Fund the Movement, Not Just the Project:

We Can't Build Strong Movements on Fragile Funding

Why Europe's Anti-Racist Organisations Need Unrestricted Support

Europe's anti-racist organisations are confronting growing political hostility, shrinking civic space and increasing financial insecurity and defunding. Yet the way we fund their work often makes it harder for them to respond. If philanthropy is serious about achieving lasting racial justice, it needs to rethink how much it gives and how it gives.

Fighting structural racism with short-term funding

Racism does not operate in project cycles. It is embedded in institutions, policies, economic structures and everyday practices. Challenging it requires sustained advocacy, community organising, education, legal action, coalition-building and the ability to respond as new threats emerge.

Yet much of the funding available to anti-racist civil society organisations in Europe is tied to specific activities, predefined outputs and short implementation periods. Organisations are expected to demonstrate results within a year or two, even when the changes they seek may take decades.

> **There is a fundamental contradiction in asking organisations to tackle structural problems while funding them as if their work were a series of isolated, short-term interventions.**

This contradiction has become particularly damaging in Europe's current political environment. The EU Agency for Fundamental Rights (FRA), in its 2026 Civic Space Update, reports that 44% of surveyed civil society organisations experienced unexpected funding reductions, cuts or freezes. Organisations working on anti-racism and the rights of marginalised communities are among those reporting the highest exposure to threats and attacks.

As the need for independent civil society grows, the resources available to sustain it are becoming both fewer and less predictable. Under these circumstances, funding organisational resilience becomes a primary concern, essential to maintaining the capacity to defend fundamental rights.

The hidden costs of project-based funding

Project funding has an important role in philanthropy. It can support specific initiatives, enable experimentation and provide clarity around intended results. But as a dominant or only source of income, it undermines the very organisations it is intended to support.

For small grassroots organisations, each grant often brings another application, another reporting framework and another set of activities designed around a donor's priorities. Staff spend valuable time fundraising and administering grants rather than working with communities. Essential functions such as financial management, safeguarding, staff development, communications and organisational security are frequently underfunded.

Restricted funding can also encourage mission drift. Organisations may feel compelled to pursue available funding opportunities rather than priorities identified by the communities they serve. Work that is difficult to package into measurable projects like building trust, developing community leadership, maintaining networks or responding to emerging discrimination, becomes particularly difficult to finance.

Short-term funding also creates instability. Experienced staff leave because their positions cannot be secured. Organisations struggle to plan beyond the next grant. Institutional knowledge is lost, relationships are disrupted, and communities may lose access to trusted sources of support.

These issues directly affect the quality, continuity and impact of anti-racist work.

> **When funders finance activities but systematically underfund the organisations delivering them, they risk weakening exactly the capacity they seek to mobilise.**

Unrestricted funding: investing in organisations, not just activities



Unrestricted funding offers a different approach. It does not prescribe how every euro must be spent, it allows organisations to allocate resources according to their mission, priorities and changing circumstances.

In September 2026, Philea published Unrestricted Funding: A Practical Guide for Funders bringing together research, practical tools and experience from philanthropic organisations.

The evidence presented in the guide challenges the assumption that tightly controlled project funding necessarily delivers better results. Among recipients of MacKenzie Scott's unrestricted grants, 92% reported improvements in long-term financial sustainability. In the Ford Foundation's BUILD programme, 84% of participating organisations reported greater financial stability, while 71% diversified their revenue sources. Just recently Ford Foundation announced that it will embed multiyear flexible funding in its global portfolio.

These findings are not proof that unrestricted funding will produce the same results in every organisation or context. They do, however, demonstrate its potential to strengthen the foundations of effective civil society work.

For anti-racist organisations, unrestricted funding can make a difference in several interconnected ways.

Building organisational resilience.

Flexible resources allow organisations to retain experienced staff, strengthen governance, invest in financial and administrative systems, and develop reserves. These investments may be less visible than a campaign or public event, but they are fundamental to sustainable impact.

Enabling rapid responses. When racist incidents, discriminatory policies or threats against communities emerge, organisations cannot always wait for the next funding call. Flexible funding allows them to mobilise quickly, coordinate solidarity and engage in urgent advocacy.

Supporting long-term change.

Building community power, influencing institutions and challenging discriminatory structures require persistence. Multi-year unrestricted support provides the stability to sustain relationships and pursue objectives that cannot be achieved within a single project.

Creating space for learning and innovation. Organisations need the freedom to test approaches, learn from setbacks and adjust their strategies. Restrictive grant agreements can make this difficult, particularly when changes require lengthy approval processes.

Protecting organisational independence. Flexible funding gives organisations greater control over their priorities and helps them remain accountable to their mission and communities rather than continually adapting to different donor agendas.

Combining unrestricted and multi-year funding offers particularly strong conditions for organisational development and long-term impact by offering both flexibility and predictability.

Unrestricted funding is also a question of power

The case for unrestricted funding applies across civil society, but it carries particular significance for organisations working on racial justice.

Many grassroots anti-racist organisations are founded and led by people directly affected by racism. Their strengths lie in community relationships, lived experience, local knowledge and the ability to mobilise people who are often excluded from decision-making.

Yet conventional grantmaking systems frequently favour larger, more established organisations with dedicated fundraising teams, professionalised administrative structures and the capacity to manage complex applications and reporting requirements. Consequently, organisations closest to communities experiencing racism may face some of the greatest barriers to accessing funding.

There is also a deeper question of power.

Anti-racist work is fundamentally concerned with challenging unequal power relations. Yet philanthropy can inadvertently reproduce these inequalities when funders retain most of the authority to define problems, determine priorities and decide what constitutes success.

Unrestricted funding does not automatically resolve these imbalances: more flexible funding must also be accompanied by fairer access to resources, inclusive decision-making and meaningful accountability to affected communities.

Nevertheless, it represents an important shift: recognising that organisations working directly with communities possess expertise that funders may not have, and that they should have meaningful control over how resources are used.

> **If we trust anti-racist organisations to challenge structural inequalities, we should also trust them to make strategic decisions about the resources needed to do so.**

What we have learned from supporting grassroots organisations

At ENAR Foundation, our experience supporting grassroots anti-racist organisations across Europe reinforces the importance of flexible funding.

Through our Empowerment & Resilience Fund, we have supported organisations working on community education, political participation, legal empowerment, advocacy and organisational development. Many operate with small teams, limited financial reserves and increasing demands from the communities they serve.

Our experience has shown that the most urgent need is not project funding but more often covering essential operating costs, retaining staff, strengthening internal capacities or simply having the financial breathing space to plan ahead.

We aim to recognise in our practice that organisations themselves are often best placed to identify what will make the greatest difference in their circumstances.

> **Supporting organisational resilience is not separate from supporting impact. It is what makes impact possible.**

From good intentions to better funding practices

MULTI-YEAR UNRESTRICTED SUPPORT



Source: Philea, Unrestricted Funding: A Practical Guide for Funders (2026)

Despite growing recognition of its benefits, unrestricted funding remains far from standard practice. Philea's recent publication reports that only 14% of grantees of Europe-based funders receive multi-year unrestricted support, compared with 31% in the United States.

Why does the gap between evidence and practice persist?

Funders have legitimate responsibilities concerning financial accountability, legal compliance, risk management and demonstrating impact. Some face restrictions imposed by their own governance structures or funding sources.

These challenges must be reasons to adapt funding practices, not automatic justifications for maintaining restrictive approaches.

Excessive restrictions create risks of their own: financially fragile organisations, high staff turnover, reduced adaptability and dependence on a succession of short-term grants.

Philea's guide offers a useful starting point by addressing these practical concerns. For foundations and institutional donors committed to racial justice, five changes would make a meaningful difference:

1. Make unrestricted funding a standard option, not an exception. General operating support should be considered alongside project grants, particularly for organisations with an established mission and credible governance. Funders should not require organisations to demonstrate financial distress before considering flexible support.

2. Prioritise multi-year commitments. Predictable funding enables organisations to retain staff, develop strategies and reduce the constant pressure of fundraising. Even relatively modest multi-year grants can provide greater stability than larger one-off contributions.

3. Make funding genuinely accessible to grassroots organisations. Simplify applications, use proportionate due diligence, recognise different forms of organisational capacity and reduce administrative requirements that disproportionately disadvantage smaller, community-led organisations.

4. Rethink accountability and impact measurement. Unrestricted funding does not mean abandoning transparency. It is merely shifting attention from verifying individual expenditures and predefined outputs towards organisational development, meaningful outcomes, learning and dialogue. Financial reporting and appropriate safeguards remain important, but they need not require control over every spending decision.

5. Share decision-making power. Involve grassroots organisations and affected communities in identifying priorities, designing funding programmes and assessing progress. Trust should be reflected not only in grant agreements but also in how funding decisions are made.

Fund the capacity to create change

What Europe's anti-racist movement needs most are strong organisations, experienced people, trusted community relationships and the freedom to respond to a rapidly changing environment. An infrastructure of lasting social change.

For philanthropic actors this requires a change in perspective: from financing activities to investing in organisations; from controlling implementation to supporting strategic autonomy; and from measuring short-term delivery to enabling lasting change.

The evidence is increasingly available. The practical tools exist. What is needed now is the willingness to put them into practice.

> **If we want a stronger anti-racist movement in Europe, we must fund the organisations behind it — not only the projects they deliver.**