

Asia and Pacific Funders Working Group

Co-sponsored by Grantmakers without Borders and the International Human Rights Funders Group

Discussion Call on Funding in Pakistan and Burma

Thursday October 18, 2011

Speakers:

Vineeta Gupta, Global Fund for Children (Pakistan)

Anasuya Sengupta, Global Fund for Women (Pakistan)

John Knaus, National Endowment for Democracy (Burma)

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PAKISTAN

General challenges

- High-risk environment
- Anti-U.S. sentiment
- Skepticism regarding value of NGOs
- Skepticism about whether international aid helps or disempowers Pakistanis
- Safety concerns for grantee partner of openly accepting international aid
- Difficult position of human rights and social justice groups – there is presently a high level of nationalist fervor, yet local philanthropy does not always support this work

Funding challenges

- Space to learn from peers – there are very few affinity groups focused on funding in Asia and even less specific to South Asia
- Relationship building and due diligence – Lack of access to certain areas and other travel restrictions make conducting site visits and verifying the legitimacy of community groups difficult. The Global Fund for Women receives a number of proposals from groups who don't exist or who say they are women-led but are not; the strong due diligence process through advisors has been the best way to combat this
- Communication
- Risk mitigation for grantees – Challenge to promote the work of grantee partners at the international level and not increase the risks they face inside Pakistan
- Funders have varying levels of capacity to work in high security risk areas
- Prevalence of corruption at multiple levels
- Disaster response money is not reaching small groups. There is a lot of red tape involved in obtaining 'no authorization certifications'
- Exploitation of women-led organizations by male funders
- Lack of in-country support for groups working on certain issues, for e.g. rape
- Groups are encouraged to register and obtain certification from the Pakistan Center of Philanthropy for tax exemptions for donors, and greater legitimacy for the groups. However, small community based organisations find it difficult to obtain this, given their structures and systems are not always at the level 'required' for such a certification

- Big funders telling community groups how to work and providing minimal general support funds
- Funders are accountable for ensuring that money going into Pakistan is not putting groups at risk

Funding Strategies

- To address challenge of finding legitimate groups, work with local advisors and long-term grantee partners to help scout groups and conduct due diligence
- This is also helpful to address corruption – rely on advisors to conduct reviews and assessments
- In being accountable for not putting groups at risk, consider more flexible funding models:
 - Public foundations can give money to unregistered groups
 - Consider giving to individual joint accounts and to fiscal sponsors. GFW found (over the past 2 years) that the joint account process takes the most time to transfer funds. For an organizational account the median time it takes is 22 days while for a joint account it takes 97 days. The fiscal sponsorship model is not used much in Pakistan
 - One example – a funder gave anonymously because if it were known that this funder supported a particular organization, that group would be at increased risk
- Have internal protocols to respond to issues of credibility and risk, both for the grantee partners as well as for POs travelling
- Be strong on issues of confidentiality

Q: Do you face challenges related to U.S. counter-terrorism policies?

A: We use software that matches names affiliated with an organization against designated terrorist lists and then check and personally verify false positives. These policies do make funders apprehensive.

Concern: Funding flowing into a country can change the civil society landscape. One example of this is that international organizations pay higher salaries, which causes skilled staff to leave local organizations for higher-paying positions. Once these international organizations leave the country, there is a capacity gap.

*Collaboration with peer funders is very helpful – share tips, travel experiences

BURMA

Broad themes of funding in Burma: Creativity, Flexibility and Patience.

NED does not fund any groups directly in Burma. All grantees (50-55 groups) are either based in Thailand, India, US, or Europe. NED estimates that about 80% of the money it grants goes to these intermediary groups goes into Burma. Their focus is working inside the country, not on the border. These groups are often the channels to get work done inside of the country.

Banking sanctions have made it difficult to move money to any groups with “Burma” in their names. Also found that groups inside Burma are hesitant to accept money directly (one illustration of why: the regime has had press conferences about groups who have accepted outside money). Private schools are

also banned from accepting foreign funding, so if you want to support education, you have to be willing to support grantees who are working illegally. NED has made a special exception to fund unregistered groups in Thailand, as many Burmese there do not have legal status and cannot register. It is important to diversify grantmaking channels due to these challenges, as well as security issues with Burmese banks.

Need Office of Foreign Assets Control (OFAC) license from the US Treasury Department to fund in Burma. OSF has this license and applies bi-annually, NED also has. Both NED and OSF have found that their OFAC license is broad and that Treasury has been somewhat flexible about reporting.

NED has been working on Burma for more than 20 years and knows that it can be difficult to evaluate the impact of funding. With regard to impact, two NED examples:

- A number of political trainings before the Saffron revolution. Although the NED does not claim credit for the Saffron Revolution, a number of the monks who participated in the Saffron Revolution were highly organized and it was evident that a number of their strategies were mentioned in NED-supported trainings
- After the internet was shut down during the revolution, the Democratic Voice of Burma provided the only media information available outside Burma. NED had contributed to building this capacity over time

Both NED and OSF highlighted the challenge of obtaining required documents for reporting to the IRS from grantees. If you hold a OFAC license, you are expected to report. It is often difficult for grantees to obtain receipts and prepare financial reports. One strategy is hiring local staff within Burma, although this presents a number of security issues.

One strategy used is not communicating through work email accounts, but by using gmail and gchat and secure phone lines.

OSF does support lobbying in Burma through a C4. If an organization funded through the OSF New York office is engaging in lobbying, OSF requests a bifurcated budget to demonstrate that it is not supporting lobbying. OSF is currently in the process of determining whether or not its OFAC license covers all OSF foundations worldwide.

Burma Donors Forum: a group of donors that meet every 9-12 months that support the democracy and human rights movement in Burma. NED is hosting next meeting in January 2012 in Washington DC. Contact John (john@ned.org) if you would like to participate.

Suggested next steps for working group:

- Host country-specific discussion calls
- Host South Asia-specific discussion calls
- Actively use the listserv to share experiences and challenges with peers
- Meet at IHRFG January 2012 conference in San Francisco