

Where is the Funding for Anti-Trafficking Work? A look at donor funds, policies and practices in Europe

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Abstract

Little is known about the amount of money spent on anti-human-trafficking programmes today, much less what the impact of this funding is. As precise information is largely lacking, available data mainly derives from organisational experiences from the field. As the author works for La Strada International, a Europe-based non-governmental organisation (NGO) network against trafficking in human beings, this article focuses on funding in Europe, reflecting the experience of anti-trafficking NGOs concerning funding patterns, current donors, donor policies and criteria, and, where possible, how this has impacted La Strada's work. The article looks at (inter)governmental, public and private funding, looking at problematic policies to do with geographical restrictions or restrictions on what funds can be spent on. Throughout the region there are inefficiencies in funding and a great need for impact evaluations to ensure future funds are well spent.

Key words: human trafficking, anti-trafficking, funding, donors, NGOs, impact, Europe, CEE countries

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It is difficult to find out how much funding currently goes to anti-trafficking work and how much has been spent in the past. There is no adequate overview available of funding given to anti-trafficking work, globally or at regional levels, though attempts are being made by different stakeholders, including the Global Fund to End Slavery¹ and the European Commission (EC), to estimate amounts granted and in the latter case to also define the impact of such grants.²

This article looks at trends in funding for non-governmental organisations (NGOs) providing counter-human-trafficking programmes and services since the 1990s, particularly through the lens of a large NGO network based in Europe, La Strada International (LSI). The article looks at donors, their policies and criteria and, where possible, how this has impacted NGO work, particularly that of the La Strada network.

¹ Global Fund to End Slavery is an initiative of the Walk Free Foundation in Australia, see 'About the Foundation', retrieved 30 July 2014, <http://www.walkfreefoundation.org/about>. See the initial estimate that 'in 2012, spending by Organisation for Economic Co-operation and Development (OECD) donors on combating slavery internationally is estimated to be less than USD 100 million annually.' This does not include domestic spending or that by non-OECD donors. Global Fund to End Slavery, 'About', retrieved 10 March 2014, <http://www.fundtoendslavery.org/about>

² The European Commission, a major donor for anti-trafficking work regionally and globally, is scheduled to conduct a comprehensive review in 2014 of funded projects to map the geographical areas, fields, different actors and types of projects, as well as their outcomes and recommendations. This review is planned within the framework of the 'EU Strategy towards the Eradication of Trafficking in Human Beings (2012–2016)', retrieved 30 July 2014, http://ec.europa.eu/anti-trafficking/EU+Policy/New_European_Strategy. The *Trafficking in Persons (TIP) Report* of the United States government includes figures on annual funding provided by many national states to anti-trafficking programmes, but excludes an overall estimate of the total funding provided annually by the surveyed states. For the 2014 report see: <http://www.state.gov/j/tip/rls/tiprpt/2013/index.htm> (retrieved 30 July 2014).

The Funding Climate: From golden years to economic crisis

In the 1990s there seemed to be a lot of funding available for civil society in Central and Eastern Europe, partly possibly because NGO sector representatives were seen as ‘agents for positive change’ and benefited from the neoliberal agenda of ‘rolling back the state’. People were to take responsibility for their own lives and not to rely on the state to provide them with everything, which resulted in the outsourcing of many social services.³

The increased support for civil society was also a result of its role in new European political developments, as civil society advocated for more freedom, democracy and human rights and initiated social support programmes for citizens, addressing the impact of these changes, including human trafficking.

Many of the current European NGOs, addressing the issue of human trafficking, were established around or after 1990, including LSI’s member organisations in Bulgaria, Czech Republic, Poland and the Ukraine.⁴ Most of these organisations were financially supported by foreign aid. The Matra programme of the Dutch Ministry of Foreign Affairs, for example, was launched in November 1993 and supported many civil society groups in ‘transition countries’ in Europe, including support for follow-up La Strada programmes. As human trafficking was a new issue for donors, it was relatively easy for NGOs to access funding and decide how to spend it, of course within the limits of donor criteria.

Around and after 2000, the funding climate changed for NGOs in Central and Eastern Europe (CEE). Firstly, many development and aid organisations changed their policies and moved to other world regions, particularly to Sub-Saharan Africa, partly related to their commitment to the United Nations (UN) Millennium Development Goals. Secondly, after 2004 and 2007, following the extensions of the European Union’s (EU) borders, absorbing 17 new Member States, donors perceived that less money was needed for NGOs, arguing that the NGOs in new EU countries would no longer need their help, as there were now funding opportunities from the European Commission and other sources.

Many donor organisations, like the United States Agency for International Development (USAID) and the Dutch agencies Oxfam Novib and ICCO, which in the past supported European anti-trafficking initiatives, including La Strada, phased out their programmes in Europe, with exception of the Balkans and some former Soviet Republics. In 2009 the Dutch Matra programme shifted attention to new candidate or potential candidate countries.⁵

Another external factor impacting European civil society more recently is the economic crisis that started in 2008. A broad-based UN-funded survey undertaken in 2009 measured the impact of the crisis on the operating capacity of civil society organisations (CSOs) around the world.⁶ The report revealed that ‘although some CSOs have seen increased funding, overall the survey finds a worsening financial situation for CSOs in the period 2008–2010... [and] grants from existing sources decreased.’ A number of CSOs reported

³ C Agg, ‘Trends in Government Support for Non-Governmental Organisations: Is the “Golden Age” of the NGO Behind Us?’, UNRISD, June 2006, retrieved 30 July 2014

<http://www.unrisd.org/80256B3C005BCCF9/search/E8BC05C1E4B8AD6FC12571D1002C4F0B?OpenDocument>

⁴ In Western European countries, anti-trafficking NGOs were set up earlier, in particular those that focused on older-style slavery in the past, such as the UK-based Anti-Slavery International, which was established in 1839 as Anti-Slavery Society to campaign against slavery worldwide. NGOs addressing migrant rights were set up later.

⁵ Ministry of Foreign Affairs, *Matra Modernised*, Southeast and Eastern Europe and Matra Programme Department Ministry of Foreign Affairs, 16 October 2009, p. 6, retrieved 30 July 2014, <http://www.minbuza.nl/en/appendices/key-topics/matra-programme/matra-programme-modernised.html>

⁶ E M Hanfstaengl, *Impact of the Global Economic Crises on Civil Society Organisations*, NGO Committee for Social Development, 2010, retrieved 4 August 2014, <http://ngosocdev.wordpress.com/2010/01/28/174/>

substantial reductions in their funding in the wake of the crisis, stating concern that this threatened their ability to deliver the services and activities required.

As a result of the weak economic situation, governments and donor agencies have made cuts in their funding programmes and in development aid in general. Due to this, financial sustainability remains an issue of concern for NGOs.

Current Anti-Trafficking Donors

Before looking at the current donors funding anti-trafficking NGO work, it is important to state that anti-trafficking NGOs have relied on money from a variety of sources, including grants from international and national governments, foundations, individual donors and, increasingly, corporations.

1. European Commission Grants

For the last two decades, the European Union has been a major donor for anti-trafficking initiatives both from NGOs and other stakeholders in the field. In general the European Commission's anti-trafficking funding has focused on putting anti-trafficking legislation into practice; investigation and prosecution; and support, protection and assistance to victims.⁷

A current major funding programme accessed by anti-trafficking NGOs operating within the EU is the 'Prevention of and fight against crime' (ISEC) programme.⁸ It is estimated that in 2011 this programme granted over EUR 6.5 million (USD 8,711,666)⁹ for anti-trafficking programmes.¹⁰ La Strada International and its members were recipients, either as main applicants, or through cooperation with other stakeholders.¹¹

Another important European Commission programme that has funded many anti-trafficking NGOs in Europe is the DAPHNE programme entitled 'Measures to combat violence against women, young persons and children.'¹² The maximum DAPHNE budget in 2013 was EUR 18,504,000 (USD 24,798,330), of which EUR 11,404,000 (USD 15,283,067) was available for action grants for transnational projects and EUR 1 million (USD 1,340,091) for operating

⁷ European Commission, 'EU Projects and Funding,' retrieved 30 July 2014, <http://ec.europa.eu/anti-trafficking/EU+Projects///;jsessionid=9mjp50zLR1zsQvzWfCXdxYBJ751mP2z25nnpn28l9CHCdHnWmvFpl-1961964761?&category=Programme>

⁸ ISEC had a budget of EUR 600 million (USD 803,991,548) for the period 2007–2013 and contributed to citizens' security through projects that prevent and combat crime. Terrorism, human trafficking, child abuse, cybercrime, illicit drug and arms trafficking, corruption and fraud are a particular focus. European Union, 'Prevention of and Fight against Crime (ISEC)', retrieved 30 July 2014, http://ec.europa.eu/dgs/home-affairs/financing/fundings/security-and-safeguarding-liberties/prevention-of-and-fight-against-crime/index_en.htm

⁹ All amounts converted on 30 July 2014 using www.xe.com and rounded to nearest dollar.

¹⁰ Calculated from ISEC Grants Awarded 2011 spreadsheet, 18 October 2012, retrieved 30 July 2014, http://ec.europa.eu/dgs/home-affairs/financing/fundings/pdf/isec/isec-grants-awarded-2011_en.pdf. This spreadsheet lists trafficking projects in a general call, as well as some in a specifically Trafficking in Human Beings call. Other information on ISEC Grants is available at 'European Commission Prevention of and Fight Against Crime: Funding', retrieved 30 July 2014, http://ec.europa.eu/dgs/home-affairs/financing/fundings/security-and-safeguarding-liberties/prevention-of-and-fight-against-crime/index_en.htm

¹¹ From 2010 until 2012, LSI received a grant of around EUR 300,000 (USD 401,966) for its COMP.ACT programme, European Action Pact for Compensation for Trafficked Persons, aiming to increase access to compensation for trafficked persons. In addition in 2013 LSI obtained a similar two-year grant for the project 'NGOs & Co, NGO-business engagement in addressing human trafficking'.

¹² From 2014, the DAPHNE programme was incorporated in the Fundamental Rights and Citizenship Funding Programme, which maintains objectives to include combating violence against women. R Bastos, *Report on the Daphne Programme: Achievements and future prospects*, European Parliament A7-0006/2012, retrieved 30 July 2014, <http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A7-2012-0006&language=EN>

grants to support the annual work of NGOs or other entities.¹³ It is unclear how much of this funding supported anti-trafficking programmes directly.

Further, the European Instrument for Democracy and Human Rights (EIDHR) and the thematic programme ‘Migration and asylum,’ brought together under EuropeAid, spent EUR 3.534 million (USD 4,735,245) in 2011 on anti-trafficking grants and contracts for organisations operating outside the European Union. In 2011, the Instrument for Pre-Accession Assistance (IPA) spent EUR 1.7 million (USD 2,277,867) on an anti-trafficking project in Turkey and possibly supported more anti-trafficking projects.¹⁴ Currently, the European 7th Framework Programme (2007–2013) for Research and Technological Development (FP7) supports several research studies on human trafficking.¹⁵ The European Commission programmes AGIS¹⁶, CARDS¹⁷, TACIS¹⁸ and PHARE¹⁹ have also funded anti-trafficking work.

Although the European Commission has been a major donor, it has not been easy for NGOs to obtain grants from the Commission. This is due in part to the complexity of the application procedures and criteria of the various ‘calls for applications’. It takes particular fundraising expertise and time to successfully apply for a European Commission grant, skills and resources which the majority of small, medium and even large anti-trafficking NGOs do not sufficiently have. The required staff time for preparing and writing applications must be paid from other sources. Further, there is often some pre-financing and or co-funding²⁰ needed from the organisation, which makes these grants less accessible for smaller NGOs, as they do not have the capital to pay for expenses that are not reimbursed by the Commission for months or even a year or more.

Moreover, most EU funding is available for NGOs working in EU Member States only, although the EU has developed different funding programmes, or cooperation agreements, with third countries including accession countries.²¹ For ISEC and DAPHNE and most European funding calls, organisations established in third countries can only participate as

¹³ European Commission, ‘Commission Implementing Decision of 30.11.2012 concerning the adoption of the financing decision for 2013 of the specific programme “DAPHNE III” as part of the general programme “Fundamental rights and Justice”’, Brussels, 30 November 2012, C(2012) 8543 final, retrieved 30 July 2014, http://ec.europa.eu/justice/newsroom/files/daphne_wp_2013_en.pdf

¹⁴ The Instrument for Pre-Accession Assistance (IPA) has an overall budget of EUR 11.5 billion (USD 15,408,365) for the period 2007–2013. Beneficiaries of IPA are Albania, Bosnia and Herzegovina, Croatia, Iceland (as of 2011), Kosovo, The Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey. Commission to the European Parliament, the Council, and the European Economic and Social Committee, *2011 Annual Report on Financial Assistance for Enlargement*, European Union, 2012, pp. 7 and 27, retrieved 31 July 2014, http://ec.europa.eu/enlargement/pdf/key_documents/2012/2011_ipa_annual_report_with_annex_new_en.pdf

¹⁵ Over EUR 53 billion (over USD 71 billion) has been made available between 2007 and 2013 for research, in the form of co-financing for research related to cooperation, ideas, people, capacities and nuclear research. European Union, ‘EU Funding’, retrieved 4 August 2014, http://europa.eu/about-eu/funding-grants/index_en.htm

¹⁶ AGIS was a European Commission framework programme to help police, the judiciary and professionals from the EU Member States and candidate countries to cooperate in criminal matters and in the fight against crime.

¹⁷ The CARDS programme is intended to provide community assistance to the countries of Southeastern Europe with a view to their participation in the stabilisation and association process with the EU.

¹⁸ In 1991, EU launched the programme TACIS (Technical Assistance to the Commonwealth Independent States). TACIS ended on 31 December 2006.

¹⁹ PHARE (Programme of Community aid to the countries of Central and Eastern Europe) was established in 1989 on the basis of a decision by the Council of Ministers of the European Union. The aim being to support the economic and political transformation of Poland, Hungary and, from 1990, the Czechoslovak Federal Republic. At the Copenhagen Summit of 1993, the programme was included among the means for expediting the accession preparations of EU candidate countries; it was further expanded in 1996 to encompass 13 countries of Central and Eastern Europe, and became the main form of financial and technical cooperation between the EU and candidate countries in the pre-accession period.

²⁰ ‘An action is always financed by the EU budget or the European Development Fund. However, other partners may, and indeed should, co-finance the action together with the EU. These partners are essentially Member States or third donor countries, partner countries and international organisations. Private organisations, such as foundations and charities, could also provide co-financing.’ EuropeAid, ‘3.2. Co-financing of actions by other partners,’ European Commission, retrieved 31 July 2014, <http://ec.europa.eu/europeaid/companion/document.do?chapterId=76>

²¹ European Commission Directorate-General Home Affairs, ‘Prevention of and Fight against Crime 2007–2013, Action Grants 2011, Targeted Call for Proposals, Trafficking in Human Beings- THB’, retrieved 31 July 2014, http://ec.europa.eu/dgs/home-affairs/funding/isec/call_2011/thb_call_for_proposals_2011.pdf

Associate Partners on a non-cost basis. None of their costs incurred as part of the project can be eligible for EU co-financing.²²

La Strada regularly works with NGOs in non-EU countries, as part of the organisation's mandate and programmatic work, and this policy has been an obstacle to secure equal involvement of these countries in La Strada's work.

Another challenge is that competition for these grants is strong and NGOs have to compete with many different stakeholders to obtain a grant, including big governmental actors and research institutes. Increasingly (commercial) project agencies are also applying for anti-trafficking grants, particularly submitting applications for anti-trafficking research and international events. These agencies specialise in European funding programmes and have skills and financial resources to invest in applications, hiring external freelance (NGO) experts and academics to support them.

As a result, a large part of the granted money goes to coordination and management costs, while only a small part remains for national implementation of the programmes. Local NGOs are often requested to join the project and take up the latter task. The invited NGOs can hardly oppose or demand more funding, knowing that, if they do, other NGOs will be offered an invitation in their place. Some NGOs are invited to cooperate, without any financial remuneration, and feel they must do so to ensure 'damage control,' in the hope that their influence steers badly conceived programmes in the right direction. Moreover, competition has increased with recent cuts in EU funding.

EU funding is mostly granted to specific projects under specific criteria (e.g. with mandatory international cooperation, and under the condition that a project is innovative and cannot have started before the grant agreement is signed). The well-intentioned, thoroughly debated specific objectives and criteria of EU grants seem to lead to the development of similar projects in Europe; and resulted in an increase in events and conferences on the issue. Moreover, as EU grants last up to a maximum of 24 or 36 months, projects and actions often stop once the funding is over, leaving specially created tools, websites and databases behind. There is often no follow-up funding available and thus NGOs do not have the capacity to continue these new resources or initiatives. Recently, LSI had to freeze its European COMP.ACT project,²³ as follow-up funding requested at ISEC was rejected twice.

It should be stressed, that European funding has had a major impact on anti-trafficking NGOs and anti-trafficking work. It is clear that due to this funding, anti-trafficking NGOs have extended their networks and international cooperation; have been able to share practices and skills; and regardless of the procedural difficulties, have built capacity and been able to deliver some services which they would not have been able to do without the funds. Moreover, EU funding has supported the establishment of national anti-trafficking frameworks and referral and cooperation between the different stakeholders.

However, except for operating grants, EU grants render ineligible direct operating costs or core costs, such as the cost of providing regular social assistance, like psychosocial, shelter, medical and legal assistance for trafficked persons or telephone helplines. The available funds do not currently cover the varied work addressing human trafficking. Also

²² Ibid.

²³ From 2009–2012, LSI coordinated the project COMP.ACT, European Action for Compensation for Trafficked Persons, in 14 countries, aiming to ensure access to justice, in particular compensation for trafficked persons. See <http://www.compactproject.org> (retrieved 4 August 2014).

the lengthy timelines for decision making make EC grants not suitable for ad hoc services or for projects that require quick reaction to new developments.

2. Support from International Governmental Organisations

Alongside the European Commission, other major international governmental agencies have provided funding for NGOs addressing the issue of human trafficking, including the Organisation for Security and Cooperation in Europe (OSCE), the Council of Europe and the UN.²⁴ The UN Global Initiative to Fight Human Trafficking's (UN.GIFT) small grants facility awarded around USD 500,000 to NGOs in 2010.²⁵ It is estimated that the UN Voluntary Trust Fund for Victims of Trafficking allocated grants worth about USD 1 million in 2011.²⁶ The UN Voluntary Fund on Contemporary Forms of Slavery awarded 55 grants to NGOs to support their work in 2013, totalling USD 607,500. The total awards for 2014 were reportedly reduced to USD 400,000, with more than half going to trafficking-related projects.²⁷

Despite the positive fact that so many international governmental organisations are working on the issue of human trafficking, and new funding programmes have been launched, one negative effect is significant to note. Donors use international organisations to channel funding, which implies that much of the money goes to management and coordination costs, instead of to local communities, trafficked persons and direct work. Moreover some of the established UN programmes also compete with NGOs for funding and only a few NGOs were able to access funding for direct assistance work with trafficked persons from the funds designed for that.

3. (Foreign) National Governmental Funding

In addition to funding from the European Commission and international governmental organisations, anti-trafficking NGOs have obtained grants from national government aid agencies in countries other than their own. In some cases funding comes directly from a statutory aid agency, and in other cases it is channelled via the ministry of foreign affairs. The earlier mentioned Matra programme of the Dutch Ministry of Foreign Affairs, the Austrian Development Agency (ADA), the Department for International Development (DFID) in the UK, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in Germany, the Swiss Development Cooperation Agency (SDC) and the Swedish International Development Cooperation Agency (SIDA) have all invested in anti-trafficking programmes in Europe and beyond.

The Neighbourhood Programme Department of the Danish Ministry of Foreign Affairs should also be mentioned here. From 2006 until 2013, the Danish government funded a large multi-million Euro anti-trafficking programme in Belarus, Ukraine and Moldova, supporting the International Organization for Migration, OSCE and La Strada members, along with other local NGOs. In addition to these European governmental donors, there are national governments outside Europe that fund anti-trafficking work in Europe, in particular the United States State Department and the Canadian Department of Foreign Affairs and International Trade (DFAIT). Many NGOs in Europe are currently partly funded

²⁴ In particular, UN Office on Drugs and Crime (UNODC)/UN.GIFT, UN Development Programme (UNDP), UN Women and the UN Democracy Fund (UNDEF) have supported NGOs in Central and Eastern Europe in their anti-trafficking work.

²⁵ UN.GIFT, 'UN.GIFT Guidelines for the UN.GIFT Call for Proposals from Civil Society Organisations', UN.GIFT, retrieved 31 July 2014, http://www.ungift.org/docs/ungift/proposal_guidelines.pdf

²⁶ UN Voluntary Trust Fund for Victims of Human Trafficking, 'Meetings and Decisions of the Board', retrieved 31 July 2014, <https://www.unodc.org/unodc/en/human-trafficking-fund/Meetings-and-Decisions-of-the-Board.html>. Grantees are listed in UNODC and UN Voluntary Trust Fund for Victims of Human Trafficking, '12 Winners of the 2011 Small Grants Facility', UNODC and UN Voluntary Trust Fund for Victims of Human Trafficking, 2011, retrieved 31 July 2014, https://www.unodc.org/documents/human-trafficking/Fund/SGF_Projects_2011.pdf

²⁷ Board of Trustees of the Fund, Presentation to Member States, Geneva, 21 November 2013.

by one or more of these agencies. Again this funding is often for specific projects, but sometimes these projects, also cover part of the organisation's core costs, like helpline services and shelters.

Although it is positive that governments fund civil society abroad, this has caused problems of distrust at home. Writing about trafficking in the Balkans, academics Mertus and Bertone point out that 'the international donor community also has caused competition between NGOs and governments for foreign funds earmarked for anti-trafficking projects. Governmental representatives are 'distrustful of NGOs relying on foreign donations and accuse them' of exaggerating the country's social problems 'to obtain more funding.' However NGOs have little recourse as the governments do not provide their own funding to support the work of the organisations.²⁸

a. Hindering NGOs' Access to Funding

In some European countries, particularly former Soviet Union countries, there are national policies in place that make it difficult in general for NGOs to obtain or accept foreign aid. Some governments create restrictive policies to silence human rights defenders,²⁹ while others aim to maintain control over how money is spent in their country. Russia has put into place a complete or near-complete prohibition on funding of civil society from non-domestic sources. On 2 July 2008, Russian President Vladimir Putin issued a decree removing the tax-exempt status of 89 of the 101 NGOs with tax-exemptions. As of 1 January 2009, these organisations were to be taxed 24% on received grants. Now foreign donors must be included on a government list if they are to give money to tax-exempt organisations. Additionally legislation from 2012 requires that all organisations that receive foreign funding and are engaged in political activity register as 'foreign agents.'³⁰ Further from 1 January 2013, new legislation allows for the closure of organisations which receive funding from United States (US) citizens or entities.³¹

Similar types of laws are or have been in force in several countries, including in Belarus, Moldova, and Uzbekistan,³² and in January 2014 such legislation was proposed by former president Victor Yanukovich in the Ukraine. This was later cancelled due to strong opposition and his later deposition by the Ukrainian parliament.

There also exists national legislation in the region which demands that international aid be channelled through government ministries or agencies. Although foreign donors can fund civil society in several countries, they cannot donate money directly to NGOs. Rather, their funding must go through government channels, often a sort of government-operated 'bank' that receives foreign donations and then, theoretically, distributes them to domestic NGOs. This sometimes prohibits donors from ensuring that their funds go to the desired purpose or that they go to a non-profit purpose at all. Sometimes it is the donor's wish to involve the government. This criterion has made NGOs more dependent on support

²⁸ J Mertus and A Bertone, 'Combating Trafficking: International efforts and their ramifications' in HR Friman and S Reich eds, *Human Trafficking, Human Security, and the Balkans*, University of Pittsburgh Press, Pittsburgh, 2007, pp. 55–56.

²⁹ Front Line Defenders, *2013 Annual Report: Global Trends in 2012 for human rights defenders*, Front Line Defenders, Dublin, 2013, retrieved 31 July 2014, http://www.frontlinedefenders.org/files/frontline_annual_report2013_0.pdf

³⁰ S Marinova, 'Russia: No Country for Charitable Souls,' Eurasianet, 1 August 2008, mentioned in Front Line Defenders, 'Russia: Foreign agent law,' retrieved 31 July 2014, <https://www.frontlinedefenders.org/node/24298>

³¹ Front Line Defenders, op. cit., p. 4.

³² R B Vernon, 'Closing the Door on Aid,' *The International Journal of Not-for-Profit Law*, Volume 11, Issue 4, 2009, retrieved 31 July 2014, http://www.icnl.org/research/journal/vol11iss4/special_1.htm#_ftn6. Varying legal measures limiting what, when, and how foreign donors may give to civil society groups also exist in Algeria, Moldova, Egypt, Eritrea, Ethiopia, Russia, Uzbekistan, Venezuela and Zimbabwe.

from and cooperation with governmental bodies, negatively impacting the independence of NGOs, especially in certain European countries.³³

Government agencies also impose other restrictions on what money can be used for. Strict regulations define which costs NGOs can incur and what cannot be funded. Paradoxically, in European countries where foreign funding is restricted, domestic funding for civil society is also limited or non-existent.

It is important to note however that increasingly governments are pushed by (inter)national governmental actors to take sufficient action, including financial commitment to fight human trafficking, including to fund assistance and re-integration programmes. The annual *Trafficking in Persons (TIP) Report* is explicitly described as ‘the U.S. Government’s principal diplomatic tool to engage foreign governments on human trafficking.’³⁴

b. US *Trafficking In Persons Report* and the Prostitution Pledge

The US government ‘uses the *TIP Report* to engage foreign governments in dialogues to advance anti-trafficking reforms and to combat trafficking and to target resources...’ The US ranks countries on a three-tiered schema to define their commitment and evaluate efforts against trafficking in human beings.³⁵ In 2014, several European countries were not given the best-performing tier 1 status: Albania, Azerbaijan, Bulgaria, Croatia, Hungary, Kosovo, Kyrgyz Republic, Latvia, Lithuania, Malta, Moldova, Montenegro, Portugal, Romania, Tajikistan and Turkey were ranked tier 2; Belarus, Bosnia and Herzegovina, Cyprus, Turkmenistan and Ukraine were placed on the tier 2 watch list, and, in Europe only Russia was placed on tier 3.³⁶

This ranking system is intended act as a push factor for states to ensure more commitment, including financial commitment, to anti-trafficking programmes. States are encouraged to contribute more, and the US government also awards funding to places and programmes it deems to have the highest needs. As one of the largest anti-trafficking donors globally, the US government awarded a total of over USD 19 million in 2013 to fund 35 international grants; more was spent on domestic projects.³⁷ Only one country-specific grant in 2013 was awarded to an organisation in a European country (Armenia), however this grant went to OSCE, not to an NGO.

The US *TIP Report*’s ranking system is disputed, and according to critics the tier system rather shows the ranking of the status quo of the US’s current foreign relationships, instead of their commitment against human trafficking.³⁸ This is important to take into

³³ L Kovalchuk of La Strada Ukraine: ‘This has proven not to be sustainable, as it resulted in the dependency of NGOs on the state bodies.’ LSI Newsletter, 20 March 2014, retrieved 31 July 2014, <http://lastradainternational.org/dynamic/images/La%20Strada%20Newsletter%20Issue%2032.pdf>

³⁴ US Department of State, *TIP Report*, US Department of State, retrieved 31 July 2014, <http://www.state.gov/j/tip/rls/tiprpt/>

³⁵ ‘TIER 1 - Countries whose governments fully comply with the Trafficking Victims Protection Act’s (TVPA) minimum standards. TIER 2 - Countries whose governments do not fully comply with the TVPA’s minimum standards, but are making significant efforts to bring themselves into compliance with those standards. TIER 2 WATCH LIST - Countries whose governments do not fully comply with the TVPA’s minimum standards, but are making significant efforts to bring themselves into compliance with those standards. TIER 3 - Countries whose governments do not fully comply with the minimum standards and are not making significant efforts to do so.’ US State Department, ‘Tier Placements’, *TIP Report 2013*, US State Department, retrieved 31 July 2014, <http://www.state.gov/j/tip/rls/tiprpt/2013/210548.htm>.

³⁶ US Department of State, *TIP Report 2014*, US Department of State, retrieved 31 July 2014, <http://www.state.gov/j/tip/rls/tiprpt/2014/226649.htm>

³⁷ US Department of State, ‘International Grant Programs’, US Department of State, retrieved 10 March 2014, <http://www.state.gov/j/tip/intprog/index.htm>

³⁸ Global Alliance Against Traffic in Women (GAATW), *Collateral Damage: The Impact of Anti-Trafficking Measures on Human Rights around the World*, GAATW, 2007, p.30, retrieved 31 July 2014, http://www.gaatw.org/Collateral%20Damage_Final/singlefile_CollateralDamagefinal.pdf. A recent quote is apt: ‘Cuba, North Korea, Sudan, and Burma are regularly sanctioned,’ while more “friendly” countries with significant amounts of

account, as the ranking might guide donors in defining where to invest their anti-trafficking funding best.

While funding provided by a government for anti-trafficking work can be closely linked with national political interests and debates, governments also use grants to promote their own policies. NGOs obtaining US State Department support are required not to advocate for legalisation of prostitution and must sign an ‘anti-prostitution pledge.’³⁹

According to the ‘pledge’, funding cannot be used to promote or advocate for the legalisation or practice of prostitution or trafficking for sexual exploitation. Moreover recipients of the grant have to have a policy in place in which they explicitly oppose prostitution and trafficking for sexual exploitation. The policy has been criticised by many, including La Strada International. The pledge conflicts with LSI’s guiding principles, but more importantly violates international human rights norms, including the Universal Declaration of Human Rights.

4. Domestic Funding for National Anti-Trafficking NGOs

Whether pushed by others or not, increasingly governments seem to fund the anti-trafficking work of NGOs based in their own country. Often this is a result of established national anti-trafficking legislation and national action plans to combat human trafficking.

Current international and European anti-trafficking legislation urges governments to cooperate with civil society⁴⁰ but does not require states to fund NGOs for their services. The Council of Europe convention on action against trafficking in human beings in Article 12 states: ‘Each Party shall take measures, where appropriate and under the conditions provided for by its internal law, to cooperate with non-governmental organisations, other relevant organisations or other elements of civil society engaged in assistance to victims.’ Furthermore, Article 35 states: ‘Each Party shall encourage state authorities and public officials, to cooperate with non-governmental organisations, other relevant organisations and members of civil society, in establishing strategic partnerships with the aim of achieving the purpose of this Convention.’⁴¹

National referral mechanisms in place also recognise the role of non-state actors, including NGOs. Nevertheless, often well-intentioned state anti-trafficking programmes and measures, in which the role for national NGOs is recognised and defined, lack adequate budgets for implementation.

a. Social Contracting

Another trend visible in national government support for NGOs in Eastern Europe (not dissimilar to West European practices) is ‘social contracting’ of NGOs by their government.

slavery and trafficking (India, Pakistan, and Nigeria for example) are not’, K Bales and R Soodalter, *The Slave Next Door: Human trafficking and slavery in America today*, University of California Press, 2009, p. 237. See also: A Weiss, ‘Ten Years of Fighting Trafficking: Critiquing the Trafficking in Persons Report through the case of South Korea’, *Asian-Pacific Law and Policy Journal*, 5 November 2012, retrieved 31 July 2014, <http://www.hawaii.edu/aplpj/2012/05/11/787/>

³⁹ G Soderlund, ‘Running from the Rescuers: New U.S. Crusades Against Sex Trafficking and the Rhetoric of Abolition’, *NWSA Journal*, Volume 17, Number 3, 2005, pp. 64–87, retrieved 31 July 2014, <http://muse.jhu.edu/journals/nwsa/summary/v017/17.3soderlund.html>. Open Society Foundation, *Sex Work and Trafficking: A Donor-Activist Dialogue on Rights and Funding, Event report*, 11 December 2008, retrieved 31 July 2014, <http://www.opensocietyfoundations.org/reports/sex-work-and-trafficking-donor-activist-dialogue-rights-and-funding>

⁴⁰ Council of Europe, Article 12: Assistance to Victims, ‘Council of Europe Convention on Action against Trafficking in Human Beings CETS No.: 197’, Council of Europe, retrieved 31 July 2014, <http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?NT=197&CM=8&CL=ENG>

⁴¹ Council of Europe Convention on Action against Trafficking in Human Beings, Warsaw, 16.V.2005, retrieved 4 August 2014, <http://conventions.coe.int/Treaty/en/Treaties/Html/197.htm>

This entails an agreement between NGOs and governments, in which NGOs receive funding and contracts to run specific social services for trafficked persons. The development of the social contracting system is intended, according to one government, to ‘provide a legal basis for closer practical cooperation between state and non-state service providers.’⁴²

In much of Europe, civil society and international organisations provide specialist rehabilitation and re-integration services. For example, in several La Strada countries; in Bulgaria, the Czech Republic, Moldova, the Netherlands and Poland, the government has contracted anti-trafficking NGOs providing these services, and in Belarus the system was just recently set up. In Ukraine such a system is still under discussion. In general, NGOs have to apply specifically, often annually, to run certain services, which are then accredited by the state and provided with funding. Several NGOs, like La Strada Czech Republic or LEFÖ (an organisation for migrant women in Austria), run national counselling centres and shelters that are officially recognised and part of the state’s social programme.

A difficulty is that the government decides which NGOs should run the services. Moreover the government decides which services are or are not needed, funding levels and the levels of compensation that can be paid to victims. In some countries, like in Belarus, the funding amounts are rather low, and ‘obtaining accreditation is more of a symbolic issue, than a financial issue.’⁴³

In some countries this ‘social contracting’ leads to major competition among NGO service providers and in some cases even between NGOs and governmental actors. A new development is that governments have created or established close relationships with their ‘own’ NGOs to which they provide funding or use to solicit funding from others. Critics call those ‘GONGOs’ or Government-Organised NGOs.⁴⁴

5. Other Donors

Many anti-trafficking organisations receive funding from large or small independent donor agencies and private foundations, including the Oak Foundation, the Swiss Pro Victimis foundation, Chrisliche Ostmission, the CEE Trust, Filia and the Friedrich Ebert Stiftung or the Belgian King Baudouin Foundation. None of these fund anti-trafficking to the scale of the European Commission for instance, but their contribution and the diversity in funding sources they lend is important. The King Baudouin Foundation for example funds anti-trafficking programmes in the Balkans, and spent EUR 494,074 (USD 663,227) on anti-trafficking activities there in 2012.⁴⁵

Other donors are or have been important women rights funders, such as Mama Cash in the Netherlands and the Global Fund for Women in the US. Some of these no longer fund anti-trafficking projects in Europe. The CEE Trust left the region entirely, and in 2013 the UK-based Sigrid Rausing Trust (which funds efforts to support human rights) decided to no longer focus on human trafficking within its Women’s Rights Programme, but rather on other forms of violence against women. In general, funding from independent donor agencies relieve anti-trafficking NGO dependency on (inter)governmental funding and

⁴² Danish Ministry of Foreign Affairs, Programme Against Human Trafficking in Eastern and South Eastern Europe – Belarus, retrieved 4 August 2014, <http://danatip.org/belarus>

⁴³ Personal correspondence with staff member at La Strada Belarus.

⁴⁴ A government organised non-governmental organisation (GONGO) is an NGO that is set up by a government to mirror an NGO. This facilitates access to foreign aid and can mitigate international relations issues. N Steinberg, ‘Background Paper on GONGOs and QUANGOs and Wild NGOs,’ World Federalist Movement Institute of Global Policy, 2001.

⁴⁵ King Baudouin Foundation’s website has links to funding data for 2009, 2010 and 2012. King Baudouin Foundation, ‘Calls for Projects AVoT’, retrieved 31 July 2014, <http://www.kbs-frb.be/call.aspx?id=293255&langtype=1033>

helps to create a more stable and varied donor base. Although some agencies have criteria for their grants that are difficult to meet, they tend to be more willing to fund core costs or direct services to trafficked persons.

6. Corporations

In Europe there is an increasing awareness that the private sector should become more engaged, including financially engaged, in the fight against human trafficking.

Currently LSI is working on a two-year ISEC-funded project, called ‘NGOs & Co – NGOs and private sector engagement against trafficking in human beings.’ Within the framework of this project, LSI conducted a survey among 27 anti-trafficking NGOs in Europe on the nature of their cooperation with the business sector. The survey revealed that ‘most respondents reported to have benefited from one-off, short-term engagements and sponsorships at a rather modest scale’ from the business sector. Businesses offered financial or in-kind donations of products and services, such as: free medical support from hospitals for trafficked persons, website or telephone hotline hosting services, free airtime on TV, free space in print media, transportation or event venues and provision of products, including food and hygiene supplies.⁴⁶

Next to sponsorship and in-kind funding, there are some examples of the private sector providing grants to anti-trafficking programmes, mainly in the US. In 2011, Google donated USD 11.5 million to ten organisations working on the issue, including USD 250,000 to La Strada International.⁴⁷ Moreover in 2013 Google granted USD 3 million to the Global Human Trafficking Hotline Network.⁴⁸

In 2012, Microsoft distributed USD 185,000 among six academics to research the role of technology in human trafficking.⁴⁹ These are just two examples, but there are more, and it is expected that the private sector will increasingly fund anti-trafficking initiatives. On the basis of recent experience, and of the announcement in 2013 of a new USD 100-million Global Fund against Slavery, it seems reasonable to predict that the proportion of funds for anti-trafficking initiatives that comes from private foundations and the private sector is going to grow.

Although this is promising, cooperation with the private sector also brings ethical questions for NGOs, such as how to ensure that the effect of a business’ contribution is to support the mission of the organisation, rather than to cause any harm, and how to know that business’s income is not reliant on forced or exploitative labour. Moreover, experience shows that most businesses are not keen to provide direct grants to NGOs, and instead look for other ways to cooperate and engage.

Does Funding Cover the Needs of Trafficked Persons and Anti-Trafficking NGOs?

As indicated, there are many and various donors for NGO anti-trafficking work, but they come and go, and there are fluctuations in what they support. Donors change their policies and change priorities, as well as their focus countries and regions. Donors often earmark funding and define in detail which activities they provide funding for and which

⁴⁶ La Strada International, ‘Assessment Results: NGO initiatives and practices in engaging the business sector in addressing human trafficking’, La Strada International, 2014, retrieved 31 July 2014, <http://lastradainternational.org/?main=documentation&document=3018>

⁴⁷ L Horn, ‘Google Donates \$11.5 Million to Fight Slavery, Human Trafficking’, *PC Mag*, 11 December 2011, retrieved 31 July 2014, <http://www.pcmag.com/article2/0,2817,2397617,00.asp>

⁴⁸ Google Impact Awards, 2012, op cit.

⁴⁹ Microsoft Research, 2012, op cit.

ones they do not, leaving limited flexibility for anti-trafficking organisations to freely choose or to use money for urgent needs. It is difficult to find donors that want to support core or overhead costs, in particular it is difficult to obtain funding for direct assistance and support, including medical and juridical care (if not covered by states), basic support and shelter services, as well as hotline services. A lot of funding currently goes instead to coordination of projects and programmes, consultants, conferences, project meetings and research. In order to get certain staff or core costs funded, core staff members are involved in project work, and increasingly core costs are presented as project costs and covered by project grants.

It is clear that donors' and anti-trafficking organisations' priorities are not always aligned when it comes to how to spend money. Governments can have clear motives behind their anti-trafficking funding, such as self-promotion, or, in the case of anti-trafficking, moral commitments that impose restrictions on spending. Also, some national governments put restrictions on how NGOs in their countries use foreign funding. As many different stakeholders are working on the issue, there is competition for the available funding. All of this affects anti-trafficking NGOs and their work on a daily basis. NGOs find themselves having to make organisational and staff changes, or make cuts to programmes and services. They revise priorities due to the fact that donors want to fund other activities. Sometimes a lot of additional work is taken up, in order to ensure income, with the risk that there is less staff time for core work. In the past decade there have been several occasions when La Strada shelters were closed down, or services stopped and staff contracts terminated, due to lack of sufficient funding.

European anti-trafficking NGOs, including the members of La Strada International's network, have never felt that it has been easy to secure funding for their anti-trafficking organisations and programmes. On the contrary, anti-trafficking NGOs in Europe in general lack sufficient funding and seem to face a constant struggle to survive each year, much less to provide quality services. Some do not survive, and in recent years several anti-trafficking NGOs have disappeared from the field or have started to work on other issues, dropping their anti-trafficking programmes. Those that do survive are often supported by a few traditional donors, without having access to alternative resources, or sufficient reserves, making them quite dependent on these donors and not financially sustainable.

The Association for Women's Rights in Development's latest research on women's rights NGOs found many organisations had to cut activities or staff due to funding limitations and that many organisations were over-reliant on project support, rather than long-term or flexible funding. In their survey, 48% of respondents had never received core funding, and 52% had never received multi-year funding. However, they saw an increasing reliance among many women's organisations on self-generated resources, from income-generating activities, membership fees or other sources, thus demonstrating the shift away from relying primarily on external funding sources.⁵⁰

It is essential that anti-trafficking NGOs ensure that they become financially sustainable and have funding for core costs and for direct (social) assistance work for trafficked persons. More flexibility from donors is required here. Crucially, more money should also be available to evaluate the impact of anti-trafficking programmes, but not at the cost of anti-trafficking programming. As stated there is no adequate data on how anti-trafficking funding is spent, and it is also not clear how the funds that are currently available are put to use by anti-trafficking NGOs. Trafficked persons may or may not benefit from the funding.

⁵⁰ A Arutyunova and J Miller, 'Beyond Investing in Women and Girls', Association for Women's Rights in Development, 2014, retrieved 31 July 2014, <http://www.awid.org/News-Analysis/Friday-Files/Beyond-Investing-in-Women-and-Girls>

In 2002, the UN High Commissioner for Human Rights stressed the need for monitoring and evaluation, calling on states and, where applicable, international government organizations and NGOs to consider establishing mechanisms to monitor the human rights impact of anti-trafficking laws, policies, programmes and interventions.⁵¹ A Global Alliance Against Traffic in Women study from 2007, *Collateral Damage: The Impact of Anti-Trafficking Measures on Human Rights around the World*, pointed out that initiatives which were nominally supposed to stop trafficking actually had numerous negative rather than positive effects for people who had been trafficked, as well as other groups of people such as migrants and sex workers.⁵²

This and other work⁵³ confirms that more consideration is needed, not only from states and donors, but also from anti-trafficking NGOs, to look at the impact of their work. Unfortunately, currently such impact studies are rare, partly due to lack of resources. In general, evaluations concentrate on assessment of quantitative indicators instead of qualitative ones, counting what evaluators call ‘outputs’ rather than their longer-term ‘outcomes’ or results. However, in recent years, some tools⁵⁴ have been developed, in particular for the anti-trafficking field, which NGOs can and should use to monitor the impact of their work.

In the long-run, better understanding of the impact of services delivered and actions taken can help to prevent human trafficking, but also ensure that funds are used responsibly and effectively.

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⁵¹ Guideline 1, Paragraph 7, of the High Commissioner’s Recommended Principles and Guidelines on Human Rights and Human Trafficking. Addendum to the Report of the United Nations High Commissioner for Human Rights to the Economic and Social Council, UN document E/2002/68/Add.1, 20 May 2002. The Recommended Principles and Guidelines on Human Rights and Human Trafficking are found at <http://www.ohchr.org/english/about/publications/papers.htm> (retrieved 4 August 2014).

⁵² GAATW, *Collateral Damage*, op. cit.

⁵³ A Gallagher and E Pearson, Detention of Trafficked Persons in Shelters: A legal and policy analysis, SSRN, 2008, retrieved 31 July 2014, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1239745. A Ahmed and M Seshu, ‘We have the right not to be “rescued”...’ When anti-trafficking programmes undermine the health and wellbeing of sex workers’, *Anti-Trafficking Review*, Issue 1, GAATW, 2012, pp.149–165. J Ham, M Segrave and S Pickering, ‘In the Eyes of the Beholder: Border enforcement, suspect travellers and trafficking victims’, *Anti-Trafficking Review*, Issue 2, GAATW, 2013, pp. 51–66.

⁵⁴ For instance, M Wijers and L Chew, *The RigTt Guide: A tool to assess the human rights impact of anti-trafficking laws and policies*, Aim for Human Rights, 2010, retrieved 31 July 2014, <http://www.humanrightsimpact.org/trafficking>