



Inclusive funding to CSOs: Shifting the power through policies and practices

BACKGROUND

Spotlight Initiative's theory of change is rooted in the evidence base that civil society organizations - and particularly feminist and women's rights organizations (WROs)¹ as well as less formal agents of change such as local activists, networks and groups - are essential to ending violence against women and girls via their roles in: organizing and movement building, advocating for and demanding justice, and providing direct support to survivors of violence as first responders and essential service providers, including in crisis contexts. Local women's activists and women's rights organizations, including those representing marginalized groups, are often expert 'knowers' of social justice issues and solutions to address gender-based violence in their communities. Despite this evidence, WROs, autonomous feminist movements and other intersecting movements such as youth and LGBTQI movements, remain severely underfunded. Studies show that 1% of gender-focused aid from governments goes to autonomous WROs² and only 5% of total bilateral aid goes to advancing gender equality as the principal priority³. A recent AWID study shows that, despite new funding commitments, WROs receive only 0.13% of the total Official Development Assistance (ODA) and 0.4% of all gender-related aid⁴. In 2021, UN procurement reached USD 30 billion globally, a 35% increase from previous year.⁵ However, WROs' access to funding remains limited in the UN as well, largely due to existing systemic barriers that make it difficult for certain groups to access UN funding.

To transform the funding landscape, the Spotlight Initiative aims to address power imbalances by working towards an inclusive, flexible, human-rights based and feminist funding ecosystem that shifts money and decision-making power to grassroots and local women's organizations and supports movements. From sub-granting mechanisms to core institutional funding modalities, the Initiative is already demonstrating that another way of funding is possible. In 2021, out of the USD 144.5 million delivered to CSOs through the Spotlight Initiative, 72% went to women's organizations, underscoring the Initiative's deep investment in women's organizations as a lever for change⁶.

Despite this progress, it is important to recognize that systemic barriers remain and limit access to quality funding, particularly for organizations led by women and other marginalized groups. In June 2022, the Initiative facilitated a virtual event to showcase promising practices and lessons learned on how Spotlight Initiative programmes and UN Trust Fund partners are leading the way in building more inclusive funding modalities. **This brief seeks to further mobilize support for inclusive funding to CSOs, including local and grassroots organizations, to contribute to closing the resource gap and**

¹ For the purpose of this Brief, "WLOs/WROs" encompasses organizations that represent marginalized groups, such as youth and adolescents, LGBTQI-groups, women and girls living with disabilities, rural women, etc.

² OECD, (March, 2019). Aid in Support of Gender Equality and Women's Empowerment: Donor Charts. Available [here](#).

³ [OECD Development finance for gender equality and women's empowerment: A 2021 snapshot](#)

⁴ AWID (May 2021), Where Is The Money for Feminist Organizing?

⁵ United Nations Marketplace, "The 2021 Annual Statistical Report on United Nations Procurement" <https://www.ungm.org/Shared/KnowledgeCenter/Pages/ASR>

⁶ Spotlight Initiative (2022). Chapter 5: Investing in Civil Society Organizations and Movements - Driving Transformative, Sustainable Change Available [here](#).

increase the impact of local women's organizations. This brief aims to match identified systemic barriers to inclusive funding to CSOs with promising practices and recommendations to address them⁷.

ADDRESSING SYSTEMIC BARRIERS TO INCLUSIVE FUNDING TO CSOs

1. Systemic Barrier: (UN)harmonized processes, policies and applications

The lack of harmonization in terms of processes and policies across UN agencies is a challenge that often creates resource constraints and barriers for CSOs to access UN funding.

● Promising practices:

- Several programmes have explored launching joint calls for proposals/expressions of interest for activities across all outcome areas, in an effort to streamline processes, operations and partner engagement. This practice aims to foster inclusivity and lead to greater efficiency and reduced transaction costs for the applicants and UN Agencies.
- In Ecuador, the team applies a "piggy back" modality taking advantage of a procurement process to select CSOs carried out by another UN Agency, in order to avoid duplication of administrative processes for the CSO and the UN
- In Liberia, responding to concerns raised by civil society organizations that the different UN processes to apply for calls for proposals were complicated and cumbersome, the UN conducted extensive civil society organization capacity-building and launched a joint call for proposals using a single partnership platform. This resulted in the use of one standard process by all CSOs through one platform.

● Recommendations:

- Simplify processes and use harmonized templates to the extent possible, while ensuring that the minimum requirements for each UN Agency are met without overlooking auditing and donor requirements.
- Explore the use of shared operational processes on procurement, finance and human resources. This does not only reduce the transaction and administration cost, but it also increases efficiency and embodies the UN Reform Agenda. This is already happening in some Spotlight Initiative programmes.
- To ensure harmonized communication and better accessibility of information, UN Agencies can communicate about other UN opportunities and call for proposals in the country/region.
- Please find more recommendations in the [Grassroots Action Plan](#).

2. Systemic Barrier: Lack of standardized definitions, tracking and targets

The lack of standardized definitions of women-led and women's rights organizations (WLOs/WROs), and a systemized way of classifying these types of vendors in the ERP-systems, creates a major challenge in setting a baseline, tracking improvements and setting funding targets across agencies. "Women-led organization" is the most commonly used term (63%), which is followed by "women's

⁷ The lessons learned and recommendations have been informed by the discussions held during the first webinar on Inclusive Funding hosted by the Spotlight Initiative Secretariat in June 2022 (recording can be found [here](#)) as well as a previous [WPHF and Spotlight brief on Flexible Institutional Funding for Local Women's Organizations](#) (December 2021) and a [report produced by the Call to Action IO working group on WLO/localization mapping](#) which included 8 UN agencies (September 2021).

rights organization” (38%).⁸ As a result of this inconsistency, the ERP-systems are often not able to accurately capture WLOs/WROs and assess progress.

- **Promising Practice:**

- In 2016, UN Women Procurement introduced its gender-responsive procurement (GRP) policy, which resulted in an increase of procurement contracts with women-owned businesses by 88% over the five-year period (2017-2021).⁹ This was achieved through a rigorous implementation of GRP initiatives, including training of buyers and programme teams. By including a mandatory gender classification of all vendors in the ERP-system ATLAS, UN Women was able to set a baseline and track spending against set annual targets.¹⁰ To harmonize the practices, UN Women is promoting GRP at the inter-agency level by chairing HLCM Procurement Network Task Force on Gender-Responsive Procurement, composed of many UN agencies, including the World Bank, IMF, OSCE, and others.

- **Recommendations:**

- Adopt definitions of women’s right- and women-led organizations that are aligned with the UN Partner Portal definitions. WLO is defined as “A women led organization is one whose leadership is principally made up of women, demonstrated by 50% or more occupying senior leadership positions at both board and staff level” and WROs can be defined by “civil society organizations with an overt women’s or girls’ rights, gender equality or feminist purpose”¹¹.
- Implement mandatory WLO/WRO vendor classification in the agency’s ERP system.
- Set a baseline and annual spending targets, and report on this annually.¹²

3. Systemic Barrier: UN selection processes of CSO implementing partners, grantees or vendors not reflecting local capacities and contexts

Civil Society partners have reported that partnering processes of CSO implementing partners, grantees or vendors are complex, onerous and resource heavy, which exclude smaller organizations from successfully accessing funding. Local organizations vary in their institutional capacities, and face barriers related to language and digital accessibility, to name a few. This often results in a low number of local applicants and a lower number of successful candidates.

- **Promising Practices: Co-designing programmes with CSOs.** Across Spotlight programmes, Civil Society Reference Groups have been instrumental in informing programme design and implementation. For example, members have been consulted in Phase II development, reviewing Terms of References, participating as an observer in partner selection committees, etc.
- In the Women’s Peace and Humanitarian Fund (WPHF) regular funding cycle, local civil society organizations are included in both the design of calls for proposals and the selection of grantees. Furthermore, to better respond to needs, WPHF also conducts post-webinar feedback surveys and an annual survey to assess CSOs’ learning priorities and to inform the design and planning of future institutional strengthening initiatives. Any co-designing activity must respect conflict of interest issues to ensure that actors who advise such design processes are not participating in the calls.

⁸ [Mapping Findings Report. Call to Action IO Working Group](#)

⁹ In 2021, UN Women continued growing its total spend with women-owned businesses resulting in an average 15% awarded to WOBs globally, with Europe and Central Asia leading at 29%.

¹⁰ UNFPA and UNHCR are currently amending their systems to track funding for WLOs.

¹¹ OECD definition

¹² Once standardized, the [Annual Statistical Report on United Nations Procurement](#) could potentially report UN-wide figures on WLOs/WROs procurement.



- The Tajikistan Spotlight Initiative programme team provided innovative training and mentorship support to CSOs (including grassroots) through a simulation exercise. CSOs were able to take part in a simulation workshop whereby their proposals were received by RUNOs and feedback was provided by a mock evaluation committee. As a result, CSOs sharpened their understanding of the process and requirements, which resulted in an increased number of proposal submissions from Tajikistan to the Central Asia Regional Programme.
- **Recommendations:**
 - **Fund from a position of trust and embrace participatory governance models.** Funding from a position of trust involves sharing decision-making power and including civil society organizations, constituency-led and grassroots feminist actors in defining the modalities and funding priorities. As allies of feminist movements, funders should systematically create avenues for civil society members to voice their needs and inputs to guide and help define the funding process from the very beginning. This takes time and co-designing the funding process with civil society actors can be a long process. Yet, this trust-building journey guarantees that the funding decision-making is ultimately informed by the needs of the rights holders that the programme aims to serve.
 - **To the extent possible/feasible, relax partnership and procurement requirements to ensure they reflect local contexts and capacities, and make calls more accessible.** This includes inclusive deadlines, disseminating translated calls for proposals, accepting video, hand-written or hard copy submissions. UN offices can also organize an “open day” where interested CSOs can ask questions about the call.
 - **Include affirmative language** in partnership policies that favor women's organizations.

4. Systemic Barrier: Inflexible funding

Historically, UN funding to civil society organizations has mainly been programmatic, with low flexibility in terms of how much can be allocated to indirect/support costs. This is usually a capped percentage in a budget line, and leaves partners with little room to invest and strengthen their institutional capacity and build organizational resilience. COVID-19 further exposed vulnerabilities faced by women's organizations, and reaffirmed organizations' needs for flexible funding. The WPHF 2021 annual civil society organization survey, which included 61 civil society organizations from 23 countries, revealed that nearly **91 per cent of civil society organizations feel that their organization's existence is under threat**, at moderate, high or very high risk, due to a lack of institutional funding or core funding in the women, peace and security, and humanitarian sphere.

- **Promising Practices:**
 - **Capacity building to sustain CSOs:** In Malawi, the team shifted its focus in the second phase of programming, from recruiting¹³ to retaining grassroots partners. The team developed a contextualized Grassroots Action Plan (GAP) that focused on building and supporting the institutional capacities of organizations to enable them to receive funding beyond the Initiative, e.g. through capacity assessments and training. Another important measure under the Malawi GAP was to encourage consortiums¹⁴ consisting of both grassroots and national CSOs. This allowed the

¹³ This was done for example through translating calls for proposals and allowing organizations to apply in local languages to address language barriers, and accepting hard copy submissions of proposals at district level UN offices to address the digital barriers

¹⁴ Important to highlight is the risk of doing harm by reinforcing existing power dynamics between larger and smaller organizations, including those led by women and marginalized groups. This can be mitigated e.g. by ensuring the sub-contractor has a partner agreement, has access to information and holds some level of decision-making power.

Initiative to engage new local actors, and strengthen grassroots capacity through partnerships with more established CSOs. As a result, two of the grassroots organizations have since branched out of their consortium to receive direct funding.

- **Expanding core institutional funding:** The UN Trust Fund to End Violence Against Women (UN Trust Fund) has expanded its threshold on core funding from 7% to 24% for all grantees. Grantees used the core institutional funds to ensure the self-care and resilience of staff, which enabled organizations to continue to work productively. The UN Trust Fund also allows small organizations¹⁵ to budget a line for self care as a means to support institutional capacities. Under the WPHF and Spotlight Initiative partnership, organizations have the possibility to apply for an independent institutional grant, ranging from 2,500 USD – 30, 000 USD to support their operational costs and respond to their non-programmatic needs¹⁶. Several Spotlight programmes, particularly in Pacific, Caribbean and Central Asia, are applying the small grants policy as a means to reach and channel core institutional funding to local and grassroots organizations through its simplified and streamlined application process. As of December 2021, Spotlight programmes have invested USD 22 million (or 15% of total awarded CSO funding) in core support to CSOs. In Mexico, the programme team strengthened grassroots organizations’ institutional capacities through a set of workshops on accountability, communication campaigns and financial proposal writing. These activities were financed through small grants.

- **Recommendations:**

- **Investing in long-term core institutional funding.** To support the survival and resilience of WROs and CSOs, invest more intentionally in a portfolio of small grants to direct institutional funding for national and local women’s organizations – without any programmatic requirements. To ensure long-term and sustainable resourcing for civil society, engage and consult with the Civil Society Reference Group in programme activities focused on gender-responsive budgeting for public institutions and consider promoting a threshold for public CSO-funding.
- **Providing flexibility to CSO grantees/partners to adjust budget lines to adapt to changing contexts, based on their needs and in consultation with them (not only in times of crises).** For example, amid the COVID-19 pandemic, WPHF allowed grantees, receiving funding under its regular funding cycle, to reallocate budgets to respond to COVID-19 gendered impacts in their communities and/or to cover for operational costs.
- **Combine funding with context specific and needs-based capacity strengthening in consultation with recipient organizations and in partnership with local feminist experts who are familiar with the context.** Agencies should strengthen the organizational capacity of WLOs/WROs, both through financial partnership agreements as well as through other modalities, with a focus on organizational capacity development (i.e. financial, HR, administration, resource mobilization and management systems). Mentoring approaches including secondment and shadowing may be piloted using INGO partnerships (particular attention should be made to not reinforce unequal power dynamics and to align with the principle of “do no harm”), WLO consortiums, as well as mechanisms such as

¹⁵ The UN Trust Fund defines a small organization as an organization with an annual budget of maximum USD 200,000.

¹⁶ As part of the WPHF Global Learning Hub and Community of Practice, WPHF also provides capacity building and peer exchange webinars, resources and long-term peer learning opportunities to grantees, to strengthen their institutional capabilities.



UNV's and agency specific surge support. Fostering spaces for learning and best practices exchanges

Model feminist-funding principles, and push for internal system change

Agencies must **address internal system barriers and allow for partnership flexibilities to increase financial partnerships with WLOs and WROs**. Noting the reality that WLOs are often the most grassroots and least 'NGO-ized'¹⁷ and face many barriers to partnership within traditional models (i.e. legal status, financial systems, reporting, and staffing). Steps for agencies include:

- Define women's organizations in policy,¹⁸ and ensure women's organizations can be tracked within internal partnership and financial systems
- Create policy guidance on meaningful engagement in alignment with mandates in collaboration with WLOs. For instance, the Spotlight Initiative developed the Grassroots Action Plan (GAP), which guides Spotlight Country Teams on how to fully utilize the existing UN policies and procedures to better reach and engage local and grassroots organizations as recipients of funding. Programmes may contextualize the GAP.
- Set partnership and / or funding benchmarks and targets
- Support country offices to map organizations and networks at country level (this can be led by coordination mechanisms, and / or inter-agency supported), and in partnership with the Civil Society Reference Groups
- Pilot partnership and capacity strengthening modalities, as well as longer term flexible funding arrangements (i.e. 2 year + funding, programme documents based at the outcome level)

As AWID puts it in their report "Towards a feminist funding ecosystem" (2019), ***"many actors within the funding ecosystem do not see or use the power they have to change the system or their own institutional policies and practices"***. They invite people working in the feminist funding ecosystem, and thus UN agencies that partner with WROs, to ponder on the below questions:

- What are the levers of change that I sit near?
- How can I shift them?
- What can I do to move the larger ecosystem into the direction of systemic change?

Resources

- UN Women, (2022) [Gender Responsive Procurement](#), a PowerPoint Presentation.
- UN Women (2017), [The power of procurement: How to source from women-owned businesses](#), and (2021) [Rethinking gender-responsive procurement: Enabling an ecosystem for women's economic empowerment](#).

¹⁷ Sabine Lang (1997). The NGOization of Feminism : NGOization refers to the professionalization, bureaucratization, and institutionalization of social movements as they adopt the form of nongovernmental organizations (NGOs).

¹⁸ Noting that although consistent terminology is important, getting stuck on terminology can often be a blockage to moving forward. If consensus is not reached around terminology and definitions this should not delay work in this area overall.



- Spotlight Initiative and Women’s Peace and Humanitarian Fund (2021), [*A Missing Brick for Sustaining Women’s Movements - Flexible Institutional Funding for Local Women’s Organizations*](#) .
- AWID, (2021), “[*Moving More Money to the Drivers of Change: How Bilateral and Multilateral Funders Can Resource Feminist Movement*”](#)
- AWID, (2013), [*Watering the leaves Starving the Roots*](#)
- S. Laurel Weldon & Mala Htun (2013), [*Feminist mobilisation and progressive policy change: why governments take action to combat violence against women.*](#)