



Mr Johan Forssell  
Minister for Swedish International Development Cooperation

Mr Jakob Granit  
Director-General  
Swedish International Development Cooperation Agency

17th April 2024

Dear Mr Forssell and Mr Granit

We are writing to you as representatives of some of the largest networks of civil society organisations and activists in the world, with a majority of our members in the Majority World/Global South. Signatories of this letter also include allies in the Global North/Minority World.

We are united by our commitment to shifting power and resources in the international system to Majority World/Global South civil society actors. We are also united in our efforts to tackle the systemic and structural barriers and discrimination that civil society organisations in the Majority World/Global South face by donors, policymakers, INGOs and agencies mainly based in the Minority World/Global North.

We write to you now in response to the announcement by Sida that it plans to open its NGO funding to global competition and will be terminating all existing contracts with Swedish partners by the end of the year.

We welcome the principle of removing one of the most entrenched barriers to funding for civil society organisations in the Majority World/Global South. As you are no doubt aware, while it is rarely acknowledged, Global North funding for civil society is mostly channelled to INGOs from their own countries. According to a report that will shortly be released by the #ShiftThePower movement, around 90% of all funding from OECD DAC countries for civil society efforts is

channelled to organisations from their own countries. We believe that this is not only unethical but also hypocritical. It is a form of unofficial tied aid that runs counter to the spirit of recent statements to improve the quality and quantity of funding to civil society organisations in the Majority World/Global South. With all the talk of supporting locally led development, humanitarian and peacebuilding efforts, the truth is that the richest donors in the world still prefer to fund organisations from their own respective countries.

Against this backdrop, SIDA's decision to open up funding to organisations not based in Sweden could be an important step in the right direction, and we support its potential to spark wider change in aid and development financing. Stronger local civil societies are vitally important to uphold and protect civic space.

We also hope that this decision is a first step towards a genuinely transformed funding landscape for civil society globally. For the decision to be meaningful, we ask that you consider the following:

1. ***Fund CSOs in the Majority World/Global South directly.*** CSOs want to establish direct relationships with funders, rather than simply being the recipients of support channelled through INGO intermediaries. Direct funding is not just a matter of equity, trust, efficiency or dignity. CSOs in the Majority World/Global South have the skills and knowledge to best decide how to lift their communities out of poverty, tackle human rights abuses and achieve the sustainable development goals. We understand that large scale direct funding might take time and we acknowledge the useful role that intermediaries can play. However we ask that you explore existing resourcing models and approaches such as supporting community philanthropy, proximate funds, civil society support hubs and CSO networks.
2. ***Provide multi year and unrestricted funding.*** If you believe that the mission of the CSO aligns with Sida's strategic priorities, please fund their core work, and don't ask them to develop short term projects that meet your pre-defined notion of success or priorities. We need to move away from transactional, commercial-style sub-contracting and instead work towards genuinely equitable and transformational partnerships based on trust.
3. ***Remove onerous and unnecessary due diligence and compliance processes.*** Such processes create barriers excluding most civil society organisations from even applying for funding. Accountability for taxpayers money can be achieved without imposing such a heavy bureaucratic burden on resource-poor CSOs. If Sida opens its funding to non-Swedish organisations while retaining the same level of compliance and due diligence, including audit thresholds, CSOs from the Majority World/Global South will either not be able to apply for funding or will be saddled with excessive requirements that could hinder their ability to deliver their mission. We ask Sida to change its rules so that it can be bold and courageous in its approach to supporting civil society and explore how to scale and sustain genuinely locally led solutions. And we ask that opening up funding to global competition is not used as a 'trojan horse' to allow private contractors to take funding that should be protected for civil society organisations.

We would also draw your attention to an open letter that was sent to USAID Administrator Samantha Power in October 2022. That letter, authored by some of the same signatories to this letter, and which was signed by 1,289 CSOs, included the following five recommendations, which we believe are relevant to Sida as it develops its new CSO strategy.

- 1. *Speak directly with us.***
- 2. *Ensure funding reaches many, diverse, and truly local organisations.***
- 3. *Invest in local civil society coordination mechanisms.***
- 4. *Invest in institutional strengthening of local civil society.***
- 5. *Simplify funding management.***

Finally, while we appreciate Sida's commitment to extending funding opportunities to non-Swedish organisations, we express deep concern over the negative repercussions of abruptly cancelling existing grant agreements which will have a detrimental impact on already- agreed programmes of work between Swedish organisations and their partners. Upholding good donor practices is essential to safeguarding the integrity of our collective work. Cancelling agreements with minimal notice undermines the principles of 'Do no Harm', as well as being contrary to recent commitments such as the OECD Recommendation on Enabling Civil Society and the Donor Statement on Supporting Locally Led Development.

As Sida embarks on developing its new civil society strategy, we call upon you to consider these recommendations seriously. We stand ready and willing to engage with Sida on any of these points and welcome the opportunity to discuss this letter with you in the coming weeks.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gunjan Veda', with a stylized flourish at the end.

Gunjan Veda  
Executive Director, Movement for Community Led Development



Hibak Kalfan  
Executive Director, NEAR



Nana Afadzinu  
Executive Director, West Africa Civil Society Institute



Jenny Hodgson  
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