republic of the Congo – have made bold efforts to provide independent oversight of forests, fight against illegality in the forest sector, and to give voice to communities affected by forest destruction. Bolstered by EU and FCDO funding, small organisations have brought – and won – legal action against timber companies, assisted governments with procedural manuals and long-lapsed judicial transparency and reinvigorated collection of unpaid forest taxes and fines. They have created networks of independent forest monitors to cover vast forested territories. They have standardised methodologies for collecting data on specific forest illegalities. They have reached across borders to help each other with best practices, and integrated cross-cutting issues such as gender responsiveness and the rights of Indigenous Peoples into their work to ensure that the most under-represented within at-risk populations are heard.

Like so many civil society organisations all over the world, CV4C partner organisations in five countries of the Congo Basin are innovative, dedicated, brave.

And vulnerable. They work in uncertain contexts, whether these are to do with independent forest monitoring, or any number of environmental, social or human rights areas. Authorities at any level may have a 'blow hot, blow cold' relationship with respect for human rights or the rule of law. Threats and intimidation are not rare, and corruption can ravage the most proactive efforts. In such situations, even publishing a critical report can be dangerous, much less going into a forest where timber criminality is present and witnesses are few. Such insecurity could easily cripple initiative: The only surprise is that it does not do so more often.

The operational context may be not be within a funder's power to change, but civil society partners also live with precariousness on a more mundane level: Financially, they have no buffer. An illness, a computer failure, a vehicle that can no longer be repaired, an office that cannot be properly locked, lack of Internet access, regular power outages – such simple issues can derail a small organisation. To overcome this, they partner with Northern NGOs – strong, functional partnerships that both sides value; this can expose them, however, to accusations of being influenced by foreign interests.

Within a large project such as CV4C, partner staff watch final project deadlines approach knowing that they may lose their jobs unless new funding can be secured, and **the longevity of project gains secured teeters**. Living hand to mouth, project to project means that:

- When each grant ends, staff turnover in partner organisations increases;
- Small CSOs have immense difficulty developing a long-term strategy while engaged in a short-term scramble for new funding. They monitor multimillion-dollar industries and sectors while their own organisations barely scrape by;
- CSOs cannot recruit and retain skilled experts, when they do not know whether they will have the money to offer them a multi-year contract. Linked to this, sometimes existing staff are shoe-horned into new project roles that do not really suit their skills, just to retain them – somehow;
- Interesting, pioneering achievements may never be reported because everyone's time is spoken for and no one has the budget for communications, so with the next change in staff, institutional memory is lost;
- For many organisations working in complex sectors, fundamental needs go beyond office equipment and salaries. In the timber sector, for instance, CSO representatives should venture into tropical forests confident that their vehicle will not leave them stranded;
- Broader threats exist: CSOs need to know that they can publish a report on a sensitive issue, and afford to hire a lawyer to defend themselves if a company sues them, as certain companies use this tactic to silence critics. Increasingly, environmental and human rights defenders are subjected to intimidation and persecution; their offices are broken into and their equipment, vandalised. They must be able to hire legal representation and draw international attention to their plight.

Seeing to such needs requires significant budgets that do not fit easily within current grant frameworks, so when a new cycle of grants begins, rather than expanding on existing skills and initiatives in a continuous manner, both funding partners and grant recipients find themselves back at the starting point, tackling capacity-building basics and hosting training sessions for a new crew of civil society representatives.

The result is fatigue on both sides, with donor(s) and grant recipient(s) trapped in a repetitive funding loop, seemingly destined always to roll the boulder uphill. Rather than choose between exhausting ourselves or getting flattened, perhaps a third possibility could be found?

Grants tend to have very targeted objectives, yet miss the broader goal of building CSOs that can harness national collective action to hold governments, the private sector and indeed other citizens to account on a consistent and long-term basis. As the CV4C project illustrates, donors have been assiduous in funding strong projects that meet the desired objectives, but this cycle of frustration relates more to what is *not* included in individual grant objectives.

Things that do not fit in the project category or were not foreseen in the original application cannot be funded by the grant. Basic overheads – buying a printer, accountancy software, photocopier repair – may keep the office functioning, but tend not to be adequately covered unless they are directly linked to specific project activities. Nor can most grants be easily modified to meet needs as they arise; if the need was not foreseen three years before, it cannot be met now.

Perhaps starting a conversation among funding partners and grant recipients about modifying how we approach funding for CSOs could turn this unfortunate cycle into something more secure and continuous, and more efficient. **Together, we could discover ways to fund CSOs for the role they play in society, rather than for specific, narrow project activities.** Somehow, funding needs to be less shackled to a set of deliverables, and serve eventually to develop sustainable, home-grown sources of funding. Any variety of possibilities could be explored in the immediate future:

- Continuity-funding: allowing a given percentage of project funds to be devoted to continuity of salaries and overhead, and to feed into a gap fund to carry salaries and overhead between grants; or allow a certain portion of a grant to be undefined, to meet needs as they arise;
- Donors could commit to providing predictable, longer-term and less project-specific funding to CSO partners with whom they have trusted relationships or that have proven credibility;
- Donors could work with financial institutions and banks to set up foundation-managed funds in order to finance civil society actions in specific areas, such as independent forest monitoring;

- Already international programmes such as REDD+ and FLEGT insist on the participation of civil society as an essential ingredient of improved governance; over a broader timeframe, international funding partners could insist that such reforms include earmarking monies for CSOs;
- A portion of foreign aid could be disbursed to civil society, and eventually conditioned on domestic governments matching funds through a percentage of petroleum-, agricultural-, forest- or mining-sector taxes. Increased reliance on civil society monitoring in various sectors avoids the problem of vested interests, and liberates authorities to use their resources to pursue infringements that CSOs have uncovered. A model could be explored in which government and statutory agencies focus on regulation and policy formulation, and subsequent enforcement actions, whilst the implementation role, e.g., monitoring, is given to CSOs via commissioned arrangements funded largely by the state.

Innovation in regulatory approaches must be matched by imagination in funding.

Figuring out how to keep civil society afloat in difficult times, and how to build on previous gains of short-term funding is especially urgent now, as due diligence rules are being adopted that will depend on objective, third-party information. In France (*Loi sur le devoir de vigilance*) and in *The Netherlands* these rules are already enacted. The European Union is expected to issue two such proposals in 2021: one to do with *'imported deforestation'*; the other to require companies, including financial institutions, to examine their *value chains* for abusive and destructive impacts. The United Kingdom is *considering similar measures*, as is *the United States*.



But innovative regulatory measures will be pointless without objective, reliable data on supply sources from the countries of origin to underpin the due diligence process. We must examine whom we trust to provide accurate information, as the private sector and government have vested interests in the result. On a practical level, such data is typically difficult to obtain, requiring operatives on the ground – as for example in the forest sector. Here, civil society is already innovating, having recently obtained *ISO certification 9001:2015 for standardised methods of data collection in the timber sector* (*Système Normalisé d'Observation Indépendante Externe*); they are now working to deploy such methods to the mining sector, and to follow deforestation and forest degradation. In sum, due diligence rules also will depend on consolidating and building on the hard-won gains of a variety of projects such as CV4C.

This single example underscores **the great spectrum of solutions to societal problems that can be proposed where civil society is strong and viable over the long term**. Civil society cannot be strong where they are subject to boom-and-bust cycles of funding. We are not prepared for the coming storm. *Deforestation increased significantly in 2020. Biodiversity continues to collapse. Governments consistently fail to meet climate goals.* Perhaps the time has come to entrust more to civil society, in the first instance, by ensuring that they are left standing when the dust clears.



June 2021, Nicole Gérard, Ph.D.

Led by the University of Wolverhampton's Centre for International Development and Training (CIDT), the 'Citizen Voices for Change (CV4C)' project was designed to establish a strong, sustainable partnership of forest monitoring non-state actors (NSAs) or Civil Society actors in Cameroon, Central African Republic, Democratic Republic of Congo, Gabon and Republic of Congo. The project sought to address this challenge by strengthening the capacity, influence and long-term viability of IM organisations to perform essential watchdog functions. Find out more at <https://cidt.org.uk/cv4c>.

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