

TOO SOUTHERN TO BE FUNDED



**The Funding Bias Against
the Global South.**

A Report By The

#SHIFTTHEPOWER

Movement



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CONTEXT OF THIS REPORT:

WHERE DID IT COME FROM AND WHAT'S NEXT?

1

Initial research conducted to inform ongoing discussions on tied aid at the OECD DAC, over 20 years after the Untying Recommendation was passed in 2001.

2

Research developed further as part of a prototype on Untying Aid to Northern CSCs run by RINGO (the ongoing 'Reimagining the INGO process').

3

The next phase of this work will be to disseminate the findings to national, local and grassroots civil society and movements – in the Global South through the **#ShiftThePower** movement and other global and regional networks, in order to raise awareness and to inform larger and diverse advocacy efforts.

This report and the activities around it have been made by many across the **#ShiftThePower** movement.

GLOSSARY OF TERMS & ACRONYMS

CSO(s)

– civil society organisation(s)

DAC DONORS

– OECD Development Assistance Committee member countries

GLOBAL SOUTH

– a term with many definitions, generally referring to a grouping of countries and people that experience economic marginalisation within the global system and have elements of a shared history of colonisation and exploitation

GLOBAL NORTH

– consists of the richest and most industrialised countries, mainly concentrated in the northern part of the world; in the context of this report, the term refers primarily to countries that provide (and do not receive) ODA resources

GNI

– Gross National Income

HIPC(s)

– **Heavily Indebted Poor Countries** – a group of countries designated by the International Monetary Fund (IMF) and World Bank as having high levels of poverty and a large debt burden.

IDA

– International Development Association

LDC(s)

- **Least Developed Countries** a classification developed by the United Nations of low-income countries it designates as confronting severe structural impediments to sustainable development

NGO(s)

- Non-Governmental Organisation(s)

ODA

- Official Development Assistance

OECD

- Organization for Economic Co-operation and Development

OLIC(s)

- **Other Low-Income Countries** – term used in the DAC Recommendation on Untying Aid to refer to a group of countries designated as low income but not least developed, heavily indebted or eligible for International Development Association support

PARTNER COUNTRIES

- a DAC term for countries receiving DAC donor support

RESTRICTED FUNDING

- funding that is geographically restricted, i.e., reserved for CSOs from DAC donor countries

SUMMARY OF KEY POINTS

TIED VS UNTIED AID

TIED AID =

“official grants or loans that limit procurement to companies in the donor country or in a small group of countries.”

SOURCE [OECD](#)

UNTYING AID=

“removing the legal and regulatory barriers to open competition for aid funded procurement – generally increases aid effectiveness by reducing transaction costs and improving the ability of recipient countries to set their own course.”

WHAT'S THE PROBLEM?

Funding ring-fenced for CSOs from the donor country (tied aid) is not regarded as tied if its purpose is to provide core funding as opposed to funding for procurement-related activities.

This is despite long-standing calls for a more equitable and decolonised development sector, and despite the Organization for Economic Co-operation and Development (OECD) recommending that Official Development Assistance (ODA) be untied to the greatest extent possible.

Regardless of whether this funding can be **officially designated as tied**, more than 90% of all Development Assistance Committee (DAC) member countries' civil society support goes to DAC member domestic CSOs and other Global North CSOs. Meanwhile, less than 10% is for CSOs in the Global South (referred to by the DAC as 'partner countries').¹ Some DAC member governments require that CSOs from their own countries partner with Global South CSOs and transfer resources to them, but there is no consistent way of quantifying the exact amounts.

This clearly demonstrates **high levels of geographic restriction**. We advocate for changes that would enable Global South CSOs (and other organisations) to directly access all forms of DAC donor funding. **Tied aid, whether formal or informal, is both ineffective and harmful.**

WHAT DOES THE RESEARCH FOCUS ON?

The purpose of this research is to **identify which DAC donors have policies that restrict funding to organisations from their own countries**. The bulk of the research consisted of a desk review of both public sources and documentation provided directly by DAC donors on their CSO funding policies.

DAC donors included in the report are: **United States, Germany, United Kingdom, Sweden, Netherlands, Canada, Norway, Switzerland, Belgium, Finland, Ireland, and Iceland.**

¹ OECD: Aid for Civil Society Organisations, June 2023 at: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/Aid-for-CSOs-2023.pdf>

WHAT COUNTS AS TIED AID IN THE CONTEXT OF CSO FUNDING AND WHY?

Funding ring-fenced for CSOs from the donor country (tied aid) is not regarded as tied if its purpose is to provide core funding as opposed to funding for procurement-related activities.

The DAC's 2001 [Recommendation on Untying Official Development Assistance](#) explicitly states: "ODA provided for non-governmental organisations' (NGOs) activities is covered by this Recommendation only to the extent that NGOs are involved in procurement-related activities included in its coverage. Grants for the core support of development NGOs or their programmes are excluded."²

Because of this exclusion, **there is no comprehensive dataset that shows the extent to which donors restrict funding to CSOs from their own countries through specific strategies or policies.**

The **exclusion** of core funding to donor country CSOs from tied aid rules was underpinned by several factors, including a desire to enable these CSOs to operate as public interest organisations rather than market actors. However, the resultant policies excluded Global South CSOs, i.e., they only applied to CSOs in Northern donor countries.

Due to the restricted nature of funding for CSOs, which is mostly available to Northern donor country CSOs, **Global South organisations face considerably more obstacles when seeking core funding.** This directly contravenes the supposed goal of most DAC donors to strengthen Southern civil society.

In light of the above, the 2020 DAC civil society report clearly states that **"more support should be provided directly to partner country CSOs and support needs to reach a diversity of actors."**³

² OECD DAC, 'Revised DAC Recommendation on Untying ODA,' DCD/DAC(2018)33/FINAL, January 2019, available at: [https://one.oecd.org/document/DCD/DAC\(2018\)33/FINAL/en/pdf](https://one.oecd.org/document/DCD/DAC(2018)33/FINAL/en/pdf) p.8.

³ See n 1, p.39.

WHAT FUNDING SUPPORT CAN GLOBAL SOUTH CSOS ACCESS FROM DAC DONOR AGENCIES?

Based on a survey of DAC members conducted over 2018 and 2019, the OECD found that **just over half of DAC donors that responded to the survey have financial support mechanisms that can be accessed by Global South (partner country) CSOs**. In all cases, this funding is **only available at partner country level rather than the donor headquarters**.

More generally, **it is currently not possible to disaggregate funding that flows through donor-country or other Global North CSOs to Global South CSOs**.

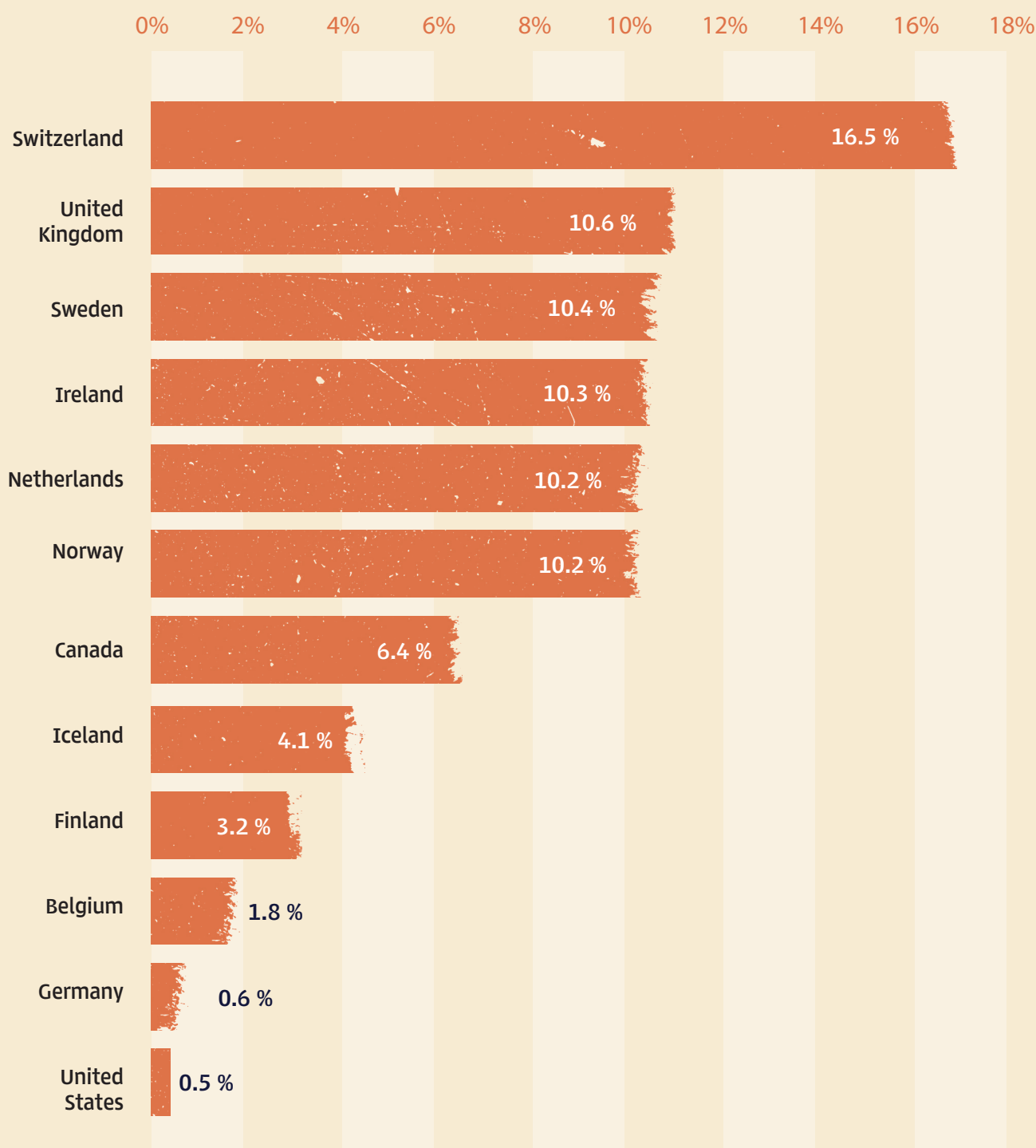
KEY OVERALL FINDINGS

Most DAC donors have **dedicated civil society strategies in place**, and a few have **specific policies focused on funding CSOs from their own country**.

Virtually all DAC donors that we reviewed **have dedicated funding streams for their own CSOs** in one shape or form, both for **core support** and for **programme or project funding**.

As shown in the chart overleaf, **most DAC donors included in this study provide less than 10% of bilateral ODA funding for civil society to Global South CSOs**, i.e., a negligible amount.

% OF BILATERAL ODA PROVIDED TO CSOS THAT GOES DIRECTLY TO GLOBAL SOUTH CSOS (AVERAGE 2009-2021)



SOURCE [OECD DAC Development Co-Operation Profiles 2022.](#)

QUESTIONS FOR REFLECTION AND DISCUSSION

How can the definition of tied aid be revised to **close existing loopholes** that permit core funding to Global North CSOs to be classified as untied? How can this be done in a way that prioritises equity and increases core funding to Global South organisations, rather than further ‘privatising aid’ (i.e., increasing the amount of aid resources channelled through procurement)?

How can a clear definition of what constitutes a ‘local’ organisation in the Global South be crafted to **ensure that new funding commitments do not unintentionally lead to funding going to Global North CSOs with locally registered offices in Global South countries?**

In what ways can DAC donors swiftly **increase direct funding to Global South CSOs**, without allowing the fact that some Southern CSOs receive funding through Northern intermediaries to delay this process?

How can **due diligence and compliance processes be adapted** to ensure they do not intentionally or unintentionally exclude Global South CSOs from accessing core funding and other types of direct support?

What processes could be used to establish a baseline, criteria and metrics that can be used by all OECD DAC members to **track disaggregated aid flows to individual Global South CSOs** on a consistent basis?

How can DAC donors and other Northern actors **re-evaluate negative assumptions⁴ related to trust and accountability** that are often used as reasons not to provide direct funding to Global South CSOs?

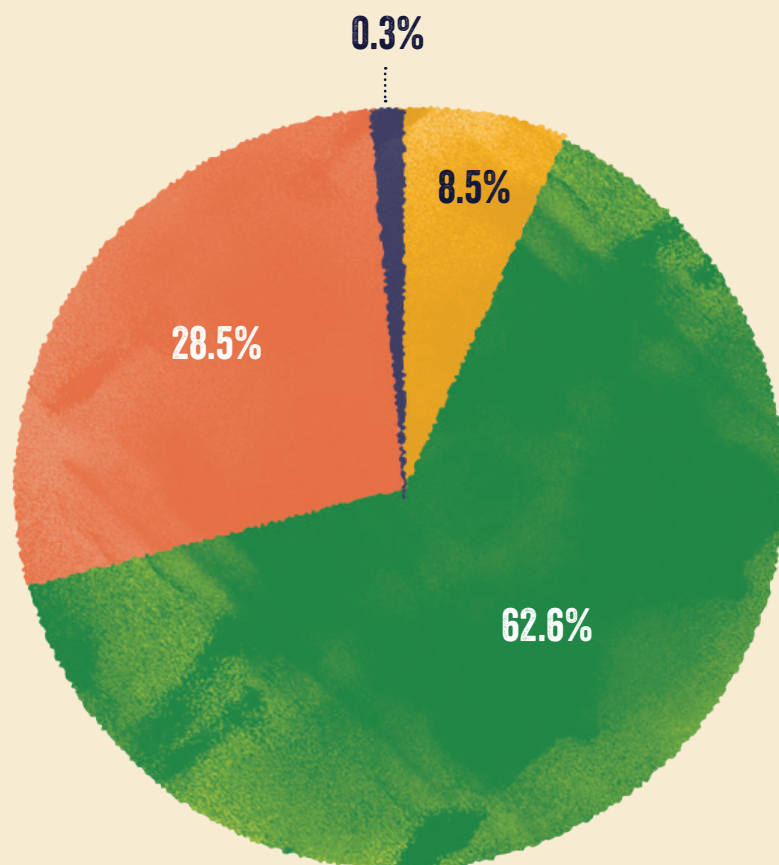
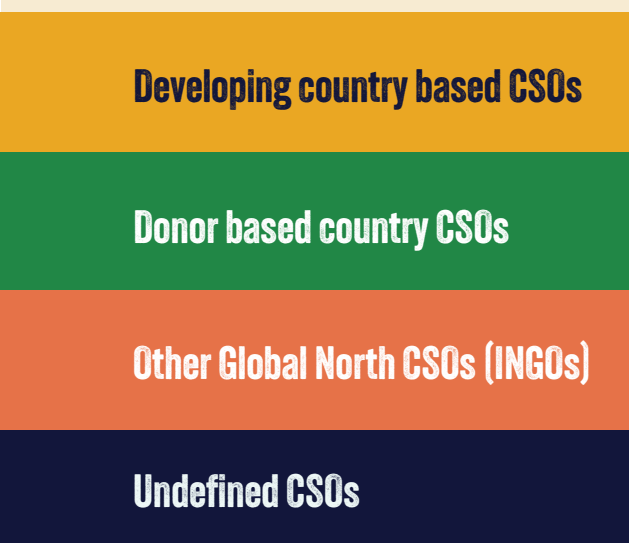
⁴ Peace Direct, Time to Decolonise Aid, May 2021, available at: <https://www.peacedirect.org/publications/timetodecoloniseaid/>; and Peace Direct, Race, Power and Peacebuilding, 26 April 2022, available at: <https://www.peacedirect.org/publications/race-power-and-peacebuilding/>.

1. INTRODUCTION & PURPOSE

Longstanding calls for a more equitable and decolonised international development sector have grown over the past several years. Central to recent arguments is the importance of shifting both power and funding from Global North donors and organisations to Global South civil society organisations (CSOs). However, despite the Organization for Economic Co-operation and Development (OECD) recommending that Official Development Assistance (ODA) be untied to the greatest extent possible, **funding ring-fenced specifically for CSOs from the donor country is not regarded as tied aid** if its purpose is to provide **core funding** as opposed to funding for procurement-related activities (more detail below).

Regardless of whether this funding can be officially designated as tied, **more than 90% of all Development Assistance Committee (DAC) member countries' civil society support goes to DAC donor domestic CSOs and other Global North CSOs. Meanwhile, only less than 10% goes to CSOs in the partner countries.**⁵ Some DAC member governments require that CSOs from their own countries partner with Global South CSOs and transfer resources to them, but there is no consistent way of quantifying the exact amounts.

FUNDING FROM OECD DAC DONORS TO CSOS



SOURCE DATA SHARED BY THE OECD DAC JUNE 2023

This clearly demonstrates high levels of restriction based on location, and many organisations and networks continue to advocate for changes that would enable Global South CSOs (and other types of organisations) to access all forms of DAC donor funding directly.

Tied aid is not only ineffective (costing as much as 15-30% more to the recipient country than untied aid, according to OECD estimates⁶), but it also perpetuates harmful stereotypes about the trustworthiness, effectiveness, reliability and capacity of actors from the Global South. Whether it is controlled through formal means, such as specific legislation, policies or strategies, or through informal practices and preferences, tied or restricted aid can be seen as an expression of neo-colonialism and structural racism.

The push to decrease barriers faced by Global South CSOs in accessing ODA resources has been reinforced by the recent [DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance](#), adopted unanimously on 6 July 2021⁷. It represents the first common standard for DAC members on working with civil society actors. The recommendation explicitly references the need to strengthen local ownership and **increase direct, flexible and predictable support** (both core and programme-based) to civil society actors in partner countries in the Global South.

Research objectives:

The OECD has recently begun to explore the issue of tied aid and funding for CSOs. However, there is a lack of reliable and comprehensive information on the extent to which OECD DAC donors ring-fence funding for CSOs from their own countries. The focus of this research, therefore, is to **identify which OECD DAC donors have policies that geographically restrict funding to organisations from their own countries.**

5 See n 1.

6 OECD DAC, 'Untied aid,' (Website) at: (accessed May 2022).
<https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/untied-aid.htm>

7 OECD, 'DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance,' OECD/LEGAL/5021, July 2021, available at: <https://legalinstruments.oecd.org/Instrument%20s/instruments/OECD-LEGAL-5021>.

2. METHODOLOGY

TERMINOLOGY

This research report uses 'civil society organisations (CSOs)' as an umbrella term that encompasses all different types of civil society actors, including non-governmental organisations (NGOs). The term NGO is used in cases where a specific DAC donor adopts this as an umbrella classification. This study refers to 'restricted funding', which can have different meanings. In this context, it means funding that is **geographically restricted**, i.e., reserved for CSOs from DAC donor countries.

It is also important to note that, due to the exclusion from the recommendation, under the current rules the term 'tied aid' does not apply to funding that DAC donors refer to as '**core**', '**traditional**' or '**unearmarked**' in their CSO/NGO strategies.

RESEARCH QUESTIONS

1

Which DAC donors have formal policies to restrict their aid to domestic CSOs?

2

Which DAC donors engage in informal tied aid practices in relation to their CSOs? Do these mechanisms de facto exclude or discourage organisations from the Global South from accessing funding from DAC donors? If so, how?

DESK REVIEW

The bulk of the study consisted of a desk review of both public sources and documentation provided directly by DAC donors on their CSO funding policies. This was complemented by secondary research using DAC donor sources and OECD research.

The following donors were included in the analysis, selected to provide a sample of approaches from the largest providers of ODA to some of the smallest:



Detailed analysis for each of these countries, based on information received directly from DAC donors and publicly available data, can be found in the annexes.

Limitations: The research was conducted in 2022 and then updated in 2023 to reflect newly released OECD DAC data. We prioritised using 2021 OECD data as the 2022 data available was still preliminary while writing the report. There is a possibility that data gathered during the research phase of the report has since changed or been updated. To mitigate this risk, we have asked representatives from each of the donor countries included in the report to check information about their respective civil society policies and practices.

3. BACKGROUND TO TIED AID AND RESTRICTED FUNDING TO CSOS

BRIEF OVERVIEW OF TIED AID

As noted by the OECD DAC, the objective of [the 2001 Recommendation on Untying Official Development Assistance](#) is to remove the legal and regulatory barriers to open competition in order to increase the effectiveness of aid and ownership of Global South countries. The DAC's definition of tied aid is "offering aid on the condition that it be used to procure goods or services from the provider of the aid."⁸

From 1999/2001 to 2019, the proportion of ODA covered by the recommendation that was untied rose from 47% to 87%. **But the commitment to untie aid does not cover all ODA flows.** DAC members have only agreed to untie ODA to a specific set of countries, which are: Least Developed Countries (LDCs), Heavily Indebted Poor Countries (HIPC), Other Low-Income Countries (OLICs) and countries and territories eligible for International Development Association (IDA) funding (coverage was extended to include this full list of countries by a revision to the recommendation made in January 2019).

In this revised version of the recommendation, **DAC members commit to untying ODA to these countries in several areas, including "ODA to Non-Governmental Organisations for procurement related activities."**

⁹

⁸ See n 5.

⁹ See n 2, p.4

TIED AID IN THE CONTEXT OF CSO FUNDING:

The DAC Recommendation on untying aid explicitly states: “ODA provided for non-governmental organisations’ (NGOs) activities is covered by this Recommendation only to the extent that NGOs are involved in procurement-related activities included in its coverage. Grants for the core support of development NGOs or their programmes are excluded.” ¹⁰

Because of this exclusion, **there is no comprehensive dataset that shows the extent to which donors restrict funding to CSOs from their own countries through specific strategies or policies.**

There is also an **additional exception** related to the tying status of aid to/through NGOs, which clarifies what is meant by ‘procurement-related activities’ in the Recommendation:

- If the funding is restricted to DAC donor NGOs, and the NGO is involved in the procurement as a supplier of services to the recipient country, this should be considered tied aid.
- If, however, the NGO only takes on responsibility for the procurement from the donor and acts as an **intermediary** for the funding, this could be classified as **untied** if the procurement is explicitly open to all countries.
 - + The Recommendation states that ‘management service arrangements’ provided by DAC donors for carrying out the administration of their own aid projects and programmes are excluded from the coverage of the Recommendation.
- Funding could be classified as **partially untied** if the procurement is explicitly limited to a specified group of countries, i.e., all countries on the DAC recipient list and the donor country.

Of the total funding for NGOs from DAC donors, **12% is classified as tied** and an additional **3% is classified as partially untied.**

GREY AREA

Another way to conceptualise the exception under the current rules is whether the donor country CSO is signing a **partnership agreement** (untied aid if the procurement is not geographically restricted by the donor) or a **contract to deliver services** (either untied, if the donor country CSO bids for and wins a contract open to bidders from all countries, tied or partially untied, as outlined previously). However, there are lingering grey areas or ambiguities in this classification, for instance regarding the exact difference between a general 'Call for proposals' from a DAC donor and a formal tendering process that donor country CSOs engage in.

Regardless of any ambiguity, as this study has shown **the exclusion means that Global South organisations cannot or do not directly access large portions of DAC donor funding.**

WHY WAS THIS EXCLUSION INTRODUCED?

At the time of drafting the 2001 Recommendation, the exclusion of core funding to donor country CSOs from tied aid rules was underpinned by several factors, including wanting to ensure that CSOs were able to operate as public interest organisations rather than market actors that engage in procurement, and to strengthen their role as actors promoting global solidarity through engaged citizenship.

Furthermore, some civil society strategies or policies, particularly for smaller DAC donors, were designed to prevent CSOs from their own countries from being overwhelmed by large NGOs from other donor countries. Although the intention may have been to support contractual relationships based on partnerships rather than procurement of goods and

services by donors, the resultant exclusions and policies did not benefit Global South CSOs, and often put them at a disadvantage in relation to DAC donor CSOs.

An additional explanation for the exclusion is that many DAC donors argue their domestic CSOs are central to creating public awareness and public support for ODA and development cooperation within their countries. Some DAC donors even have a requirement that their domestic CSOs contribute a percentage of their own funds raised directly from the public in order to receive ODA funding from the development cooperation budget (for instance, in Sweden this requirement was set at 20%, now lowered to 10%). This has led to a strong interdependence between development agencies in DAC countries and their domestic CSOs that often dates back 50 years. Some donors argue that this interdependence has now resulted in an entrenched dynamic whereby DAC domestic CSOs have the power and resources to influence both politicians and the public.

HOW MUCH FUNDING GOES DIRECTLY TO GLOBAL SOUTH CSOS?

OECD data from 2021 shows that DAC members have channelled nearly US\$24 billion to and through CSOs. Of that amount, just over US\$2 billion is channelled to and through 'developing country-based CSOs' in the Global South.¹¹ As such, **less than 10% of all DAC donor civil society funding is currently going to and through Global South CSOs.**

11 See n 1.

OECD DEFINITIONS OF FUNDING 'TO' AND 'THROUGH' CSOS

AID TO CSOS:

Core contributions and contributions to programmes. These aid funds are programmed by the CSOs.

SOURCE

[OECD DAC Aid for Civil Society Organisations 2023](#)

AID CHANNELLED THROUGH CSOS:

Funds channelled through CSOs and other private bodies to implement donor-initiated projects (earmarked funding).

BARRIERS GLOBAL SOUTH CSOS FACE IN ACCESSING NORTHERN DONOR FUNDING:

The perception or assumption among Northern donors that it is easier to fund and work directly with DAC donor or other Global North CSOs persists and is prevalent. The DAC has found that members “more frequently cite advantages of member country or international CSOs than of working with partner country CSOs.” ¹²

12 See n1, p.11.

Survey data collected from 22 DAC members has shown that **“Member government rules/regulations and/or transaction costs” were identified as the biggest influence on decisions to support particular types of CSOs (with the majority of this funding going to DAC donor and Global North organisations).** ¹³

Part, though certainly not all, of the reason why direct funding to Global South CSOs is so low is that many OECD-DAC donors have specific policies, rules and regulations in place that ensure funding for civil society is restricted to their own CSOs. By definition, this means the Global South CSOs have access to fewer funding channels and opportunities than DAC donor CSOs. This is explored in detail from page 28 to 41.

4. CROSS-DONOR COMPARISONS

DAC donors have a wide range of policies and strategies related to funding for CSOs in their own countries and in the Global South. According to research published by the OECD, DAC donors generally, but not exclusively, operate two main types of funding mechanisms for CSOs:

1. CORE SUPPORT

Also referred to as institutional, budget, unrestricted or unearmarked support. According to donors, core support is designed to meet the overarching objective of strengthening a pluralist and independent civil society in Global South countries.

CSOs are generally able to use this support to fund their own priorities, but despite the goal being to strengthen civil society in the Global South, the vast majority is given to Global North organisations rather than Global South CSOs.

2. PROGRAMME OR PROJECT FUNDING

Designed to meet other development objectives, programme or project funding (sometimes referred to as 'earmarked' funding) involves CSOs acting as implementing agents or partners on behalf of the donor, either to implement a donor-led or designed project, or to deliver its own project for which it successfully received funding through a call for proposals from the donor.

The majority of donor funding to CSOs falls into the second category. Indeed, research produced by the DAC itself has shown that CSOs, regardless of where they are located, generally perceive this type of funding as heavily donor-driven, short-term and in some cases undermining of civil society more broadly. ¹⁵

Global North CSOs are therefore unsurprisingly strong advocates for greater amounts of core funding, as they can use this in a more flexible, long-term way to meet their own objectives. They also note that core support better enables them to focus on building relationships with Global South country CSOs. ¹⁶

However, due to the restricted nature of this funding, which is mostly available only to DAC donor CSOs, Global South organisations face considerably more obstacles when seeking core funding. This directly contravenes the supposed goal of most DAC donors to strengthen civil society in partner countries. In addition, even when DAC donor country CSOs do receive core support, they rarely pass on any of this core funding to their Global South partners, which suggests an apparent unwillingness to shift power from Northern to Southern organisations. In recognition of this dynamic, the 2020 DAC civil society report clearly states that “more support should be provided directly to partner country CSOs and support needs to reach a diversity of actors.” ¹⁷

¹⁵ Ibid, p.35

¹⁶ Ibid, p.36

¹⁷ Ibid, p.39.

WHAT FUNDING SUPPORT CAN GLOBAL SOUTH CSOS ACCESS FROM DAC DONOR AGENCIES?

Based on a survey of DAC members conducted over 2018 and 2019, the OECD found that **just over half of reporting DAC donors have financial support mechanisms that can be accessed by partner country or Global South CSOs** (rows highlighted in orange below). In all cases, this funding is **only available at partner country level rather than the donor headquarters**.

What this research does **not** reveal, however, is how much total funding is available through financial support mechanisms available to Global South partners.

TYPE OF FINANCIAL SUPPORT MECHANISM	LEVEL	MEMBERS REPORTING (28 IN TOTAL)
Project/programme support available to member country CSOs	Headquarters	22
Partnership/framework/core support available to member country CSOs	Headquarters	14
Project/programme support available to partner country CSOs	Partner country	17
Support provided via partner country governments available to partner country CSOs and international/regional CSOs	Partner country	16
Partnership/framework/core support for partner country CSOs	Partner country	7
Use of calls for proposals available to member country CSOs	Headquarters	24
Use of calls for proposals available to international CSOs	Headquarters	16
Use of calls for proposals available to partner country CSOs	Partner country	15

SOURCE

Data derived from [OECD, Development Assistance Committee Members and Civil Society, 30 April 2020, p.73-74.](#)

Although tied aid to member country CSOs originates or is rooted in DAC government policies and strategies, the existence of financial mechanisms that Global South partners can access directly is equally important. Advocacy efforts, therefore, must tackle both harmful policies and the lack of financial mechanisms.

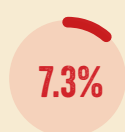
From existing data, it is **not possible to disaggregate funding that flows through donor-country or other Global North CSOs to Global South CSOs.** Of those who responded to the DAC survey, 25 note that they provide support for partner country-based CSOs. In most cases, this is done on the basis of a “partnership model” through which these CSOs work with partner country-based organisations – i.e., funding given to donor-country and other Global North organisations is reallocated to Global South partners. However, “there is no method available at this time to confidently assess the portion of onward flows.”¹⁸

5. CROSS-DONOR SUMMARY OF FINDINGS

The information in the table below was compiled by the author based on a combination of information provided directly by DAC donors and data in the public domain. For full details and referencing for each country, please see [the full country profiles in the annexes](#).



UNITED STATES OF AMERICA



2021
Overall direct bilateral ODA
provided to Global South CSOs



Average
2010-2021 ¹⁹

Specific strategy/policy/guidelines on support to civil society?

No CSO-specific strategy.

US development policy is guided by the Journey to Self-Reliance policy framework (2019). This includes several initiatives, including the New Partnerships Initiative (NPI), to lower barriers faced by 'non-traditional' actors, including Global South CSOs, in working directly with USAID.

¹⁹ OECD DAC Development Co-Operation Profiles 2023, at: https://www.oecd-ilibrary.org/sites/2dcf1367-en/index.html?itemId=/content/publication/2dcf1367-en&_csp_=177392f5df53d89c9678d0628e39a2c2&itemIGO=oeecd&itemContentType=book#section-d1e27970

Does the donor formally restrict or tie funding to donor-country CSOs?

No formal restrictions, but informal tying.

Although no formal restrictions were reported to us, data shows that historically almost all available civil society funding goes directly to US-based or other Global North NGOs.

In November 2021, however, USAID set a target of spending 25% of its aid through local organisations in the Global South and ensuring 50% of spending places local communities in the lead to co-design, set priorities and drive project implementation. This has led to a change in how civil society funding is reported, as noted in the latest 2021 data.



GERMANY

1.4%

2021

Overall direct bilateral ODA provided to Global South CSOs

0.5%

Average

2010-2021 ¹⁹

Specific strategy/policy/guidelines on support to civil society?

Germany has a CSO-specific strategy.

In addition, German development policy is guided by the BMZ 2030 Reform Strategy (2020), which states Germany is transitioning to a new type of cooperation with several partner countries.

In cases where ODA flows are ending, it engages in discussion with civil society and other donors to find possible ways of linking up with their engagement, including, in some cases, by directly handing over projects to CSOs.

Does the donor formally restrict or tie funding to donor-country CSOs?

Yes, at headquarters.

There are four budget lines for CSOs, and only German organisations are eligible for direct funding (political foundations, Church-aid organisations, agencies involved in social structure advancement and private executing agencies).

In general, German CSOs can provide funding to partner organisations in the Global South if they are named in the grant application. In addition, Germany's Federal Ministry of Economic Cooperation and Development (BMZ) provides funds to Global South CSOs through:

a) a micro-project fund administered by German embassies;
and b) GIZ (Gesellschaft für Internationale Zusammenarbeit) and KfW bank, including through funds like the Blue Action Fund for maritime protection and the recently established Legacy Landscape Fund.



UNITED KINGDOM



2021
Overall direct bilateral ODA
provided to Global South CSOs



Average
2010-2021 ¹⁹

Specific strategy/policy/guidelines on support to civil society?

The UK has previously operated under a Civil Society Partnership Review (CSPR) policy.

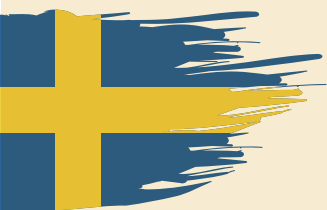
The new Strategy for International Development (2022) makes brief reference to continuing to work with UK civil society.

Over time, unrestricted core funding to CSOs has decreased and competitive forms of funding have increased.

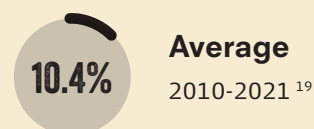
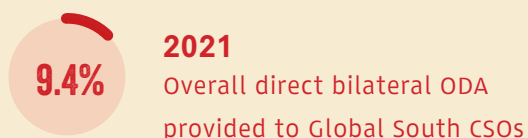
Does the donor formally restrict or tie funding to donor-country CSOs?

Partially.

Of the previous/existing funding channels for civil society: one is fully tied to UK CSOs (UK Aid Match) through competitive funding rounds; one is partially tied to UK CSOs (UK Aid Direct); and one is open to consortia of organisations based in either the Global North or South (UK Aid Connect).



SWEDEN



Specific strategy/policy/guidelines on support to civil society?

Sweden operates under the Strategy for support via Swedish civil society organisations 2016-2022 (CSO-strategy), as well as the Guiding Principles for Sida's Engagement with and Support to Civil Society.

Support to civil society also features in Sweden's overarching developing policy framework, as well as in several thematic, geographic, and sector-specific strategies, for instance on human rights, democracy and rule of law. 40% of Sida's total budget goes to CSOs, a fifth of this under the CSO-Strategy, the rest within thematic or geographic strategies, including those managed by the Swedish Embassies.

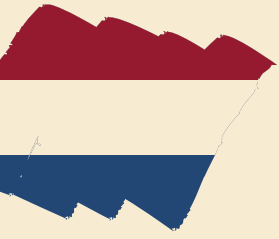
Does the donor formally restrict or tie funding to donor-country CSOs?

Partially.

Under Sida's civil society-specific strategy (CSO-strategy), funding is fully restricted to Swedish CSOs, who in turn are required to have a partnership with Global South CSOs and transfer funds to them.

Sida currently cooperates with 17 Swedish strategic partner organisations (SPOs). Global South organisations can receive support through Sida's thematic and geographical units or through Swedish embassies, either directly or through Swedish, other Global North or multilateral organisations.

While this report also included Sweden's practices on restricting aid to its own civil society organisations, at the time of publishing this report (April 2024), The Swedish International Development Cooperation Agency (SIDA) has announced in March 2023 that it is planning to introduce a new funding model in January 2025 through which non-Swedish CSOs can compete for funding.



NETHERLANDS

8.7%

2021

Overall direct bilateral ODA
provided to Global South CSOs

10.2%

Average

2010-2021 ¹⁹

Specific strategy/policy/guidelines on support to civil society?

The Netherlands has an overarching Policy Framework for Strengthening Civil Society for 2021 – 2025, which includes seven programmes and four grant instruments:

1. Power of Voices Partnerships;
2. Power of Women;
3. Women, Peace and Security;
4. Sexual and Reproductive Health Rights Partnership Fund.

Awards to 42 alliances were made and announced in May 2020.

Does the donor formally restrict or tie funding to donor-country CSOs?

Partially.

Under each of the four grant instruments, each consortium that applied was required to include at least one partner from the Netherlands and one from a “low-income, lower-middle-income or upper-middle-income country.” The lead party could be a Dutch or Global South CSOs.



CANADA



2021
Overall direct bilateral ODA
provided to Global South CSOs



Average
2010-2021 ¹⁹

Specific strategy/policy/guidelines on support to civil society?

Global Affairs Canada operates under a Policy for Civil Society Partnerships for International Assistance – a Feminist Approach (2016).

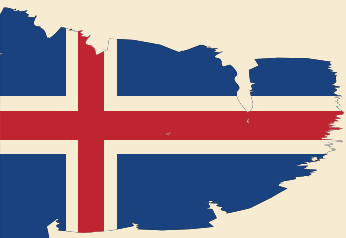
Objective 6 of the Policy focuses on establishing more equitable and flexible funding mechanisms for both Canadian and Global South CSOs.

Does the donor formally restrict or tie funding to donor-country CSOs?

Partially.

Some mechanisms, such as the Small and Medium Organizations for Impact and Innovation initiative (a small pot of money), restrict funding to Canadian CSOs. Others, such as the Women’s Voice and Leadership Program and the Equality Fund, are able to fund Global South CSOs, although in the case of the former the majority of direct funding goes to Canadian or other Global North CSOs.

Canada’s ‘direction and control’ legislative requirements restrict Canadian CSOs from providing unrestricted funding directly to partner organisations outside of Canada. Ongoing advocacy efforts are seeking to change these regulations.



NORWAY

6.6%

2021

Overall direct bilateral ODA
provided to Global South CSOs

10.2%

Average

2010-2021 ¹⁹

Specific strategy/policy/guidelines on support to civil society?

Norway operates according to a document on *Norad's Support to Civil Society – Guiding Principles (2018)*.

The principles state that Norad (the Norwegian Agency for Development Cooperation) works with a range of CSOs, and that while some funds are allocated to Global North and Global South organisations, the majority of Norway's direct civil society partners are Norwegian.

Does the donor formally restrict or tie funding to donor-country CSOs?

No formal restrictions, but informal tying.

Norway does not officially ring-fence or restrict funding to Norwegian CSOs. However, the state budget notes that funding from the civil society budget line should mainly be channelled through Norwegian CSOs.

This funding approach varies by programme or instrument. In some cases, calls for proposals can be submitted by CSOs based in any country. Some are available only for Global South CSOs. For other opportunities, only invited CSOs can submit proposals for funding opportunities (these can include Global South NGOs).



SWITZERLAND



2021
Overall direct bilateral ODA
provided to Global South CSOs



Average
2010-2021 ¹⁹

Specific strategy/policy/guidelines on support to civil society?

Switzerland has an overarching International Cooperation Strategy 2021-24, which outlines three modalities for Swiss cooperation with NGOs: contracts; targeted thematic or geographic contributions; and programme contributions.

In 2019, the Swiss Agency for Development and Cooperation (SDC) developed the SDC guidance for engagement with Swiss NGOs framework.

Does the donor formally restrict or tie funding to donor-country CSOs?

Partially.

The SDC can provide targeted contributions for specific projects by either Swiss or foreign NGOs.

Programme contributions, grants provided for NGO-initiated projects, are fully restricted to Swiss NGOs that fall into four categories:

- Large Swiss NGOs,
- Swiss NGO umbrella organisations,
- Cantonal federations,
- Swiss NGO alliances.



BELGIUM



2021
Overall direct bilateral ODA
provided to Global South CSOs



Average
2010-2021 ¹⁹

Specific strategy/policy/guidelines on support to civil society?

Belgium's development policy is outlined in the Law on Development Co-Operation (2013), which includes a specific section related to cooperation with NGOs. The law also allows the possibility of funding Global South CSOs.

Belgium does not have a CSO-specific strategy, but there are clear guidelines as part of a 2016 Royal Decree on non-governmental cooperation, including regarding accreditation processes that Belgian NGOs have to undergo to receive direct ODA funding from the government.

Does the donor formally restrict or tie funding to donor-country CSOs?

Restricted.

Currently, the main channel for non-governmental cooperation remains through Belgian accredited NGOs. Belgian NGOs can apply for accreditation and in doing so have to answer specific requirements. Belgium currently has 88 accredited NGOs.

The Ministry of Foreign Affairs, Foreign Trade and Development Cooperation primarily operates funding channels that are exclusive to Belgian NGOs – Global South NGOs can also access some funding, mainly by partnering with an accredited Belgian NGO operating in country.

Direct financing for Global South CSOs is limited to Belgium's official partner countries and in general requests must be submitted through Belgian embassies at partner country level.



FINLAND



2021

Overall direct bilateral ODA
provided to Global South CSOs



Average

2010-2021 ¹⁹

Specific strategy/policy/guidelines on support to civil society?

Finland's human rights-based and value-based foreign and security policy features aspects of development policy. Civil society actors are cited as a key partner.

Finland also has Guidelines for Civil Society in Development Policy (2017), which states that the Ministry of Foreign Affairs will channel funding to Finnish CSOs, INGOs and CSOs in the Global South, including a specific instrument – the Fund for Local Cooperation – which provides grant funding directly to local organisations.

Does the donor formally restrict or tie funding to donor-country CSOs?

Partially.

Finland provides a range of support for Finnish CSOs, including: programme support for partnership organisations; project support; development communications; global education support; and the national share of European Union funding for CSOs.

Application rounds for project support through calls for proposals are opened every two years – this is restricted to Finnish CSOs, with requirement to have a Global South partner that has signed a letter of intent.

Finland also has dedicated support for international NGOs; however, they are required to operate in more than two countries and have at least three different nationalities represented in their governing structures.



IRELAND

9.6%

2021

Overall direct bilateral ODA
provided to Global South CSOs

10.3%

Average

2010-2021 ¹⁹

Specific strategy/policy/guidelines on support to civil society?

Ireland's overall ODA spending is governed by an international development policy, entitled A Better World, which refers to supporting and protecting civil society space.

Ireland also has a Civil Society Policy, which commits Ireland to working with other donors and partner governments to develop trust funds, pooled funds and other funding mechanisms in partner countries to reduce competition and enhance coordination.

Does the donor formally restrict or tie funding to donor-country CSOs?

Partially.

Ireland does not fully ring-fence funding for Irish organisations. For its Civil Society Fund, however, Irish Aid's main project funding scheme, only Irish and invited international CSOs can submit applications.

Ireland also provides programme funding, a performance-based partnership arrangement – only Irish NGOs are eligible for receiving this funding. Irish Embassies fund a mix of Irish, other Global North and Global South organisations.



ICELAND



2021

Overall direct bilateral ODA
provided to Global South CSOs



Average

2010-2021 ¹⁹

Specific strategy/policy/guidelines on support to civil society?

Iceland's Policy for International Development Cooperation 2019-2023 sets the overall framework for Iceland's development approach, including support to CSOs.

In March 2022, a new strategy focused on CSO partnerships was approved – Iceland aims to sign framework agreements with the four largest Iceland CSO partners, who will implement projects in partnership with Global South actors.

Does the donor formally restrict or tie funding to donor-country CSOs?

Yes, at headquarters.

CSOs that apply for support need to be registered in Iceland, have at least 30 members, and have submitted annual accounts in compliance with the Icelandic National Audit Office.

Between 2015 and 2020, 18 Iceland CSOs received funding, with 94% channelled through five organisations (all of which are part of global civil society organisations or networks).

Levels of transparency on funding flows to Global South CSOs vary across donors. Most do not publish direct information about which specific Global South organisations receive either direct or indirect funding.

Some donors have online data portals where this information is accessible, but with mixed levels of information:

- Sida publishes information about projects and programmes implemented by the Swedish strategic partner organisations and their “local partners” in the Global South on a publicly available CSO database (<https://cso.sida.se/>). In some cases, the local implementing organisation is also a Swedish or Global North organisation rather than a Global South CSO. The database provides an overall budget breakdown, but this is not disaggregated by partner.
- The Netherlands publishes a summary of development results in the area of strengthening civil society, accessible on the Ministry of Foreign Affairs (MFA) website.²⁰ The Dutch Development Aid Portal of the Dutch MFA (<https://www.nlontwikkelingssamenwerking.nl/en/#/>) lists an overview of activities and expenditure per country and organisation, through which it is possible to see how much funding individual Global South organisations have received.
- Data on funding to Norwegian and other NGOs can be found on Norway’s aid results portal (<https://resultater.norad.no/en>). Budgets are broken down at a project level, however information is only available for the first tranche of funding from the government – there is no budget information for funding to Global South partners within consortia.
- A full list of CSOs that receive more than €20,000 are listed in Irish Aid’s annual reports (the 2020 report can be accessed here: <https://www.irishaid.ie/media/irishaid/publications/Irish-Aid-Annual-Report-2020.pdf>).
- Finland has a public databank on its development cooperation activities, [OpenAid.fi](https://openaid.fi) – through this platform, it is possible to view both commitments and disbursements to “developing country-based NGOs.”

6. CONCLUSIONS & RECOMMENDATIONS

Information on geographically restricted funding to DAC donor CSOs is largely opaque and challenging to grasp fully, not least because it falls outside the scope of the OECD DAC Recommendation on Untying Official Development Assistance.

Regardless of whether it can be considered tied aid under the current rules, the examples of different donor practices described in this report point to the fact that **most DAC members continue to favour their own CSOs**, whether explicitly or implicitly. This in turn helps explain the small amount of funding that goes directly to Global South organisations.

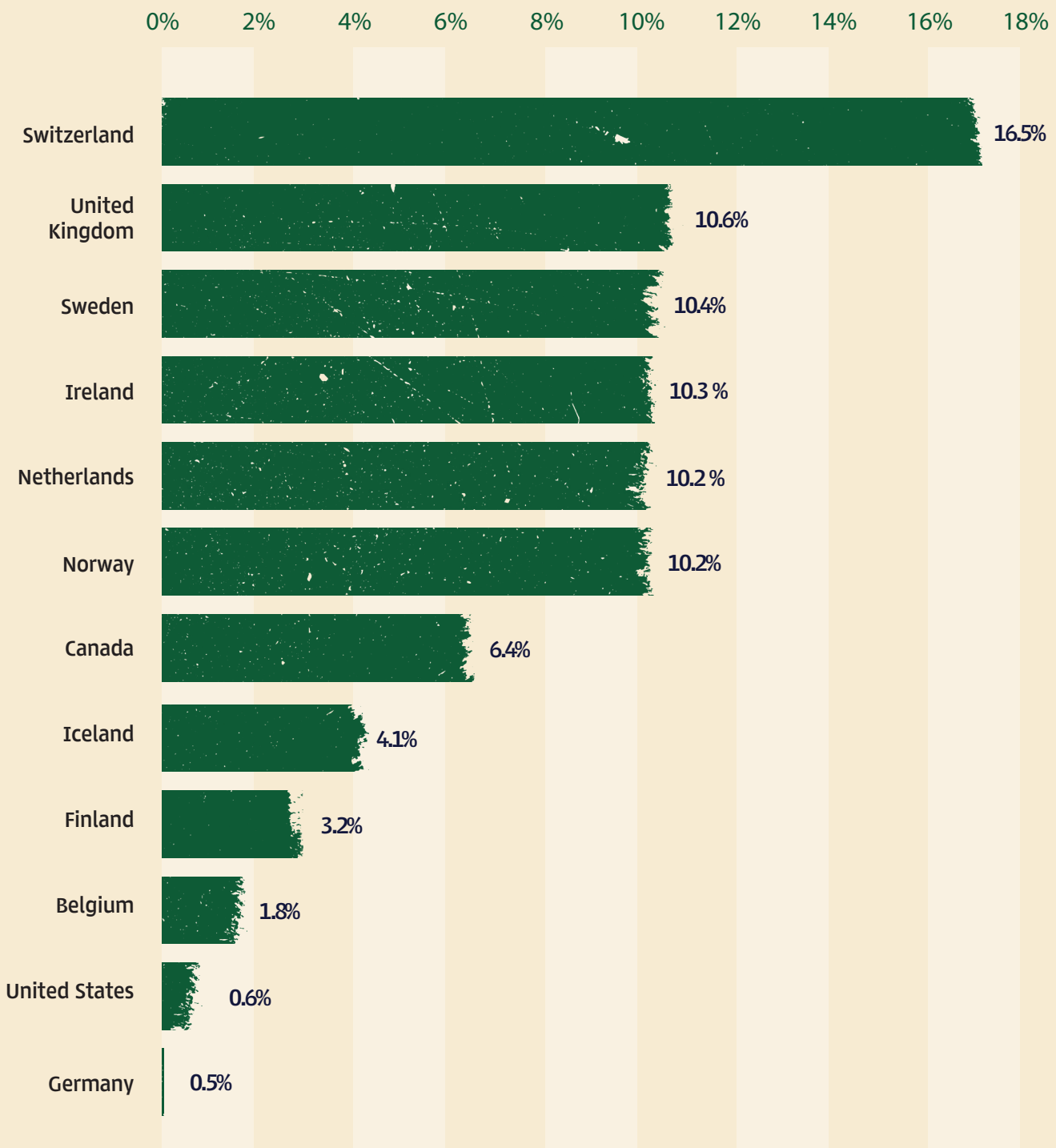
A few overall findings have emerged from this analysis:

- Most DAC donors have dedicated civil society strategies in place, and a few also have specific policies focused on funding CSOs from their own country.
- Virtually all DAC donors that were reviewed have policies or practices in place to ensure that funding for civil society goes to their own CSOs, both for core support and for programme or project funding.
- As shown in the chart below, **the majority of DAC donors included in this study provide less than 10% of bilateral ODA funding for civil society to Global South CSOs.**

Although this is a complex and contentious issue, the overarching message and key takeaway from this research is clear: to increase the quantity of direct, high-quality (especially core) funding to CSOs in the Global South, **most DAC donors will have to change either legislative or policy frameworks and/or introduce new funding channels or mechanisms.**

Given the barriers outlined in section 2, **significant advocacy efforts and policy changes will be needed to make progress on rectifying a longstanding and deep imbalance of funding** between northern and southern CSOs.

% OF BILATERAL ODA PROVIDED TO CSOS THAT GOES DIRECTLY TO GLOBAL SOUTH CSOS (AVERAGE 2009-2020)



SOURCE [OECD DAC Development Co-Operation Profiles 2023.](#)

EXISTING RECOMMENDATIONS

Many recommendations already exist in relation to increasing direct funding to Global South organisations.

Many civil society groups and Global South activists have noted that the current system of funding for CSOs is not fit for purpose and, indeed, that it is inconsistent with the overall spirit of untying aid. From a general standpoint, in 2019, Eurodad recommended that: “Members of the DAC collectively should:

- a. Widen the scope of the Recommendation on Untying ODA, to include all countries and all sectors, and to cover informal as well as formal tying.
- b. Strengthen accountability over informal tying.”²¹

DAC-RELATED RECOMMENDATIONS

The **2020 DAC report on civil society** specifies the following action point for DAC members: “Augment direct financial support for partner country CSOs and support for a broader swathe of civil society including for more fluid and informal forms of association, new types of associations, and traditional civic actors.”

The same report also recommends: “To better assess members’ support to civil society strengthening, the data on to and through flows should be supplemented with information on the degree to which financial support mechanisms either respond to CSOs’ priorities and strategies or, alternatively, rigidly steer CSOs to meet member-defined conditions (e.g. sectors, themes, countries, specific results).”²³

²¹ Polly Meeks and Nerea Craviotto, ‘Strings still attached: Unmet commitment on tied aid,’ Eurodad, November 2021, p.4. See n 1, p.39.

²² See n 1, p.12.

²³ Ibid, p.73.

Commenting on the DAC **Recommendation on Enabling Civil Society**, Brian Tomlinson (Facilitator for the DAC CSO Reference Group's Working Group on the DAC Recommendation to Enable Civil Society) outlines several actions that donors can take to advance the Recommendation's implementation ²⁴. These include:

- “Review donor policies and practices against the Recommendation's specific commitments, undertaken with participation of a full diversity of CSOs in both the donor and partner countries, creating a roadmap to embed relevant changes in all donor policies affecting civil society.
- Review at partner country level, mapping CSOs that have benefited from donor finance and those who have been excluded, with the purpose to improve equitable access for a greater diversity of CSOs.
- Support dialogues and commit to changes in practices in such areas as -- i) rebalancing funding relationships through direct and core funding for Southern CSO actors; ii) careful measures to regularly engage partner country governments in dialogue on current civic space issues, in close collaboration with local civil society; or iii) changes to donor regulatory and administrative regimes that can limit equitable partnerships through northern CSOs and southern CSO access.”

²⁴ Brian Tomlinson, “DAC Recommendation on Enabling Civil Society in Development Cooperation and Humanitarian Assistance: Key Opportunities for Civil Society,” Global Standard for CSO Accountability, Newsletter #13, Civil Society and Powershift, June 2022, available at: [https://one.oecd.org/document/DCD/DAC\(2018\)33/FINAL/en/pdf](https://one.oecd.org/document/DCD/DAC(2018)33/FINAL/en/pdf) (accessed July 2022).

QUESTIONS FOR REFLECTION AND DISCUSSION:

Based on the data collected as part of this research project and its wider portfolio of work, we offer a set of discussion questions that target both technical and policy-based approaches:

1

How can the definition of tied aid be revised to close existing loopholes that permit core funding to Global North CSOs to be classified as untied? How can this be done in a way that prioritises equity and increases core funding to Global South organisations, rather than further 'privatising aid' (i.e., increasing the amount of aid resources channelled through procurement)?

2

How can a clear definition of what constitutes a 'local' organisation in the Global South be crafted to ensure that new funding commitments do not unintentionally lead to funding going to Global North CSOs with locally registered offices in Global South countries?

3

In what ways can DAC donors swiftly increase direct funding to Global South CSOs, without allowing the fact that some Southern CSOs receive funding through Northern intermediaries to delay this process?

4

How can due diligence and compliance processes be adapted to ensure they do not intentionally or unintentionally exclude Global South CSOs from accessing core funding and other types of direct support?

5

What processes could be used to establish a baseline, criteria and metrics that can be used by all OECD DAC members to track disaggregated aid flows to individual Global South CSOs on a consistent basis?

6

How can DAC donors and other Northern actors re-evaluate problematic assumptions²⁶ related to trust and accountability that are often used as reasons not to provide direct funding to Global South CSOs?

ANNEX 1

OECD-DAC DONOR PROFILES

This section of the report outlines key information related to OECD-DAC donor funding to CSOs. The profiles are in order of total ODA disbursements in overall terms, based on preliminary OECD DAC data for 2021.²⁶



1. UNITED STATES OF AMERICA

Overview of which parts of the donor provide ODA to CSOs/NGOs

The US is the largest donor country in absolute terms, providing more than a quarter of total global ODA in 2022 (although its spending as a proportion of Gross National Income (GNI) is lower than most DAC donors). The US State Department is generally responsible for defining strategic foreign policy and development priorities. The United States Agency for International Development (USAID) leads the implementation of US global development programmes, although 25 government departments are involved in funding or implementing US development cooperation. The State Department also manages a range of bilateral development programmes.

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

USAID does not have a specific policy or strategy that outlines its engagement with CSOs. In the past, its overall work has been guided by the Journey to Self-Reliance (J2SR) policy framework,

²⁶ OECD on Development, 'ODA 2021 – Preliminary data', 11 April 2022, available at: <https://public.flourish.studio/visualisation/9232070/>.

introduced in 2018. This framework included reference to rethinking how the US partners with new, 'underutilised' and local partners through various initiatives, including the Effective Partnerships and Procurement Reform, Acquisitions and Assistance Strategy, and the New Partnerships Initiative (NPI).

The NPI, introduced in 2019, seeks to lower the barriers faced by 'non-traditional' partners – including but not limited to Global South civil society organisations – in partnering with the Agency. The WorkWithUSAID.org website provides resources to support organisations looking to work with the Agency. The NPI is guided by six key principles, which include “improve equity and inclusivity within partner relationships” and “identify new and non-traditional sources of funding” to enhance local ownership.²⁷ Focus has now shifted from the J2SR to USAID’s broader Localization Agenda.²⁸

In 2021, USAID launched a consultation to feed into the development of its Local Capacity Strengthening Policy, which states that “[f]unding local actors through direct awards can be an effective way to strengthen the ability of local actors to “learn by doing” and to enhance local leadership and influence, which are respectively an important approach and form of capacity.”²⁹

USAID partners with a range of NGOs to deliver services and assistance. This includes both US and international organisations (including United Nations agencies), as well as local and regional organizations in the Global South. USAID guidance explicitly states that “NGOs outside the United States may work directly with USAID missions or build their capacity to manage and administer resources and programs”³⁰ through the Local Works program, which seeks to advance locally led development and enhance USAID’s ability to support local actors.

²⁷ USAID, 'New Partnerships Initiative', (Website) at: <https://www.usaid.gov/NPI> (accessed May 2022).

²⁸ USAID, 'Localization,' (Website), at: <https://www.usaid.gov/localization> (accessed March 2023)

²⁹ USAID, Local Capacity Strengthening Policy, October 2022, <https://www.usaid.gov/policy/local-capacity-strengthening>

³⁰ USAID, 'Non-Governmental Organizations (NGOs)', (Website), at: <https://www.usaid.gov/partner-with-us/ngo> (accessed May 2022).

Latest statistics on aid to CSOs/NGOS

In November 2021, USAID Administrator Samantha Power announced that the Agency has set a target of spending 25% of its aid through local organisations in the Global South (the current level sits at an estimated 6%³¹) and ensuring 50% of spending places “local communities in the lead to either co-design a project, set priorities, drive implementation, or evaluate the impact of our programmes” by 2030.³² This is not the first time that USAID has set such a target: in 2010, through the Local Solutions initiative, USAID set a target of 30% of direct funding from missions to local institutions by 2015 – the target was not achieved, but USAID did nearly double its programme funds directed to partner governments, civil society and the private sector, reaching 18.6% in 2015.³³

In 2021, according to data from the OECD, less than 1% of gross bilateral ODA was allocated to CSOs as core contributions, with 21.1% channelled through CSOs to implement donor-initiated projects (earmarked funding). As the chart below shows, 7.3% of this is officially reported as going to Global South CSOs, marking a notable change in how ODA flows are reported.

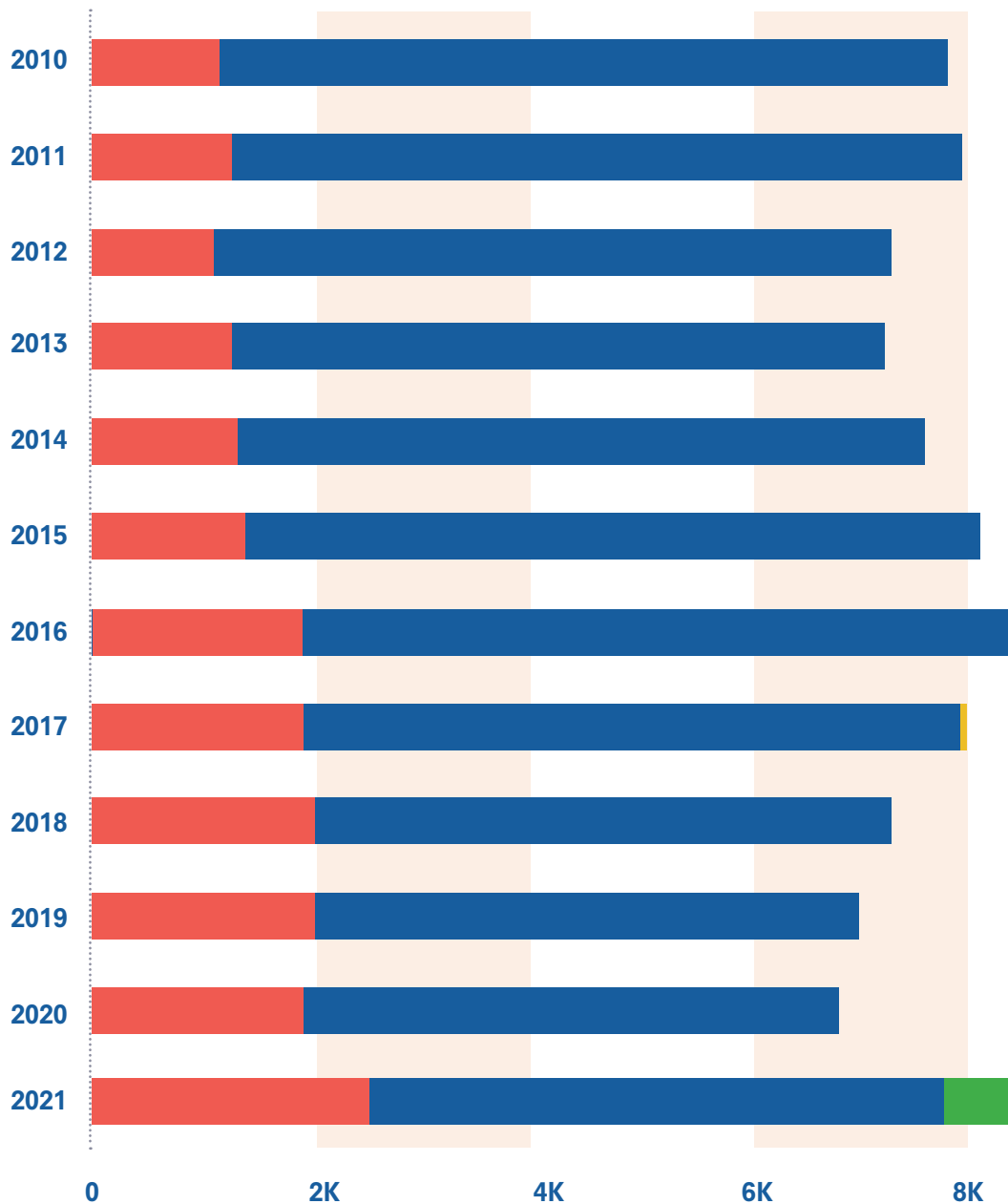
³¹ Adva Saldinger, “As USAID looks to define ‘local,’ here’s where it can start”, Devex, 7 February 2022, available at: <https://www.devex.com/news/as-usaid-looks-to-define-local-here-s-where-it-can-start-102569>.

³² USAID, ‘Administrator Samantha Power On A New Vision for Global Development’, 4 November 2021, available at: <https://www.usaid.gov/news-information/speeches/nov-04-2021-administrator-samantha-power-new-vision-global-development#:~:text=At%20USAID%2C%20in%20addition%20to,a%20project%2C%20set%20priorities%2C%20dri>.

³³ Casey Dunning, “USAID Didn’t Hit Its 30 Percent Target for Local Solutions – Here’s Why I’m Still Cheering”, Center for Global Development, 6 May 2016, available at: <https://www.cgdev.org/blog/usaid-didnt-hit-its-30-percent-target-local-solutions>.

UNITED STATES - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.





2. GERMANY

Overview of which parts of the donor provide ODA to CSOs/NGOs

Germany is the second largest DAC donor in absolute terms, and the fifth largest in relative terms, spending 0.76% of its GNI on ODA in 2021, and preliminarily 0.83% in 2022. The Federal Ministry of Economic Cooperation and Development (BMZ) is responsible for setting development priorities and is divided into seven regional, sector and institutional Directorates-General.

CSOs are key actors in the German development system and are often invited to participate in parliamentary hearings and government consultations, with many also implementing their own in-country programmes funded by BMZ and the Foreign Office.³⁴ The Association of German Development CSOs (VENRO) acts as an umbrella organisation for 140 development and humanitarian CSOs.

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

Germany does have a specific civil society or CSO strategy. German development policy is guided by the BMZ 2030, the Thematic Model that has been developed guided by BMZ 2030, and the Reform Strategy, introduced in June 2020. The Thematic Model states that Germany is transitioning to a new type of cooperation with several partner countries, and in cases where ODA flows are ending, Germany intends to continue to support the work of churches and civil society, including in some cases by directly handing over projects to CSOs.³⁵ Germany has four budget lines and guidance

³⁴ Donor Tracker, Germany, at: https://donortracker.org/donor_profiles/germany (last accessed January 2023).

³⁵ Federal Ministry for Economic Cooperation and Development (BMZ), 'Reform Strategy "BMZ 2030"', June 2020, at: <https://www.bmz.de/en/countries/reform-strategy-bmz-2030>

documents for German CSOs in relation to their activities and partnerships in the Global South:

1. Political foundations
2. Church-based/Church-aid organisations
3. Agencies involved in social structure advancement
4. Private executing agencies (those that fall outside of the above categories)

In all four cases, guidelines stipulate that only German CSOs are eligible for direct funding, however they are legally required to partner with partner country CSOs and transfer the vast majority of funding resources to them. For example, the funding guidelines for political foundations state that the funding recipients must be German, but in order to achieve the social policy objectives set out in Germany's development policy, political foundations will "support suitable non-governmental and governmental organisations within the partner countries themselves or, in specific individual cases, elsewhere, or will support the establishment of such institutions and structures."³⁶ This can include providing funding to CSOs in partner countries in the Global South, governed by a German contract under private law, but they must have been named in the grant application and confirmed through the grant notice.

For private executing agencies, the funding guidelines state that they must be headquartered and conduct their business in Germany, whose non-profit/charitable status is recognised under fiscal law, and who have at least three years' experience cooperating with experienced partners in 'developing' countries. As stated, "the private German executing agency can channel grant funds to suitable local project executing agencies in developing countries, as long as this is specified in the grant notice (BMZ / EG)."³⁷

In addition, German CSOs can tap into a Transitional Assistance fund. Germany does provide direct funding assistance to CSOs in

³⁶ BMZ, REGULATIONS for the funding of projects of importance to development under the responsibility of political foundations under Chapter 2302 Title 687 04 - FR - (Revised version, effective as of 1 January 2021), p.1.

³⁷ BMZ, 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), p.2.

the Global South via most of its embassies, and also through GIZ and KfW bank (the exact amount is not yet recorded by Germany's systems).

BMZ provides funds to Global South CSOs through: a) a micro-project fund administered by German embassies; and b) GIZ and KfW, including through funds like the Blue Action Fund for maritime protection and the recently established Legacy Landscape Fund. German legislation does not require BMZ partner CSOs to publicly disclose any financial statements or who their Global South local partners are, but they have to provide this information to BMZ.

Latest statistics on aid to CSOs/NGOS

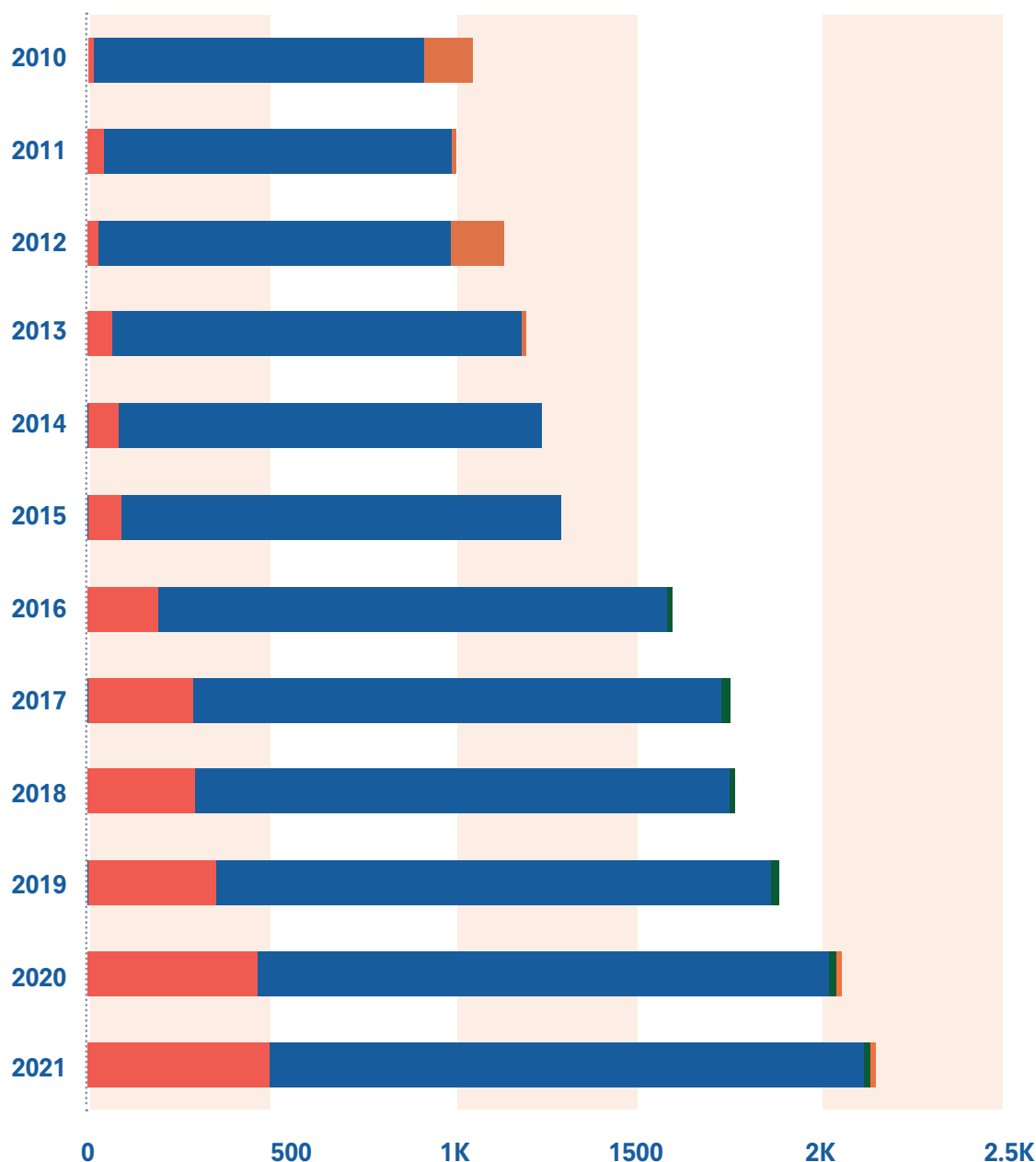
Internally, Germany tracks funding flows from BMZ to the civil society sector for each of the budget lines listed above, as well as a few additional ones. Funding for German CSOs in each budget line has increased steadily between 2017 and 2022. In 2021, Germany allocated 3% of gross bilateral ODA to CSOs as core contributions and 5% was channelled through CSOs for project implementation. **OECD data shows that a negligible amount, 1.4% in 2021, was provided to Global South CSOs.**

The 2022 BMZ Budget has set aside €1,3 million (equivalent to \$1,5 million USD) for “cooperation with CSOs, private sector & others.”

38

GERMANY - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.



- International CSO
- Donor country-based CSO
- Developing Country-based CSO
- Undefined



3. UNITED KINGDOM

Overview of which parts of the donor provide ODA to CSOs/NGOs

In 2021, the UK was the fourth largest DAC donor in absolute terms, and now fifth place according to 2022 preliminary data. The majority of ODA spending is managed by the Foreign, Commonwealth and Development Office (FCDO), however ODA is also channelled through several other government departments, including the Department for Business, Energy & Industrial Strategy (BEIS) and the Home Office.

UK-based CSOs frequently engage with the government, including through membership body Bond (which has more than 400 member organisations), and through ongoing consultations.

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

UK aid spending is currently governed by the Strategy for International Development, published in May 2022. The strategy makes brief reference to civil society, noting that it will see the FCDO “working closely with UK businesses, civil society, academia, research centres and beyond to bring together the UK’s full capability for mutual benefit.” ³⁹

In November 2016, the then Department for International Development (DFID) published a Civil Society Partnership Review (CSPR) that set the purpose of “moving away from the previous

39 Foreign, Commonwealth & Development Office, ‘The UK Government’s Strategy for International Development,’ May 2022, available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1075328/uk-governments-strategy-international-development.pdf, p.6.

system of upfront, unrestricted core funding from the UK Government to the largest CSOs, and towards a more open, competitive and outcome-focussed model of funding.”⁴⁰ The review states that this is partially to widen the range of partners the government works with, including “civil society in developing countries.”⁴¹ The CSPR announced several new funding windows for CSOs, including:

- UK Aid Match (restricted to UK CSOs through competitive funding rounds)
- UK Aid Direct (partially restricted to UK CSOs, partially open – see below)
- UK Aid Connect (for consortia of organisations based either in the Global North or South, which do not have to be led by a UK-based organisation)

The FCDO has not yet replaced the CSPR with an updated policy or strategy document, and the above funding windows are either closed or coming to an end.

UK Aid Direct has three channels of grant funding:⁴²

1. Small Charities Challenge Fund project grants of up to £50,000 – recipients must be small UK-registered charities and NGOs.
2. Community Partnership grants of up to £250,000 for small NGOs registered in the UK, or in one of the following: one of the lowest 50 countries in the United Nations Human Development Index (UN HDI) or a country considered by the UK government to be of high or moderate fragility.
3. Impact grants of up to £4 million for medium-sized NGOs

⁴⁰ Department for International Development, ‘Civil Society Partnership Review,’ November 2016, available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/565368/Civil-Society-Partnership-Review-3Nov2016.pdf, p.4.

⁴¹ Ibid.

⁴² UK Aid Direct, ‘Grants’, (Website) at: <https://www.ukaidirect.org/apply/> (accessed May 2022).

In April 2019, the Independent Commission for Aid Impact (ICAI) published a performance review of DFID's partnerships with civil society organisations. The review found that in practice, most funding through the above channels is awarded to UK CSOs, and the proportion of funding provided directly to Global South CSOs declined from 28% between 2011 and 2015 to 18% between 2015 and 2018 – ICAI noted that this does not align well with the 'localisation' agenda. ⁴³

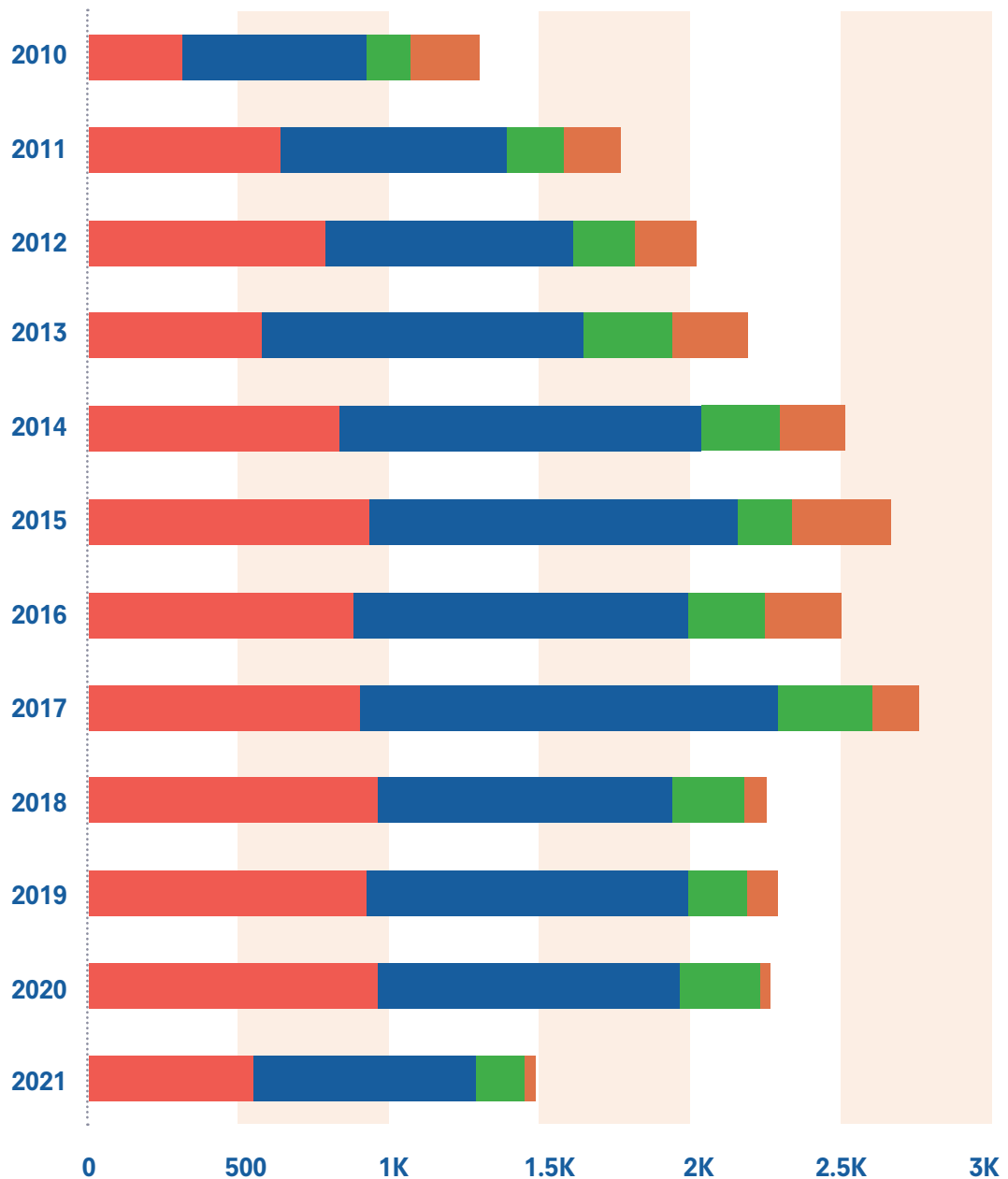
Latest statistics on aid to CSOs/NGOS

In 2021, the UK provided US\$1.5 billion of gross bilateral ODA to CSOs, 3% channelled as core contributions and 11.5% as earmarked funding to implement projects. **In 2021, 10.8% of this funding went to Global South-based CSOs.**

⁴³ Independent Commission for Aid Impact, 'DFID's partnerships with civil society organisations: A performance review,' April 2019, available at: <https://icai.independent.gov.uk/wp-content/uploads/DFIDs-partnerships-with-civil-society-organisations.pdf>, p.17..

UNITED KINGDOM - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.





4. SWEDEN

Overview of which parts of the donor provide ODA to CSOs/NGOs

According to 2022 preliminary data, Sweden was the second largest OECD-DAC donor in relation to the UN 0.7% spending target for the ODI:GNI ratio, spending 0.9% of GNI, and was also the ninth largest donor in overall terms.

Sweden's Ministry of Foreign Affairs (MFA) is responsible for overseeing development policy and financing, including through its Department for International Development Cooperation unit. The Swedish International Development Cooperation Agency (Sida) is responsible for administering and executing development policy implementation, working with CSOs, Swedish embassies and other Swedish government agencies. In total, Sida manages around 51% of Sweden's total ODA budget.⁴⁴

As outlined by Donor Tracker, "CSOs play a major role in Sweden's development assistance. In 2019, almost a third of the country's bilateral ODA was channeled through CSOs (32%), well above the OECD's Development Assistance Committee (DAC) average of 20%. Sida has increased its engagement with Swedish CSOs to identify new methods of delivering its bilateral programs and increasing the effectiveness of development assistance."⁴⁵

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

Sida's CSO-specific strategy restricts/ties funding to Swedish CSOs, who in turn are required to have a partnership with Global South

⁴⁴ Donor Tracker, Sweden, (Website) at: https://donortracker.org/donor_profiles/sweden (accessed May 2022).

⁴⁵ Ibid.

CSOs and transfer funds to them. This has been the case for 50 years. Sweden's Ministry of Foreign Affairs published the Strategy for support via Swedish civil society organisations 2016-2022.

The strategy covers any funding allocated in Sida's appropriation directions each budget year and one-fifth of all Sida CSO support is covered by this strategy. It states that support will be provided directly to Swedish CSOs for further implementation: "Support to civil society in developing countries will be provided mainly through contributions to the development cooperation of Swedish CSOs. These organisations have responsibility for the design, implementation and follow-up of activities."⁴⁶ Sida currently cooperates with 17 Swedish strategic partner organisations (SPOs).⁴⁷

In 2019, Sweden also published Guiding Principles for Sida's Engagement with and Support to Civil Society, which outlines a combination of support to CSOs and through CSOs to achieve specific sectoral or thematic objectives. The principles also have a heavy focus on organisational development for partner CSOs in Global South countries, noting the central way of strengthening CSO ownership is to "provide more direct support to developing country CSOs," however, Sweden does not commit to any specific actions in this area.⁴⁸

Sweden also provides support to CSOs outside of this strategy as part of thematic and geographic strategies. For example, Swedish CSO Diakonia has 22 different agreements within different Sida strategies, including the CSO-specific strategy, as well as geographic strategies for Colombia, Guatemala, DRC, Zimbabwe, Bolivia and others. The funding modalities vary between core and

⁴⁶ Sida, Strategy for support via Swedish civil society organisations for the period 2016-2022, August 2017, available at: <https://www.government.se/international-development-cooperation-strategies/2017/08/strategy-for-support-via-swedish-civil-society-organisations-for-the-period-20162022/#:~:text=The%20strategy%20for%20support%20via,for%20people%20living%20in%20poverty,p.6>.

⁴⁷ Sida, 'Support to civil society organisations,' (Website) at: <https://www.sida.se/en/for-partners/civil-society-organisations> (accessed May 2022).

⁴⁸ Sida, 'Guiding Principles for Sida's Engagement with and Support to Civil Society', 2019, available at: <https://cdn.sida.se/publications/files/sida62227en-guiding-principles-for-sidas-engagement-with-and-support-to-civil-society-full-version.pdf>, p.15.

programme or project support. Indeed, civil society features in the government's overarching Policy framework for Swedish development cooperation and humanitarian assistance (2016).⁴⁹ It also features in sector-specific strategies, for example the Strategy for Sweden's Development Cooperation in the Areas of Human Rights, Democracy and the Rule of Law (2018-2022).⁵⁰ Aid to CSOs through these other channels is not explicitly restricted to Swedish CSOs, yet they nonetheless receive the bulk of the funding. Sida's website states that "local" CSOs "also receive support through Sida's thematic and geographical units or through Swedish embassies. Either in direct cooperation with Sida or through Swedish, international or multilateral organisations."⁵¹

Latest statistics on aid to CSOs/NGOS

Aid to Swedish CSOs amounts to 1.9 Swedish Krona per year (equivalent to approximately 178 million Euro). This is Sida's second largest allocation/budget line after global humanitarian assistance. Sida publishes information about projects and programmes implemented by the Swedish strategic partner organisations and their "local partners" in the Global South on a publicly available CSO database.⁵² In some cases, the local implementing organisation is also a Swedish or Global North rather than a Global South CSO. The database provides an overall budget breakdown, but this is not disaggregated by partner.

⁴⁹ Government Offices of Sweden, Policy framework for Swedish development cooperation and humanitarian assistance, Reference No.: ID 2016/17:60, May 2017, available at: <https://www.government.se/legal-documents/2017/05/policy-framework-for-swedish-development-cooperation-and-humanitarian-assistance/>.

⁵⁰ Government Offices of Sweden, Strategy for Sweden's development cooperation in the areas of human rights, democracy and the rule of law 2018–2022, December 2017, available at: <https://www.government.se/international-development-cooperation-strategies/2017/12/strategy-for-swedens-development-cooperation-in-the-areas-of-human-rights-democracy-and-the-rule-of-law-20182022/>.

⁵¹ See n 46

⁵² Sida, 'CSO database,' (Website) at: <https://cso.sida.se/> (accessed May 2022).

In 2021, CSOs received USD 1.4 billion of gross bilateral Swedish ODA, 6% allocated as core contributions and 29.1% channelled through CSOs to implement donor-initiated projects (earmarked funding). **In 2021, only 9.4% was provided directly to Global South-based CSOs.**

In Sweden's 2022 ODA Budget, 1,955 million Swedish Krona (equivalent to US \$212 million) was allocated to Swedish CSOs. This represents around 3.4% of Sweden's overall budget. However, as noted above, Swedish CSOs also receive a high proportion of funding through Sweden's bilateral cooperation.

In late 2022, Sweden's new government announced that its ODA budget will no longer be tied to a GNI-based target, breaking a long-time commitment set by previous governments at around 1% of GNI which had been met since 2008.⁵³ In turn, its new ODA budget saw cuts to around 0.88 of GNI.⁵⁴

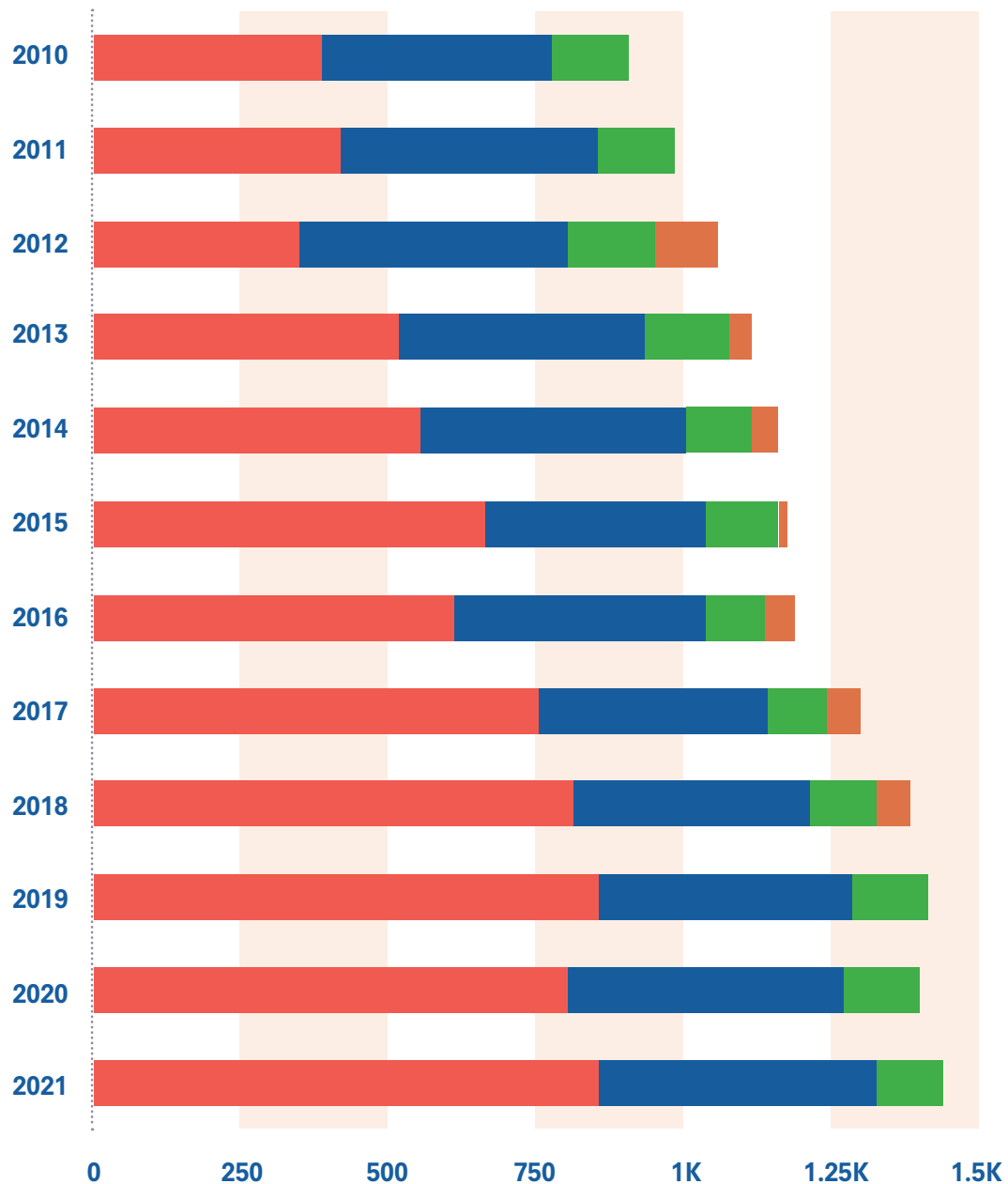
While this report also included Sweden's practices on restricting aid to its own civil society organisations, at the time of publishing this report (April 2024), The Swedish International Development Cooperation Agency (SIDA) has announced in March 2023 that it is planning to introduce a new funding model in January 2025 through which non-Swedish CSOs can compete for funding.

53 Anita Käppeli et al., "The End of an Aid Superpower? What to Make of Sweden's New Development Policy", Center for Global Development, 4 November 2022, at: <https://www.cgdev.org/blog/end-aid-superpower-what-make-swedens-new-development-policy>

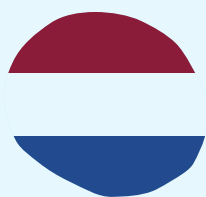
54 Ibid.

SWEDEN - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.



Source: OECD DAC Development Co-Operation Profile 2023, [Sweden](#).



5. NETHERLANDS

Overview of which parts of the donor provide ODA to CSOs/NGOs

According to 2022 preliminary data, the Netherlands was the eighth-largest DAC donor in overall terms. Dutch ODA spending is overseen primarily by the Ministry of Foreign Affairs (MFA), which has a Civil Society and Education Division. The MFA defines policy and strategic priorities for the ODA budget and oversees Embassies in partner countries that manage bilateral cooperation. The Minister for Foreign Trade and Development Cooperation (MFTDC), a Cabinet-level minister within the MFA, manages more than 50% of total Dutch ODA. CSO support is a specific thematic area within the MFTDC's budget.

Civil society is one of the priority policy areas of the Netherlands. Dutch CSOs, over 100 of which are represented by umbrella association Partos, play an active role in the Netherlands' development cooperation. Many Dutch CSOs implement their own programmes, funded by the Dutch government as well as private donations.

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

From 2016 to 2020, funding for CSOs was channelled through the funding scheme Dialogue and Dissent: Strategic partnerships for lobby and advocacy.⁵⁵ The government now has an overarching Policy Framework for Strengthening Civil Society for 2021–2025, which includes seven programmes, of which four are grant instruments

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Government of the Netherlands, Policy framework: "Dialogue and Dissent", Regulation 13-05-2014, 2014, available at: <https://www.government.nl/topics/grant-programmes/documents/regulations/2014/05/13/policy-framework-dialogue-and-dissent>.

(under policy article 3 of chapter XVII of the central government budget), as follows:

- Power of Voices Partnerships
- Power of Women
- Women, Peace and Security
- Sexual and Reproductive Health Rights (SRHR) Partnership Fund

The Power of Voices grant fund has a specific instrument called the Civic Space Fund – this is implemented by Dutch diplomatic missions/embassies and is “specifically intended for local civil society organisations.”⁵⁶ In addition, the Sustainable Development Goal 5: Gender Equality (SDG5) fund (which comprises the remaining three grant instruments listed above) has a specific instrument called ‘Leading from the South,’ which is a feminist philanthropic fund and alliance led by a coalition of four women’s funds that provides flexible grants to organisations in the Global South.⁵⁷ The fund was created in 2017, and is now financed through a €40 million fund provided by the Dutch MFA.

Under each of the four grant instruments, each consortium was required to include “at least one consortium partner from the Netherlands and one from a low-income, lower-middle-income or upper-middle-income country” and the lead party could be “either a Dutch CSO or a CSO from a low-income, lower lower-middle-income or upper-middle-income country”.⁵⁸ INGOs from other Northern countries could be part of consortia, but not as the lead party. One of the main criteria for assessing each proposal was the consortium’s “vision on working with local organisations in the in the application proposed countries.”⁵⁹

⁵⁶ Government of the Netherlands, ‘Policy Framework for Strengthening Civil Society: Power of Voices Partnerships,’ 2022, available at: <https://www.government.nl/binaries/government/documenten/policy-notes/2019/11/28/policy-framework-strengthening-civil-society/Grant+instrument+PoV+FINAL.pdf>, p.2.

⁵⁷ Leading from the South, ‘About Us’, (Website) at: <https://www.leadingfromthesouth.org/about-us> (accessed May 2022).

⁵⁸ See n 53, p.11

⁵⁹ Ibid, p.18

The criteria for the Power of Women grant instrument is similar: women's rights organisations with their head office in a low-income, lower-middle-income or upper-middle-income country can assume the role of either lead party or consortium partner, and each consortium must include at least one consortium partner from one of these countries.

The alliances or consortia selected under the four grant programmes listed above were finalised in May 2020. Of a total of 42 alliances, at least 5 organisations designated as the lead party are from the Global South.⁶⁰ The remaining lead parties are primarily Dutch or from other Northern donor countries. However, there are many more Global South organisation included as alliance partners in each of the grants. A summary of development results in the area of strengthening civil society can be accessed on the MFA website.⁶¹

Latest statistics on aid to CSOs/NGOS

Since 2015, programme funding for CSOs has been "sharply cut," with the Dutch MFA placing more emphasis on strategic partnerships and advocacy."⁶² In 2019, the Netherlands spent "20% (US\$688 million) of its bilateral ODA on activities in the government and civil society sector. Funding to this sector saw a 14% increase between 2018 and 2019."⁶³ In 2021, CSOs received US\$1 billion of gross bilateral ODA, with 2% allocated as core contributions and

⁶⁰ Government of the Netherlands, 'Selected alliances after finalizing stage 2 of assessment process: Strengthening Civil Society,' 29 May 2020, available at: <https://www.government.nl/binaries/government/documenten/policy-notes/2019/11/28/policy-framework-strengthening-civil-society/Selectedalliancesafterstage2.pdf>.

⁶¹ See n 19.

⁶² Donor Tracker, Netherlands, (Website) at: https://donortracker.org/donor_profiles/netherlands (accessed May 2022).

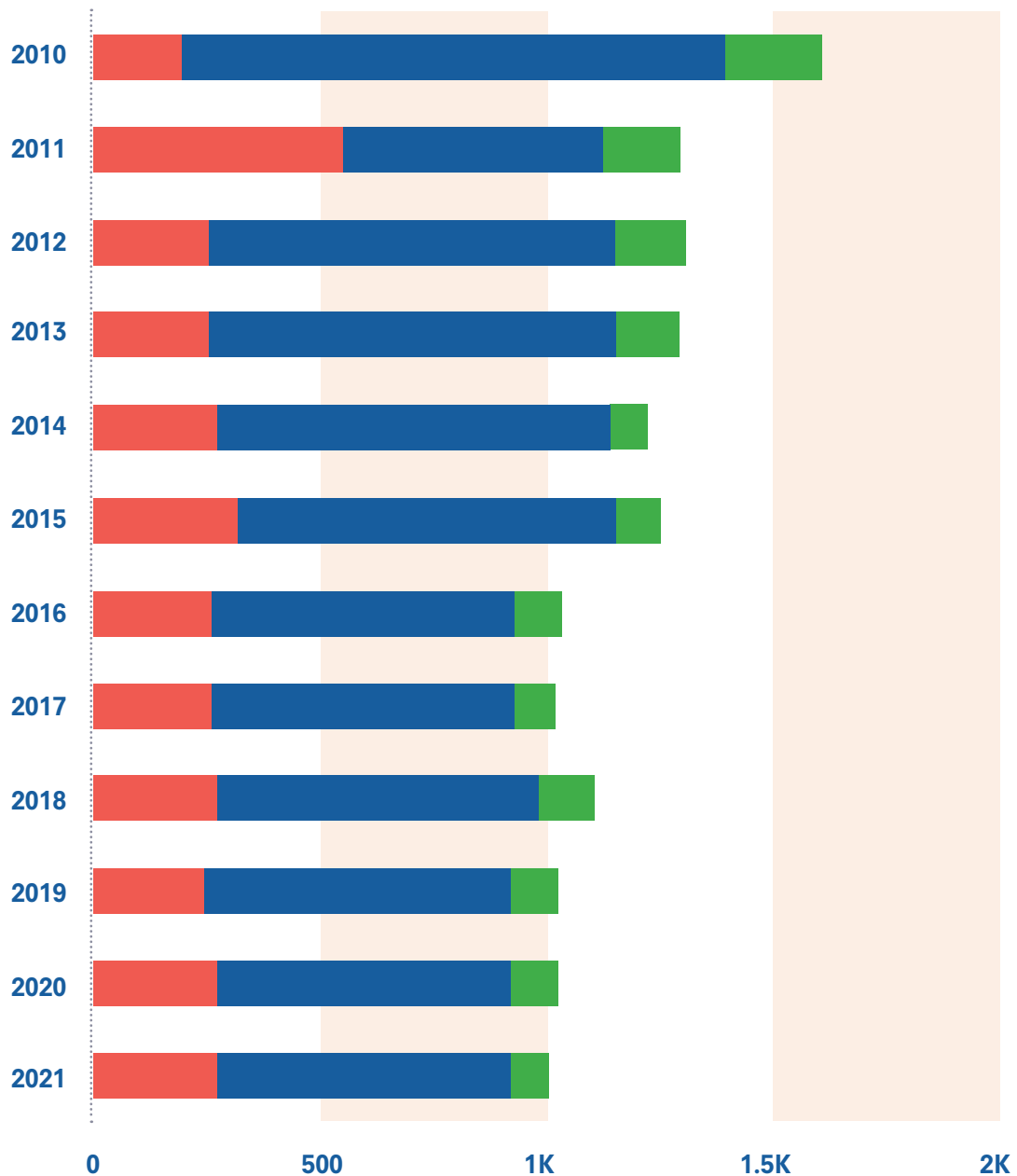
⁶³ Ibid.

24.1% channelled through CSOs to implement projects initiated by the Netherlands (i.e., earmarked funding).⁶⁴

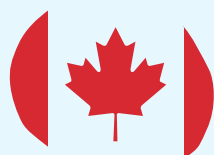
Only 8.7% went directly to Global South CSOs in 2021.

NETHERLANDS - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.



Source: OECD DAC Development Co-Operation Profile 2023, [Netherlands](#)



6. CANADA

Overview of which parts of the donor provide ODA to CSOs/NGOs

Canada is the sixth largest DAC donor in absolute terms. Global Affairs Canada (GAC) is the government department in charge of foreign affairs and steering development policy – GAC also spend the majority of Canada’s development assistance budget. CSOs can submit suggestions in relation to the annual ODA budget and are occasionally consulted on major decisions, as well as on Canada’s specific civil society policies.

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

Canada’s overall policy framework is the Feminist International Assistance Policy (FIAP). GAC also introduced a dedicated policy focused on civil society (this was revised by the current government in 2016 and has been in place since): Canada’s Policy for Civil Society Partnerships for International Assistance – A Feminist Approach. The policy outlines how GAC works with CSOs across nine areas, including gender equality, protecting human life and dignity, innovation, multistakeholder approaches, and sustainability, transparent, accountability and results. Objective 6 of the Policy is to “[E]stablish more predictable, equitable, flexible, and transparent funding mechanisms,”⁶⁵ including by streamlining procedures to reduce the administrative burden on partners. Some of these mechanisms, such as the Small and Medium Organizations for Impact and Innovation Initiative (a small pot of money), provide dedicated funding for Canadian CSOs only. Others, such as the Women’s Voice

65 Government of Canada, ‘Canada’s Policy for Civil Society Partnerships for International Assistance – A Feminist Approach’, (Website) at: https://www.international.gc.ca/world-monde/issues_developpement-enjeux_developpement/priorities-priorites/civil_policy-politique_civile.aspx?lang=eng.

and Leadership Program, which allocated over CAD\$174 million for projects in 30 countries, had a mandate to provide funding to Global South CSOs. However, out of the 32 reported projects, the first tranche of funding was overwhelmingly awarded to Canadian and other Global North CSOs.⁶⁶

More recently, the Equality Fund was created in 2019 with CAD\$300 million from GAC, to provide flexible, long-term funding for women's organisations in the Global South.⁶⁷ With regard to the humanitarian sector specifically, the policy commits GAC to "increase the proportion of Canada's humanitarian assistance that is provided through local and national CSOs, including local women's organizations, using mechanisms such as country-based pooled funds, in line with Canada's Grand Bargain commitment to support the "localization" of humanitarian assistance."⁶⁸

Open calls for funding from Global Affairs Canada are advertised via an open government portal. CSOs can apply through a specific call for proposals or by submitting an unsolicited proposal. An ongoing programme, the Canada Fund for Local Initiatives (CFLI) provides funding that is targeted at small CSOs, particularly from the Global South – it funds approximately 600 projects annually through an annual programming budget of CAD\$26.8 million. The guidance states that "[l]ocal civil society organizations will receive most of the CFLI funding. Nevertheless, other organizations and institutions listed may also apply for funding if they are working with local partners on local projects that meet CFLI objectives."⁶⁹

Canadian CSOs have been governed for the past 70 years by a legislative framework, known as 'direction and control' requirements,

66 Government of Canada, 'Women's Voice and Leadership Program', (Website) at: https://www.international.gc.ca/world-monde/issues_development-enjeux_developpement/gender_equality-egalite_des_genres/wvl_projects-projets_vlf.aspx?lang=eng (accessed May 2022).

67 Equality Fund, 'Grantmaking,' (Website) at: <https://equalityfund.ca/what-we-do/grantmaking/> (accessed May 2022).

68 See n 62.

69 Government of Canada, 'The Canada Fund for Local Initiatives', (Website) at: <https://www.international.gc.ca/world-monde/funding-financement/cfli-fcil/index.aspx?lang=eng> (accessed May 2022).

which stipulates that a Canadian charity must demonstrate it controls any international finance to counterpart organisations outside of Canada (which hampers the extent to which direct, unrestricted funding can be shifted to Global South organisations)⁷⁰. In 2021, Canadian Senator Ratna Omidvar introduced a private members Bill to reform these regulations, however in 2022 the Canadian government introduced its own reform of the regulations in a budget bill that has been criticised by Canadian civil society and some legal experts.⁷¹

Latest statistics on aid to CSOs/NGOS

Canada spends “most of its bilateral funding through the public sector (US\$1.1 billion in 2019), followed by non-governmental organizations (NGOs) and civil society organizations (CSOs; US\$891 million).”⁷²

In 2021, 1% of gross bilateral ODA was allocated to CSOs as core contributions and 19.5% was channelled through CSOs to implement projects initiated by the donor (earmarked funding).

Only 6.7% of bilateral ODA was provided directly to Global South-based CSOs in 2021.

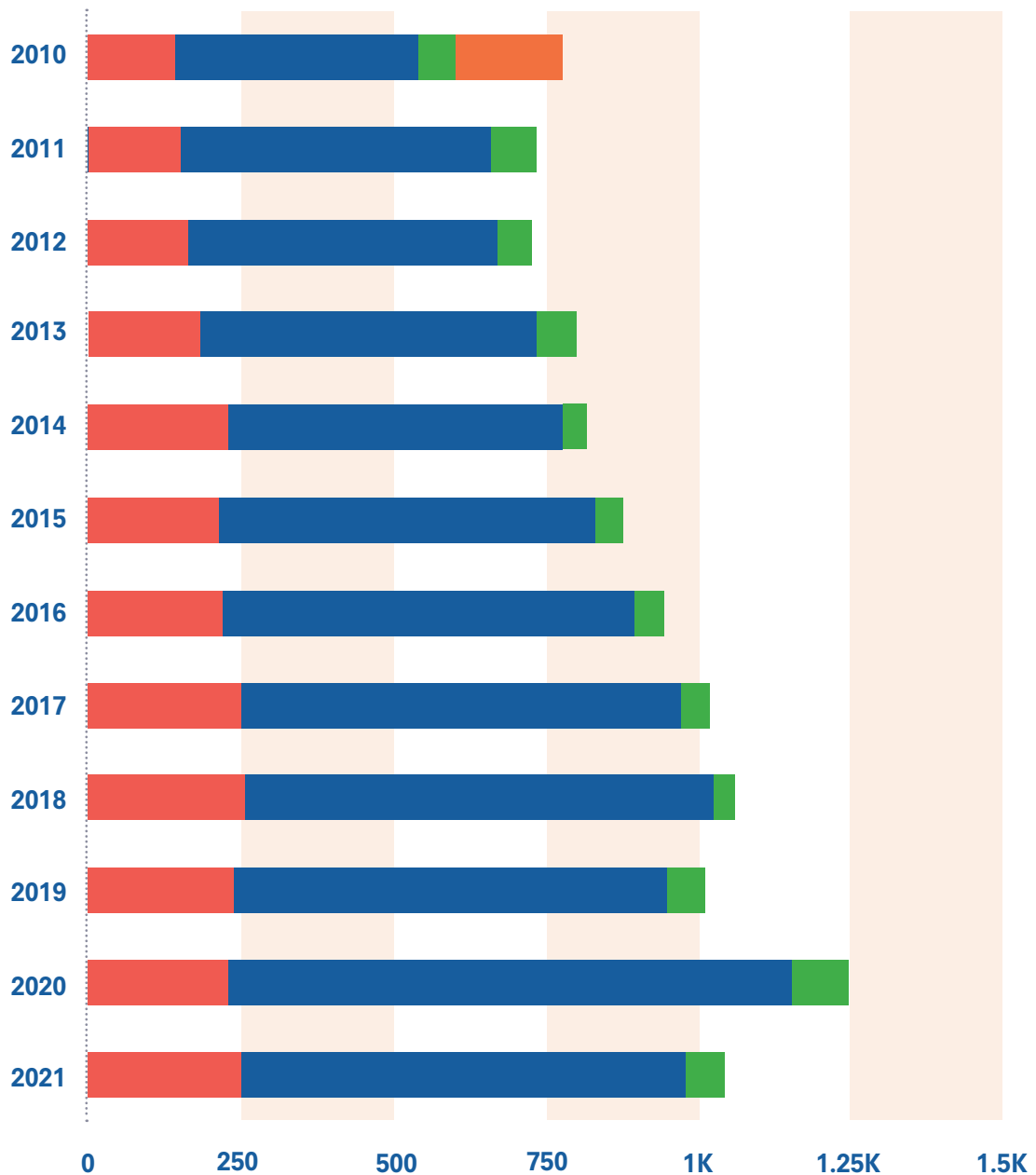
⁷⁰ Cooperation Canada, ‘Is the end near for Direction and Control?’, 9 November 2021, available at: <https://cooperation.ca/is-the-end-near-for-direction-and-control/>.

⁷¹ Robert B. Hayhoe and Stephen Hsia, ‘The new qualifying disbursement rules: An improvement?’, Miller Thomson, 2 May 2022, available at: <https://www.millertomson.com/en/publications/communiqués-et-mises-à-jour/impact-social/newsletter/may-2-2022-social-impact/new-qualifying-disbursements-rules/>.

⁷² Donor Tracker, Canada, (Website) at https://donortracker.org/donor_profiles/canada (last accessed January 2023).

CANADA - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.



Source: OECD DAC Development Co-Operation Profile 2023, [Canada](#).



7. NORWAY

Overview of which parts of the donor provide ODA to CSOs/NGOs

Norway is the tenth-largest DAC donor in overall terms, and the second largest in relative terms, spending 0.86% of its GNI as ODA in 2022 (previously the largest in 2021).

The Ministry of Foreign Affairs is responsible for the overall strategic direction of Norway's development cooperation. The Minister for International Development oversees the Norwegian Agency for Development Cooperation (Norad), which is largely responsible for ODA management. Norad does not have country offices, but its staff cooperate closely with Norwegian embassies in partner countries, who lead on the programming for bilateral cooperation.

CSOs are "key implementers of Norwegian ODA. In 2018, 27% of Norwegian bilateral ODA was channelled through CSOs (DAC average: 20%)."⁷³ Norwegian CSOs play a key role in domestic policy, including by implementing development projects using government funds. Norwegian CSOs coordinate their advocacy and other work through the Forum for *Utvikling og Miljø* (Forum for Development and Environment, ForUM), a civil society umbrella organisation.

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

Norway does not formally ringfence any ODA funding to Norwegian CSOs. Norway's ODA budget contains several budget posts with funding that reach both Norwegian and Global South CSOs. The introductory paragraph of budget line 170.70 in the state

budget notes that funding from this budget line should be mainly channelled through Norwegian CSOs, with close cooperation with partner organisations encouraged to reach areas where the needs are greatest and to strengthen the capacity of local CSOs. As a result, most of the funding from this budget line goes to Norwegian CSOs, who then channel funds to their local partner CSOs. This varies by programme or instrument – for example, in 2017 Norway launched a call for proposals targeted specifically at African research institutions.⁷⁴ In other cases, calls for proposals can be submitted by CSOs based in any country. For some opportunities, only invited CSOs can submit proposals for funding opportunities (these can include Global South CSOs).

Norway does not have a stated policy around funding Norwegian NGOs, but in 2018 it published a document on *Norad's Support to Civil Society – Guiding Principles*⁷⁵. There are seven principles: sustainability, inclusion, partnership, legitimacy, accountability, cost-effectiveness and context sensitivity. The document states “Norad works with a range of civil society organisations at the global, regional, national and local level. While some funds are allocated to international and local civil society organisations, the majority of Norad’s direct civil society partners are Norwegian organisations. Partnership models supported by Norad vary substantially: Some organisations work with local actors through international or national offices in partner countries, while others cooperate directly with local partners. Whatever the partnership model and funding stream that is used, legitimacy and local ownership are critical.”⁷⁶

The document also acknowledges that civil society actors who represent those left behind may lack the “necessary financial or technical skills to meet Norad’s and other donors’ demands for direct support,” and that partnerships can help by shifting money and

⁷⁴ Norad, ‘Six research institutions in Sub-Saharan Africa receive funding,’ 2018, available at: <https://www.norad.no/en/front/about-norad/news/2018/six-research-institutions-in-sub-saharan-africa-receive-funding/>

⁷⁵ Norad, *Norad’s Support to Civil Society - Guiding Principles*, June 2018, available at: <https://www.norad.no/om-bistand/publikasjon/2018/norads-support-to-civil-society-guiding-principles/>.

⁷⁶ Ibid. p.5.

decision-making power to locally rooted organisations.

The principles also state: “Norad supports cost-effective partners and partnership models, favouring those where a limited, but reasonable and justifiable portion of the funds are spent in high-income countries, where many organisations are headquartered.” ⁷⁷

Latest statistics on aid to CSOs/NGOS

Data on funding to Norwegian and other NGOs can be found on Norway’s aid results portal.⁷⁸ Budgets are broken down at a project level, however information is only available for the first tranche of funding from the government – there is no budget information for funding to Global South partners within consortia. The budget signpost 170.70 Support to civil society is the main budget line for support to civil society. In 2021, 85% of the funds from this budget line went to Norwegian CSOs. In 2020, Norway analysed how funding from this budget line had contributed to support local CSOs and based on the numbers received found that the funds had reached 924 local CSOs.

In 2021, CSOs received nearly US\$985 million of gross bilateral ODA, with 7% of gross bilateral ODA was allocated to CSOs as core contributions and 21% was channelled through CSOs for project implementation.⁷⁹

In 2021, only 6.6% of bilateral ODA was provided directly to Global South-based CSOs, less than half the amount provided in 2010.

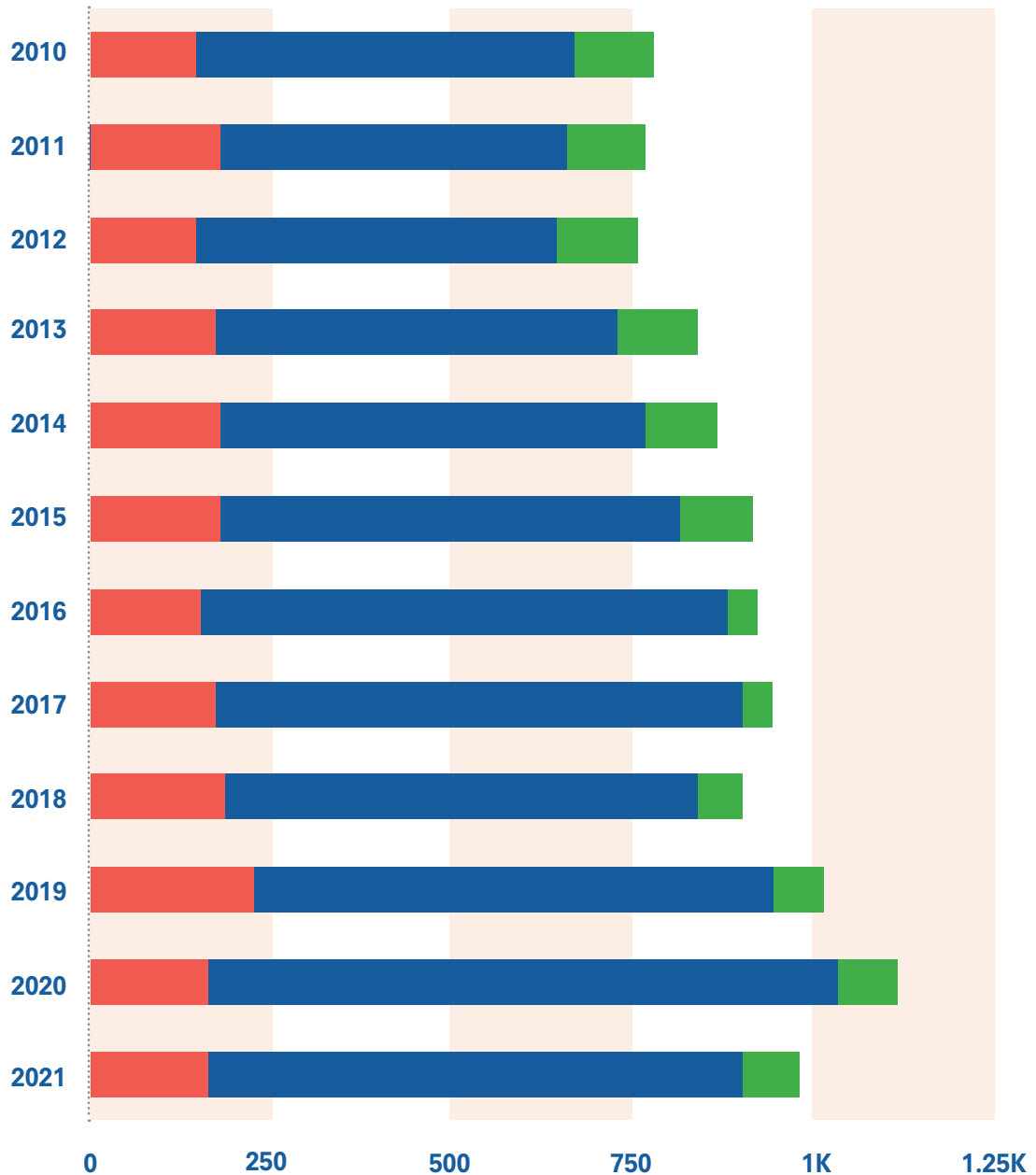
⁷⁷ Ibid, p.10

⁷⁸ Norwegian development aid, ‘Statistics and Results,’ (Website) at: <https://resultater.norad.no/en> (last accessed January 2023).

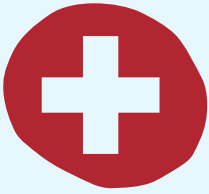
⁷⁹ OECD (2023), “Norway” in Development Co-operation Profiles, OECD Publishing, Paris, available at: https://www.oecd-ilibrary.org/sites/aaf0304f-en/index.html?itemId=/content/component/5e331623-en&csp_=b14d4f60505d057b456dd1730d8fcea3&itemIGO=oecd&itemContentType=chapter.

NORWAY - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.



Source: OECD DAC Development Co-Operation Profile 2023, [Norway](#)



8. SWITZERLAND

Overview of which parts of the donor provide ODA to CSOs/NGOs

In 2021, Switzerland was the 11th largest donor in absolute terms (now the 12th largest according to 2022 preliminary data). Its development cooperation is implemented by three institutions: the Swiss Agency for Development and Cooperation (SDC), the Human Security Division (HSD) within the Federal Department of Foreign Affairs, and the Economic Co-operation and Development Division of the State Secretariat for Economic Affairs (SECO), within the Federal Department of Economic Affairs, Education and Research.

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

Switzerland has an overarching International Cooperation Strategy 2021—2024. The strategy outlines the three modalities that form the basis of Swiss cooperation with NGOs:

“1) contracts awarded according to public procurement rules on transparency and competitiveness for the provision of services (mandates); 2) targeted contributions, thematic or geographic, to advance international cooperation; and 3) programme contributions, i.e. funding that is not tied to a thematic or geographic priority.”⁸⁰

In 2019, Switzerland developed the SDC guidance for engagement with Swiss NGOs framework.⁸¹ The SDC can provide targeted contributions for specific projects by either Swiss or foreign NGOs,

⁸⁰ Federal Department of Foreign Affairs FDFA, ‘Switzerland’s International Cooperation Strategy 2021-24,’ available at: https://www.eda.admin.ch/content/dam/deza/en/documents/die-deza/strategie/broschuere-IZA-strategie-2021-2024_EN.pdf, p.34.

⁸¹ Federal Department of Foreign Affairs FDFA, ‘SDC guidance for engagement with Swiss NGOs,’ 2019, available at: https://www.eda.admin.ch/content/dam/deza/en/documentpublikationen/Diverses/richtlinien-zusammenarbeit-schweizer-NGO_EN.pdf.

which can be used in particular by smaller or 'start up' NGOs.⁸² Programme contributions are fully restricted to Swiss NGOs that fall into four categories: large Swiss NGOs, Swiss NGO umbrella organisations, Cantonal federations, Swiss NGO alliances.⁸³ Mandates are contractual arrangements to provide services through tendering, invitations and direct awards. Mandate guidelines state that "[i]n terms of local procurement, local partners may have already been identified. In addition, an international call to tender would hardly be convenient and would run contrary to the goal of strengthening local structures. In the event that several local suppliers are worth considering for a given project or programme, the contract between the SDC and the mandated organisation regulates how the allocation of the project funds under management is to take place (e.g. local call to tender)."⁸⁴

Latest statistics on aid to CSOs/NGOS

The SDC publishes its annual expenditures online, and it stipulates how much funding goes to "local NGOs."⁸⁵ In 2021, 10% of Switzerland's gross bilateral ODA was allocated to CSOs as core contributions, with 22.3% channelled through CSOs for project implementation.

In 2021, 14.3% of bilateral ODA was provided to Global South-based CSOs.⁸⁶

⁸² Federal Department of Foreign Affairs FDFA, 'Targeted contributions,' (Website) at: https://www.eda.admin.ch/content/dam/deza/en/documents/publikationen/Diverses/richtlinien-zusammenarbeit-schweizer-NGO_EN.pdf (accessed May 2022).

⁸³ See n 78.

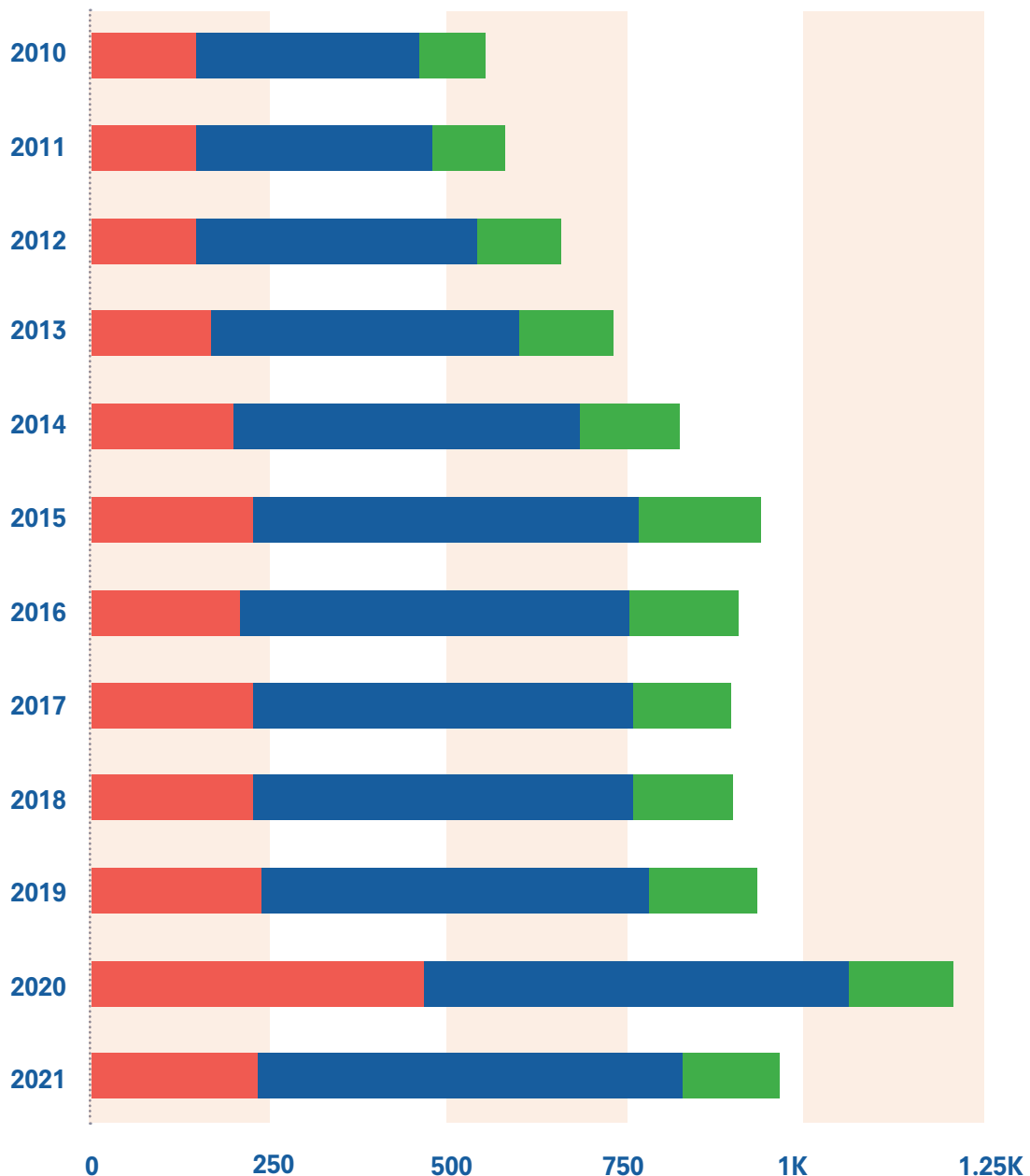
⁸⁴ Federal Department of Foreign Affairs FDFA, 'Legal requirements for procurement,' (Website) at: <https://www.eda.admin.ch/deza/en/home/partnerships-mandates/mandates-contributions/mandates/requirements/legal-requirements-procurement.html> (accessed May 2022).

⁸⁵ Federal Department of Foreign Affairs FDFA, 'SDC expenditures,' (Website) available at: <https://www.eda.admin.ch/deza/en/home/sdc/portrait/figures-statistics/sdc-expenditures-2009-2013.html> (accessed May 2022).

⁸⁶ OECD (2022), "Switzerland", in Development Co-operation Profiles, OECD Publishing, Paris, available at: <https://www.oecd-ilibrary.org/sites/00eb9f0b-en/index.html?itemId=/content/component/00eb9f0b-en>.

SWITZERLAND - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.



- International CSO
- Donor country-based CSO
- Developing Country-based CSO

Source: OECD DAC Development Co-Operation Profile 2023, [Switzerland](#)



9. BELGIUM

Overview of which parts of the donor provide ODA to CSOs/NGOs

In 2021, Belgium was the 15th largest donor in absolute terms.. Belgium's Directorate-General for Development Cooperation and Humanitarian Aid (DGD), which is part of the Federal Public Service for Foreign Affairs, holds overall responsibility for development cooperation and manages 55% of ODA disbursements.⁸⁷ ENABEL, the development agency, is responsible for implementing and coordinating Belgian governmental development policy in priority countries, however the agency is also able to fund some Global South CSOs as partners implementing interventions related to governmental cooperation in specific countries.

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

Belgium's development policy is outlined in the Law on Development Co-Operation (2013).⁸⁸ The law includes a specific section related to cooperation with non-governmental organisations. The law also allows the possibility of funding Global South CSOs. Belgium does not have a CSO-specific strategy, but there are clear guidelines as part of a 2016 Royal Decree⁸⁹ on non-governmental cooperation, including regarding accreditation processes that Belgian NGOs have to undergo to receive direct ODA funding from the government. Belgium does not as a general policy provide direct financial support

⁸⁷ OECD (2023), "Belgium", in Development Co-operation Profiles, OECD Publishing, Paris, available at: <https://www.oecd-ilibrary.org/sites/58873fc4-en/index.html?itemId=/content/component/58873fc4-en>

⁸⁸ Kingdom of Belgium, '— Loi relative à la Coopération [belge] au Développement,' [C - 2013/15084], 19 March 2013, available at: https://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2013031906&table_name=loi

⁸⁹ Kingdom of Belgium, 'Arrêté royal concernant la coopération non gouvernementale,' 11 September 2016, available at: https://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2016091101&table_name=loi

to Global South NGOs. Only accredited NGOs can apply for direct funding (a process which takes place every five years and is valid for ten years). NGOs must comply with a strict set of criteria, as outlined in the Decree,⁹⁰ to achieve accreditation, including having a demonstrable “*assise sociétale*” (societal base) in Belgium. There are currently 88 ‘recognised’ or accredited NGOs.⁹¹

The Ministry of Foreign Affairs, Foreign Trade and Development Cooperation outlines several funding channels for NGOs. Co-financing of programmes is the main channel, available for recognised and registered Belgian NGOs, where Global South CSOs may only receive funding through partnership with one of these NGOs. Emergency aid and food aid is supplied exclusively to recognised Belgian NGOs, international organisations and the Red Cross. Belgium also provides peacebuilding grants to NGOs. Previous guidelines for this funding state that proposals may be submitted by Belgian, foreign, international or regional organisations, as well as universities and higher education establishments.⁹²

In general, government officials inform us that partnerships between Belgian accredited CSOs and CSOs local to the countries they operate in are strongly encouraged, including in selection criteria for funded programmes, to strengthen the capacity of local organisations and promote both South-North as well as North-South exchanges.

90 Ibid.

91 Kingdom of Belgium, Foreign Affairs, Foreign Trade and Development Cooperation, ‘List of accredited NGOs,’ May 2020, available at: https://diplomatie.belgium.be/sites/default/files/downloads/dgd_-_cooperation_non_gouvernementale_-_liste_acng_accrédites_-_mai_2020.pdf.

92 Kingdom of Belgium, Foreign Affairs, Foreign Trade and Development Cooperation, ‘Grants for Peacebuilding,’ (Website) at: <https://diplomatie.belgium.be/fr/politique/themes-politiques/paix-et-securite/subsides-pour-la-consolidation-de-la-paix> (accessed October 2022).

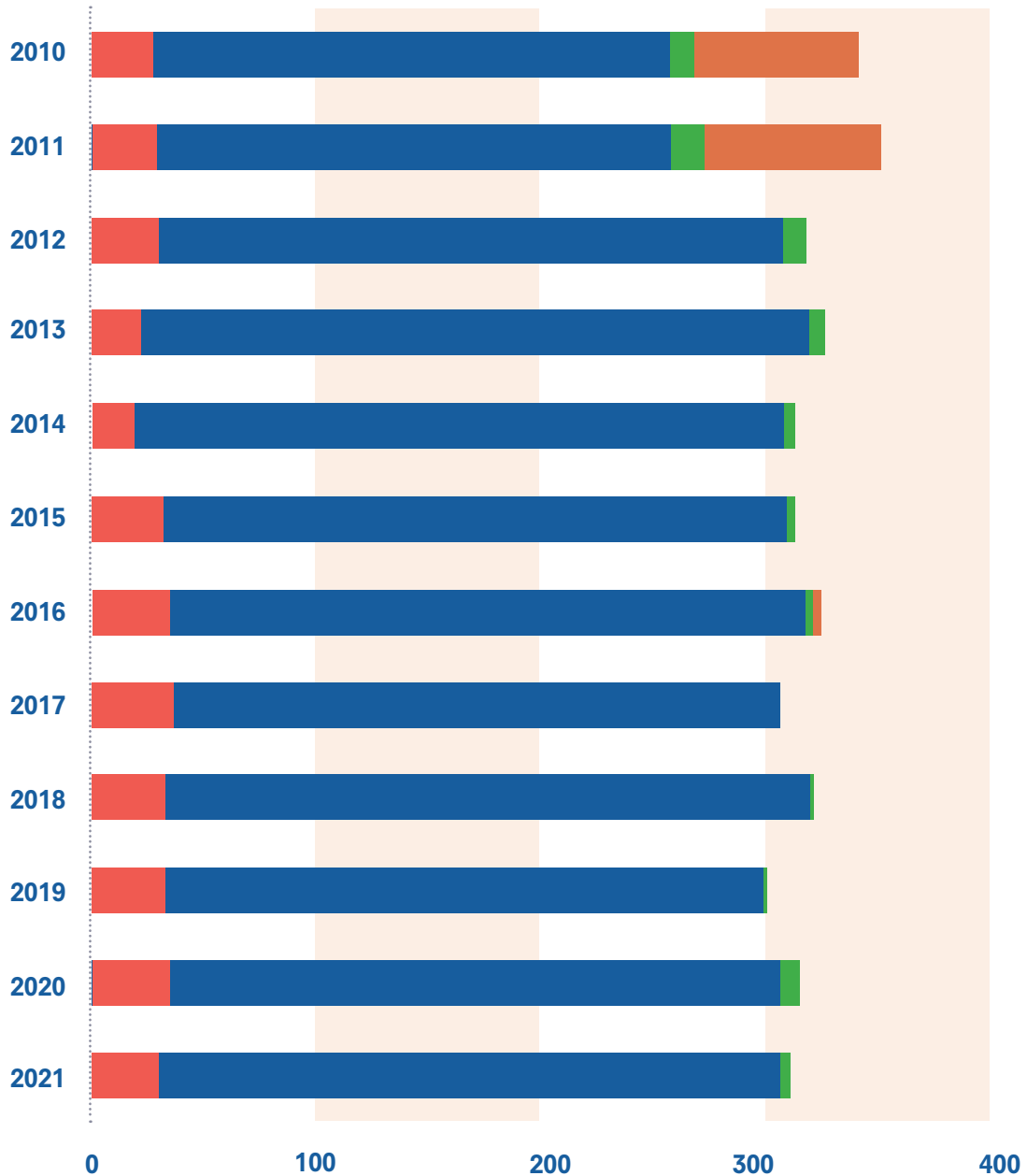
Latest statistics on aid to CSOs/NGOS

Belgium channels high amounts of bilateral ODA as support to NGOs (in 2019, 25.3% of its total bilateral ODA expenditure went to this category).⁹³ In 2021, 15% of gross bilateral ODA was allocated as core contributions to CSOs, with 7.2% channelled through CSOs to implement projects.

Only 2% of bilateral ODA was provided directly to Global South-based CSOs.

BELGIUM - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.



Source: OECD DAC Development Co-Operation Profile 2023, [Belgium](#)



10. FINLAND

Overview of which parts of the donor provide ODA to CSOs/NGOs

Finland was the seventeenth largest DAC donor in 2021 in absolute terms and its ODA budget is partly managed by the Ministry for Foreign Affairs (MFA).

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

Finland's human rights-based and value-based foreign and security policy⁹⁴ features aspects of development policy. Civil society actors are cited as a key partner of Finland's development policy, and one of the "key objectives of Finnish development policy is to strengthen civil societies in developing countries and to support civil society actors' work towards achieving development goals."⁹⁵ In 2017, the Finnish MFA created the Guidelines for Civil Society in Development Policy, which states that the "Ministry for Foreign Affairs channels funding to Finnish CSOs, INGOs and CSOs in developing countries to achieve the goals of Finland's development policy"⁹⁶ – the latter constitutes small-scale grant funding for "local organisations." This 2017 policy was a continuation of a previous policy published in 2010 – the starting point of the updated Guidelines is the strengthening of civil societies both as a development policy goal and as a means to achieve other goals of Finland's development policy.

⁹⁴ Ministry for Foreign Affairs of Finland, 'Goals and principles of Finland's development policy,' (Website) at: <https://um.fi/goals-and-principles-of-finland-s-development-policy> (accessed May 2022).

⁹⁵ Ministry for Foreign Affairs of Finland, 'Civil society promotes human rights and sustainable development,' (Website) at: <https://um.fi/civil-society>, (accessed May 2022).

⁹⁶ Ministry for Foreign Affairs of Finland, 'Guidelines for Civil Society in Development Policy 2017,' August 2017, available at: https://um.fi/publications/-/asset_publisher/TVQlgBmLyZvu/content/kehityspoliittinen-kansalaisyhteiskuntalinjaus-2017, p.13.

The Unit for Civil Society provides a range of support for Finnish CSOs, as follows: “programme support for partnership organisations, special foundations and umbrella organisations; project support; development communications and global education support and the national share of EU funding for CSOs.”⁹⁷ Other departments, units and channels, particularly country and region-specific support, also include funding for CSOs, for example a specific instrument – the Fund for Local Cooperation – that provides grant funding directly to local organisations. Programme-based support, announced through calls every four years, accounts for 80% of the unit’s funding. Application rounds for project support through calls for proposals are opened every two years – this is restricted to Finnish CSOs, but a requirement for support is having a “local partner with whom the applicant has concluded a letter of intent for the implementation of the project.”⁹⁸ This accounts for 7-8% of the total funding managed by the Unit for Civil Society.

Finland also has dedicated support for international NGOs (both core and project funding) – applicants for core funding must meet the criteria set by the OECD DAC for ODA-eligible international organisations.⁹⁹ In addition, Finland requires INGOs to have “at least three different nationalities represented in its governing structures” and “operations in more than two countries.”¹⁰⁰

97 Ministry for Foreign Affairs Finland, ‘Support for Finnish civil society organisations and foundations,’ (Website) at: <https://um.fi/support-for-finnish-civil-society-organisations-and-foundations> (accessed May 2022).

98 Unit for Civil Society, ‘Call for proposals: The application round for project support for Finnish CSOs for 2023–2026 is open,’ 24 January 2022, available at: https://um.fi/documents/397000/0/JULKAISUVERSIO+Hakuilmoitus_2022_en+%282%29.pdf/8f45bd6e-b690-2b7f-60c8-b9c66b2a78e0?t=1643024975486.

99 OECD DAC, ‘Annex 2 List of ODA-eligible international organisations,’ (Website), at: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/annex2.htm> (accessed May 2022).

100 Ministry for Foreign Affairs of Finland, ‘The 2021 Call for Proposals from International Non-governmental Organizations (INGOS),’ (Website) at: <https://um.fi/support-for-international-non-governmental-organizations-ingos-> (accessed May 2022).

Latest statistics on aid to CSOs/NGOS

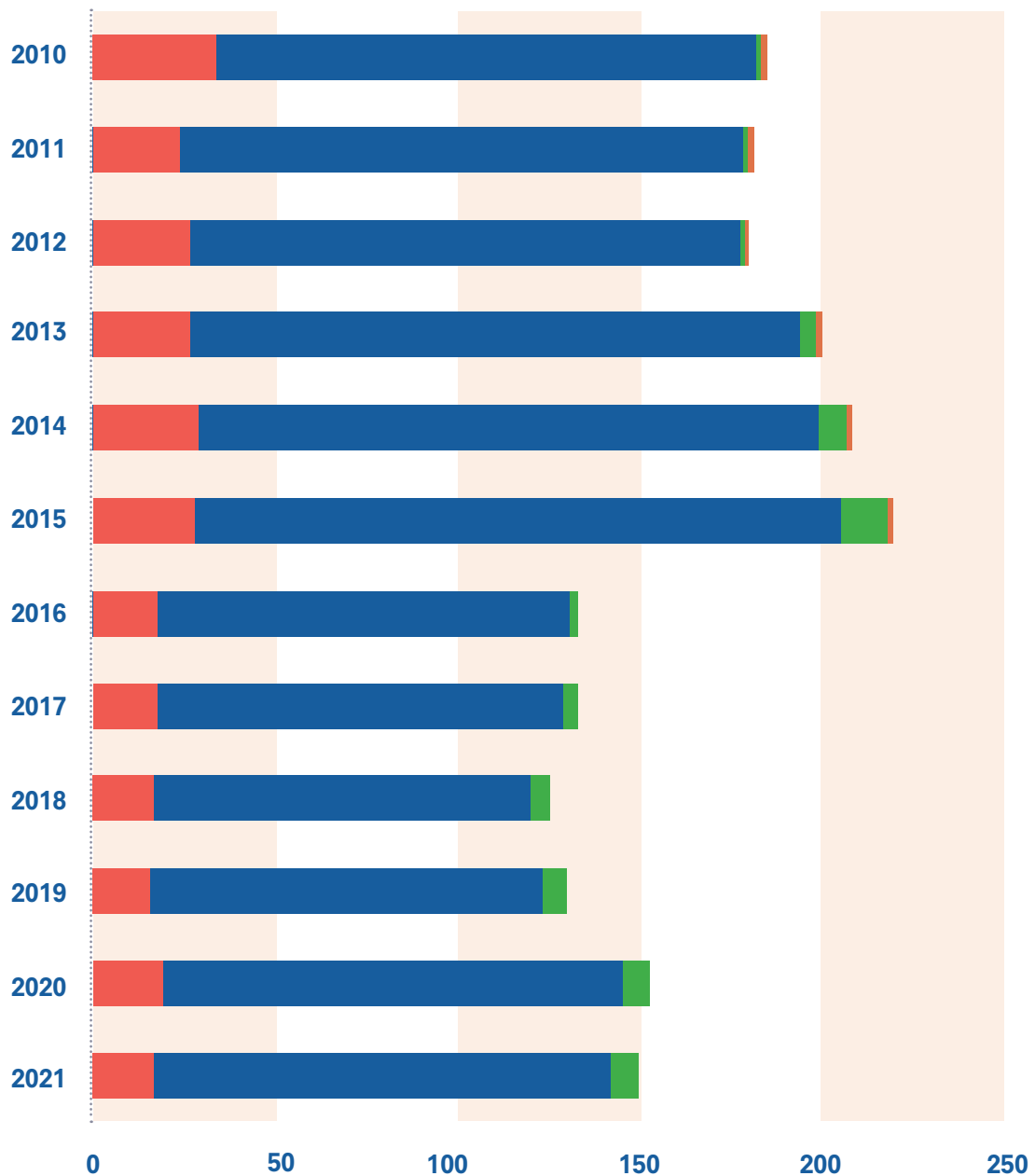
In the Unit for Civil Society at the MFA, approximately 3 to 5% of funding is reserved for open calls for international NGOs (and funding of the Unit for Civil Society represents approximately 11 to 12% of the Ministry's full ODA budget. Other parts of the MFA, including policy departments and the departments for Africa and the Middle East, Latin America and Asia, run a range of different calls and applications depending on the needs and goals of each specific case, including open calls that are only for Global North NGOs and grants provided to Global South NGOs. Open calls organised by Finnish Embassies are reserved for Global South CSOs in partner countries, and this direct funding is not included in the DAC reporting. Finland has a public databank on its development cooperation activities, OpenAid.fi – through this platform, it is possible to view both commitments and disbursements to “developing country-based NGOs.”

In 2021, Finland allocated 4% of its gross bilateral ODA budget to CSOs as core contributions, with 17.7% channelled through CSOs to implement projects.

In 2021, only 4.2% of Finland's bilateral ODA provided to CSOs was given directly to Global South-based organisations..¹⁰¹

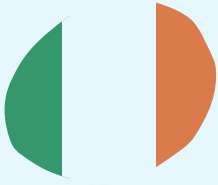
FINLAND - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.



- International CSO
- Donor country-based CSO
- Developing Country-based CSO
- Undefined

Source: OECD DAC Development Co-Operation Profile 2023, [Finland](#)



11. IRELAND

Overview of which parts of the donor provide ODA to CSOs/NGOs

Ireland was the 18th largest donor in absolute terms in 2021, and is seeing a significant increase in its overall ODA according to 2022 preliminary data. The bulk of its ODA spending is overseen by the Department of Foreign Affairs (DFA).

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

Ireland's overall ODA spending is governed by an international development policy, A Better World. The strategy refers to initiatives to "support and protect civil society space" and to "strengthen our collaboration with Irish civil society partners on public engagement and outreach, to effectively tell the story of Ireland's global solidarity and development."¹⁰²

Irish Aid has a Civil Society Policy, which does not officially state that Ireland will increase direct funding to Global South organisations. It does commit to making "resources available to civil society organisations for research, consultation, policy analysis and advocacy and networking activities" and to "[w]ork with other donors and partner governments to develop trust funds, pooled funds and other funding and capacity building mechanisms that will reduce competition, and enhance coordination and efficiency in the funding of civil society organisations."¹⁰³

¹⁰² Government of Ireland, A Better World: Ireland's Policy for International Development,' available at: <https://www.irishaid.ie/media/irishaid/aboutus/abetterworldirelandspolicyforinternationaldevelopment/A-Better-World-Irelands-Policy-for-International-Development.pdf>, p.vi.

¹⁰³ Irish Aid, Civil Society Policy, available at: <https://www.irishaid.ie/media/irishaid/allwebsitemedia/20newsandpublications/publicationpdfsenglish/civil-society-policy.pdf>.

Ireland does not fully ringfence funding for Irish organisations. Ireland's largest HQ funding scheme (in monetary terms) for CSOs is the Programme Grant II. Other funding schemes for NGOs also exist, including the Humanitarian Programme Plan, the Emergency Response Fund Scheme and other strategic partnerships with individual NGOs.

For the Civil Society Fund, Irish Aid's main project funding scheme, only Irish and invited international CSOs can submit applications. A total of €9.02 million was awarded in grants to Irish and international CSOs under the 2021 Civil Society Fund.¹⁰⁴ Ireland also provides programme funding, a performance-based partnership arrangement, but only Irish NGOs are eligible for receiving this funding¹⁰⁵ Irish Embassies fund a mix of Irish, other Global North and Global South organisations. A full list of CSOs that received more than €20,000 in 2020 are listed in Irish Aid's annual reports – in 2020, the largest recipients were Irish NGOs and other Global North organisations.¹⁰⁶

Latest statistics on aid to CSOs/NGOS

Ireland channels a significant amount of its bilateral ODA to and through CSOs. In 2021, 20% of gross bilateral ODA was allocated to CSOs as core contributions, with 17.5% channelled through CSOs to implement projects.

In 2021, 9.6% of bilateral ODA provided to CSOs went to Global South-based CSOs.¹⁰⁷

¹⁰⁴ Irish Aid, 'Civil Society Project Funding,' (Website), at: <https://www.irishaid.ie/what-we-do/who-we-work-with/civil-society/civil-society-fund/#:~:text=The%20civil%20society%20fund%20accepts,project%20costs%20will%20be%20funded>, (accessed May 2022).

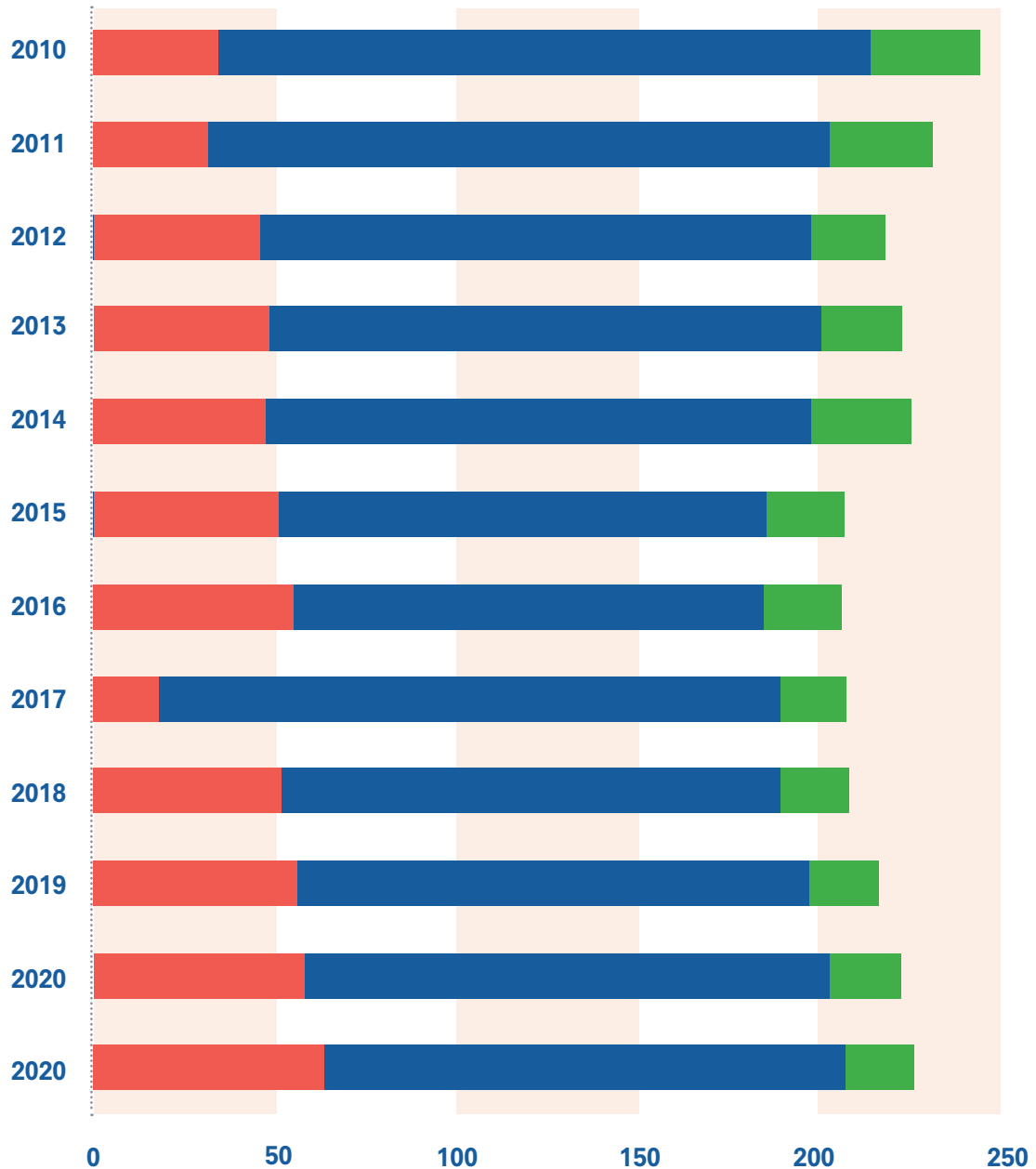
¹⁰⁵ Irish Aid, 'Civil Society Programme Funding,' (Website), at: <https://www.irishaid.ie/what-we-do/who-we-work-with/civil-society/civil-society-programme-funding/> (accessed May 2022).

¹⁰⁶ Government of Ireland Official Development Assistance (Irish Aid), 'Annual Report 2020,' available at: <https://www.irishaid.ie/what-we-do/who-we-work-with/civil-society/civil-society-programme-funding/>, Annex 12.

Irish Aid informs us that funding to Global South CSOs through the Country Based Pooled Funds, the IFRC, the START Fund and the NGOs funded by Ireland all exceed (in many cases significantly) the Grand Bargain target of 25%. The average on-granting to local NGOs is at least 38% between the Programme Grant, Civil Society Fund and Humanitarian Programme Plan, though it may be higher.

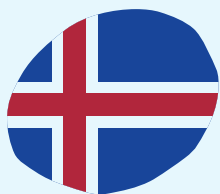
IRELAND - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.



- International CSO
- Donor country-based CSO
- Developing Country-based CSO
- Undefined

Source: OECD DAC Development Co-Operation Profile 2023, [Ireland](#)



12. ICELAND

Overview of which parts of the donor provide ODA to CSOs/NGOs

Iceland's Ministry of Foreign Affairs (MFA) is responsible for managing development cooperation. Iceland is the smallest provider of ODA in absolute terms.

Strategy, policy or guidance documents on funding to donor CSOs/NGOs

Iceland's Policy for International Development Cooperation 2019-2023 sets the overall framework for development cooperation. The policy states that "continued contributions shall be made to projects implemented by civil society organisations (CSOs) in the field of development cooperation and humanitarian assistance. Work will be carried out in accordance with the policy objectives and procedures for cooperation with Icelandic CSOs, and support for local CSOs in partner countries and focus countries will also be considered." ¹⁰⁸

In 2020 to 2021, an evaluation of the implementation and results of the Icelandic CSO strategy was undertaken. The evaluation notes that windows of CSO funding have the following eligibility criteria: "civil society organisations that apply for support need to be registered as such in Iceland; have by-laws and a governing board; have at least 30 members; support development and humanitarian principles; and have

108 Government of Iceland, 'Iceland's Policy for International Development Cooperation 2019-2023,' Parliamentary document 1424, item 345, p.7, at: <https://www.government.is/library/01-Ministries/Ministry-for-Foreign-Affairs/Int.-Dev.-Coop/Publications/Parliamentary%20Resolution%20on%20Iceland%e2%80%99s%20policy%20for%20international%20development%20cooperation.pdf>

submitted annual accounts in compliance with the Icelandic National Audit Office.”¹⁰⁹ Between 2015 and 2020, 18 Icelandic CSOs received funding, with 94% of funding channelled through five organisations (all of which are part of global civil society networks or organisations).

In March 2022, a new strategy focused on CSO partnerships was approved, considering findings from the CSO strategy evaluation and provisions from the DAC recommendation on enabling civil society. As a follow up to the evaluation, Iceland was aiming to sign framework agreements with the four largest Icelandic CSO partners in 2022 (three for humanitarian assistance and four for development cooperation, all mainly unearmarked). As part of the agreements, all projects were set to be implemented in partnership with actors on the ground in the Global South, with a focus on capacity development for ‘local partners’ or ‘local sister organisations’ across different sectors, for instance, gender, equality and inclusion, child protection, and more. In line with the DAC recommendation on enabling civil society, the MFA has begun to formulate country strategies for three bilateral partner countries – Malawi, Uganda and Sierra Leone – with a focus on how best to support civil society and CSOs in these countries, including through increased partnerships.

Latest statistics on aid to CSOs/NGOS

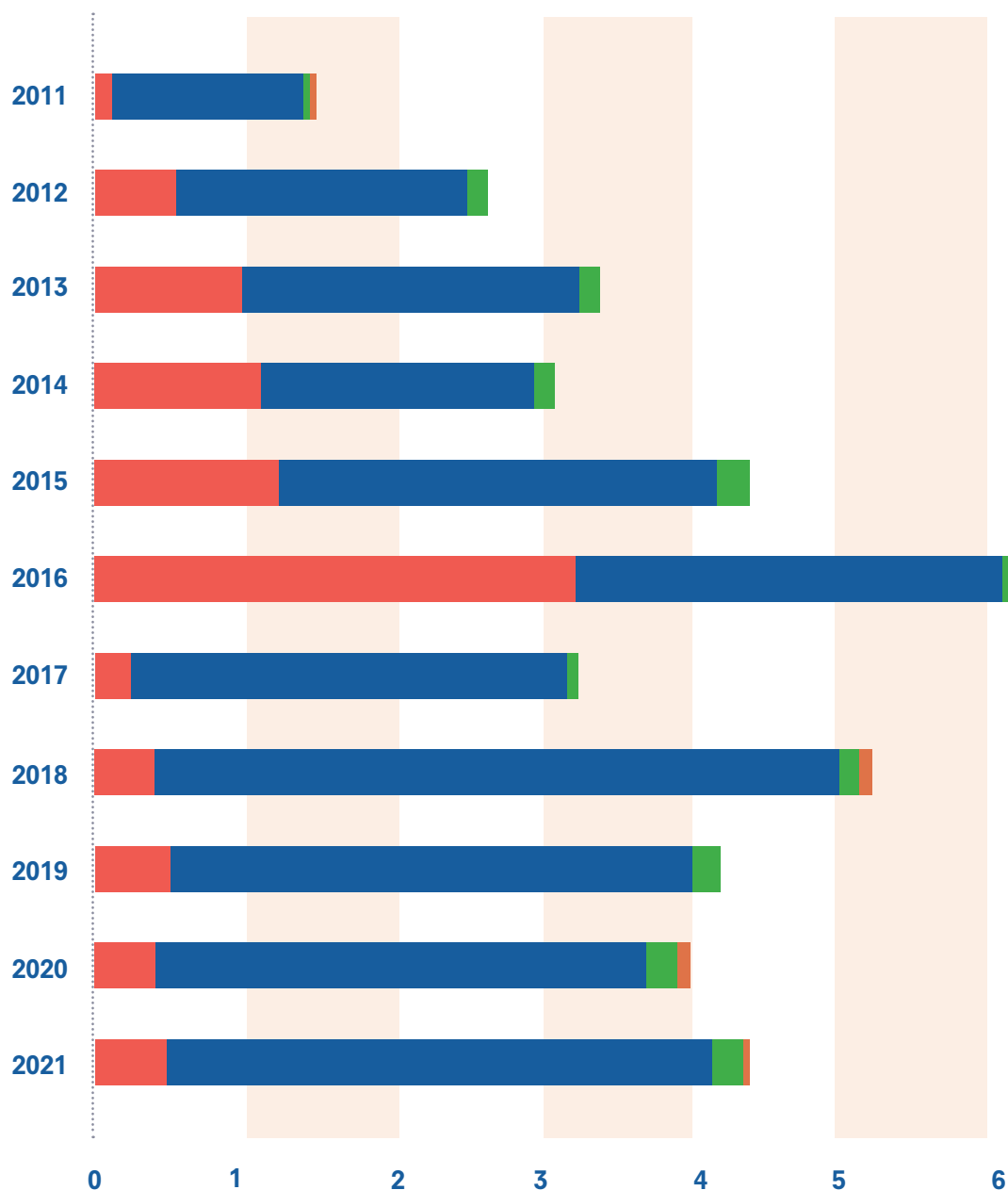
Iceland’s yearly ODA budget has a specific budget line reserved for collaboration with national CSOs. Over the last three years, between 5% and 6% of total ODA has been directed to CSOs – for 2022 we were informed this would be around 6%.

In 2021, 9.5% of Iceland's overall bilateral ODA budget was allocated to CSOs: 3% was allocated to CSOs as core contributions and 6.9% was channelled through CSOs to implement projects.

Only 4.7% of bilateral ODA provided to CSOs went directly to Global South-based organisations.¹¹⁰

ICELAND - BILATERAL ODA PROVIDED TO CSOS

Gross Disbursements, million USD, 2021 constant prices.



Source: OECD DAC Development Co-Operation Profile 2023, [Iceland](#)

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