A n n u ø

June 2023



2022 has been another transformative year for the FundAction community

What we are most grateful for:

The power of the FundAction community is in its people: our community of FundAction members and our network of allies who support us and allow us to grow and evolve. So we would like to start with a big thank you to our community and to our allies (you know who you are) who always have FundAction in mind when an opportunity pops up and who carve out time and energy to contribute to FundAction with their input, ideas and connections. Thank you!

What we are most proud of:

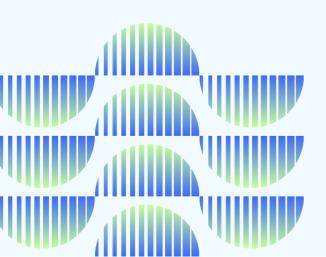
We are proud of the road we have travelled and how far we have come in growing and strengthening FundAction as a unique vehicle for participatory grantmaking in Europe. We officially became a foundation in 2022! We are proud of our persistence and of our achievements, with a small group to coordinate and facilitate a complex transition process. We are proud that we are not afraid to make mistakes, that we don't settle for easy solutions, that we want to keep learning and experimenting.

What we are most worried about:

We are worried about the ongoing resistance (across philanthropy but also across movements) to ask ourselves hard questions around power and privilege and to move away from persisting power dynamics. There is a lot of talk about the need to shift power, to trust movements, to practise participatory grantmaking. But we continue to see a gap between rhetoric and bold actions to make a meaningful change. How are (progressive) funders keeping each other accountable to actually walk the talk? And what about us, at FundAction, and the movements and activists who make up FundAction? Do we actually live our values?

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Email: contact@fundaction.eu Website: fundaction.eu <u>The Annual Assembly 2022</u> <u>The 5 Year Review</u> **FundAction** is an activist-led participatory grantmaking fund. Our mission is to shift decision-making power over funding from funders to affected communities and activists working on the frontlines. FundAction brings together a growing community of grassroots activists working in movements across 29 countries in Europe on a diverse range of issues. They decide together what gets funded. All FundAction members share a commitment to deep transformative change in their daily work.

We work to facilitate movements' daily work on transformative change by:

- Facilitating access to flexible and low-bureaucracy funding
- Replacing the standard model of competition over funding with the FundAction model which offers a democratic platform for exchange, collaboration and sharing of resources.

On the level of funders and people of wealth, we work to facilitate transformative change by sharing our lived experience of participatory grantmaking and by inviting funders to join the journey, shift power and become catalysts of this much-needed change in philanthropy.

FundAction brings together funders and activists around a shared vision for deep transformative change.

We envision more funders and people of wealth endorsing FundAction's mission and vision and playing an active role in shifting the power by putting their trust in the people with lived experience and by supporting FundAction.

We envision for **FundAction** to further develop as a financially stable and thriving participatory grantmaking fund, that facilitates unrestricted and long-term funding to movements. As such, movements can focus their energies, expertise and organisation power on the actual work of creating transformative change. They are joined, supported and advised by funders and people of wealth who trust them and who share their values and vision for change.

We envision for the FundAction platform to nourish and facilitate collaborations, exchanges and connections among the growing community of grassroots activists and movements across Europe. We wish to bridge the gap between funders and activists and to effectively connect needs with resources through this evolving participatory model of fair redistribution of power and wealth.

As an ultimate goal, FundAction envisions a just and equitable world and a healthy planet, where both philanthropy and social movements become redundant. With open hearts and with our will tuned together we can embody this vision into life.

Overall, **FundAction** is guided by the following core values: democracy, inclusivity, openness, peer-to-peer working, transparency, trust, respect and autonomy. Our values determine how we run our process and how we decide and engage with each other in the FundAction community.

Checking in on our core values is one way of practising our intention to keep ourselves accountable, as a value-driven community, to live and practise our values. How do we bring our values to life? Where do we walk the talk and in which areas are we lacking?

Democracy

The fund is made and run in a democratic and participatory way by the community so it is driven and affected by its own decisions.

We never compromise on the deeply democratic and participatory nature of FundAction. It is imperative that the decision making of the FundAction community within the legal structure of a foundation - is safeguarded at all times. The process of setting up the foundation and drafting the statutes (with the support of a pro bono notary firm) highlighted how the democratic and participatory nature of PGM practitioners is very much at odds with the legal vehicles and structure available to us. While legally and formally, the FundAction Board (which we refer to as "Facilitation Group" - see below) is responsible, all important matters are collectively discussed and decided through consultations with the community. To further ensure our democratic and participatory development, we introduced and appointed a Supervisory Board (which we refer to as "Community Council" - see below).

As much as diversity is championed as the beating heart of the fund and its community, an inclusive mindset is key to achieve this. This won't happen if we remain passive: we're committed to be proactive and intentional.

Who is represented inside FundAction, who is not, and why? Who is absent from decision making processes? Why are some members applying for grants multiple times, while others never do? Which power dynamics are at play? Different processes (including our Five Year Review carried out in 2021 and published in January 2022) have highlighted that even if we state that we are committed to be proactive and intentional when it comes to inclusivity and diversity, we face ongoing challenges and we need to step up in terms of prioritising resources (including expert support) and taking concrete actions. This is a priority topic for discussion and action within FundAction and is expected to lead to a concrete action plan by September/October 2023.

Open ness

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The community seeks to expand and renew itself and is open to new people and ideas, but without losing its potential to have meaningful relationships.

We bring together funders and activists around a shared vision for deep transformative change.

We believe transformative change comes from imagining, asking ourselves new questions, being self-critical and bold. We intend to be open about our processes, our learnings and our failings, as we believe this is where new ideas and approaches can emerge. Openness also speaks to the community decision to open up FundAction to new members beyond the invitation system (see below).

Inclusivity

Peer-to _07 -Peer

Learning from and with each other through inspiration by peers / participants without hierarchy between who is learning and teaching. Sharing to avoid replication and making use of existing tools and practices.

Peer-to-peer processes and panels continue to be at the heart of our grantmaking processes. Peer-to-peer ways of working turn out to be empowering and inspiring for the members who take part and they also bring members closer to the community. As we are examining and discussing some challenges around the degree of participation across the community, peer-to-peer ways of working are taking a central part in the discussions as a way to involve and empower members. People who take part in peer-to-peer processes receive fair compensation for their time and effort.

Mutual trust and respect

Trust in other people's ideas

and skills and respect for their

viewpoints and actions, roots

the fund in good human

relations and builds great

In all our discussions and

meetings we aim to centre

we do face challenges as a

mutual trust and respect but

collective and we do have some

steps to take around centering

care and attention in how we

collaborate and live our

relationships.

collaboration.



The network and actions

supported by the fund will be made visible to contribute to a great participatory engagement and public accountability.

We believe honesty and transparency about our challenges and learnings can only lead to better questions and better solutions. All the processes on our online community platform are meant to share all available information with all members and to launch public debates and consultations for all members to take part. Our new website (see below) allows us to better share the important work of our activist members who work all across Europe on a wide range of topics, enabled by our grants. We aim to be transparent about our finances and about how much we spend on our core activity of participatory grantmaking activities versus the running costs of the fund.

Participants will decide about funding autonomously from funders.

While we invite all our funders to join us on the online community platform, to become members of FundAction and take part in our debates, funders can never vote or take part in any actual decision making. We envision for funders and people of wealth to join us as partners and allies and to play an active role in shifting the power by putting their trust in activists and movements and by supporting FundAction as a grantmaking vehicle. Our wish for autonomy and independence also informed our decision to become an independent legal entity, rather than remaining an informal network with a fiscal sponsor.

Systemic Change

Members of FundAction are activists promoting systemic change in their daily activities, and the grants fund activities that also fit this framework.

Autonomy

FundAction brings together activists and funders around systemic change. On the one hand we facilitate movement's daily work on systemic change by facilitating access to flexible and low-bureaucracy funding and by replacing the standard model of competition over funding with the FundAction model, based on exchange and collaboration. This way, movements can focus on their actual work instead of spending time and energy on lengthy funding applications that often don't meet the needs on the ground. On the other hand we work to facilitate systemic change on the level of funders and people of wealth by sharing our mission and vision and our experience of participatory grantmaking and by inviting funders to join the journey, shift power and become catalysts of this much needed change in philanthropy.

01.Grantmaking

Headlines

As a participatory grantmaking fund, our key priority is to distribute grants among our community of grassroots activists who seek funding to continue their work across diverse topics and countries in Europe.

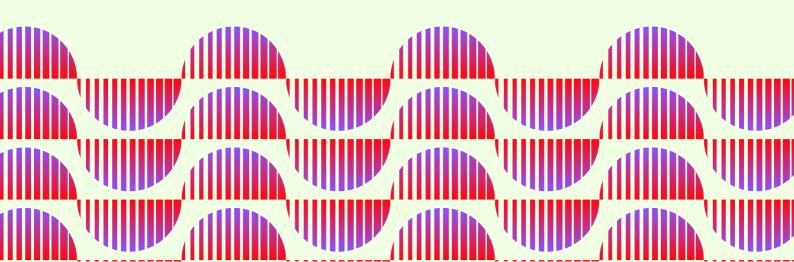
Here is an overview of our grantmaking activities in 2022.

IMPACT SNAPSHOT

20 RETHINK GRANTS

06 RENEW GRANTS

240K



Renew 2022

For the first time, we were able to **award 120.000 EUR between 6 Renew projects for 20.000 EUR each** (5 Renew grants per year was the maximum until now). This grant is aimed at funding projects that generate systemic change by addressing the causes of injustice and promoting systemic solutions of the future.



Rethink 2022

The 2022 Rethink grant round has been the most ambitious one since FundAction started, in which we **allocated 120.000 EUR, distributed over 20 projects.** Rethink aims to support the building of a pan-European community by offering funds for collaboration, exchange and capacity building through study visits, meetings for collaboration, training, translation projects, research, mentoring, etc.



Resist 2022

Resist was paused in 2022 and got relaunched in 2023, with a change in the process taking into account the learnings from the last Resist grant round, including on the administrative burden of Resist (for a modest grant), as well as the 2022 Annual Assembly recommendations that in the future the Resist grant should be available all year around. The Transition Facilitation Group currently has the mandate to sign off on the proposals rather than a community-selected panel, since this proved to be mainly a ticking box exercise. The Resist grant (up to 2000 EUR per grant) opened on a rolling basis in February 2023, with an annual cap of 50.000 EUR



"The FundAction grant was our seed money for making this project possible. Then it was much easier for us to collect more funds, as other funders had consequently more trust in our idea and its realization."





Change of Migration Policies from below (International)

Cooperative Learning through Social Solidarity Economy (Greece)



TranCity - City in Transition (Croatia)

"Some of our ideas and visions often seem distant and unrealizable. This exchange confirmed that they can be done, as we saw ventures in action - which paved the way and fueled us with courage."

"We thank all the people, organizations and collectives that have contributed and helped to consolidate this project. It is from this collective intelligence that we have been able to write this protocol."



"The project ended more successfully than expected. Our partner union also got stronger by joining an international community from which it can gain a lot in the future."

Renew 2022 Projects

Center for Cooperative Housing (Serbia)

It is a collective learning-by-doing initiative to institute a new place as the accelerator of the cooperative housing ecosystem in Belgrade and Serbia. It is about designing both the economy and the common solidarity space for the first cooperative housing pilot projects in collective ownership

Renewing a 40-year old organization of critical education through community-based housing (Hungary)

TEK aims to create a safer future for the Budapest-based College for Advanced Studies in Social Theory (Társadalomelméleti Kollégium), by preserving and renewing this grassroots student organization

Food for systemic change (Greece)

Pervolarides of Thessaloniki wish to further develop our solidarity activities with and for the local and refugee population. Their activities are based on social cooperation and the relations that are formed through the food cycle, supporting people in need.

Taking down big pharma: patient-led organising for health justice (Uk / Europe)

Just Treatment is a patient-led campaign group that want to organise patients to lift the lid on the unaccountable power of the pharmaceutical industry in the UK and Europe, detailing their corruption of democratic processes in health and our wider politics, and winning radical change of the status quo

From farmers to caregivers: building a direct solidarity food distribution system (Hungary)

Pécsi Kosárközösség - Basket Community Pécs plans to set up a non-profit, self-sufficient, community-powered, solidarity food distribution system in Hungary which is sustainable and resilient to all actors both financially and ecologically. The idea is to create a direct connection between small- and medium scale farmers and consumers, in this case workers from the social care sector through their labour union.

Citizens' Legislative Initiative to lower rents and stop evictions (Portugal)

Designed by the people and supported by the collection of 20.000 signatures nationwide, the Citizens' Legislative Initiative (CLI) is in Portugal a tool to exert direct democracy by allowing the promoters to present a law proposal to the parliament and is thereafter obliged to analyze the bill and vote on it

Rethink 22 Grants' Impact

Among the Organizations involved in the exchanges (FundAction members and not): Emergency, Sea-Watch, Inter Alia, Europe Must Act, Seebrücke. Berlin Governance Platform, Zagreb Sanctuary City, Mediterranea, tesserae and Alarm Phone. Pervolarides. Base for workers' Initiative and Democratization, Right to the City, Zagreb is Ours, Don't Let Belgrade Drown, Initiative A11, Institute for Political Ecology, Center for Peace Studies, Renewables and **Environmental Regulatory** Institute, Vojvodina Environmental Movement, Fruškać, Magacin, Institute for Social Theory and Philosophy, Center for Green Politics, Trag, Cyklopen, London Renters Union, La Invisible, Ort till Ort, Vojvodina Environmental Movement, femprocomuns, Remix the Commons, B.A.Balex, Solidarius, Projet collectif, ALICE, Trade Union of Care Workers in Hungary and the Solidarity Economy Center, Crvena, RIPESS Europe, RedPes, Centro Estudos Sociais Sociais, Coimbra University...[...]

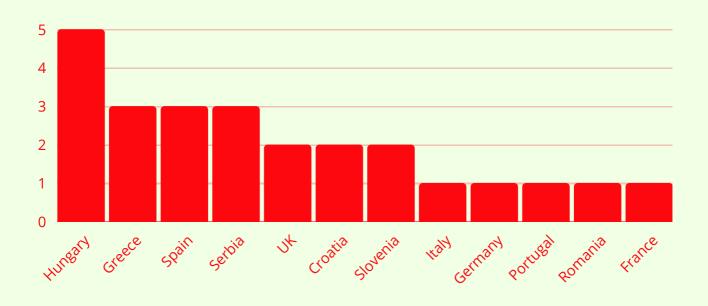
+50 organizations

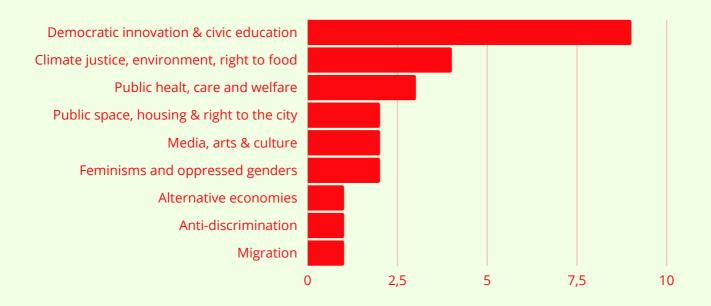
Exchange between +15 countries

+30 days of workshops & p2p sessions

> +500 activists involved

Geographic & Thematic Distribution of Grants 2022





02. Consolidating and growing the fund

2022 has been a landmark year for FundAction!

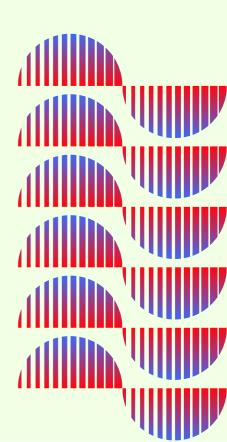
In August 2022 we officially registered as a foundation (<u>Stichting</u>) with the Chamber of Commerce in The Netherlands. The journey of transition (from an informal network with a fiscal host to an independent legal entity) has been intense and challenging. We are proud of the steps we have taken as a community.

Here is a timeline of how we got there!



Spring 2022	¢	Led by Transition WG and FG: discussions on governance and organisational structure of the new legal entity, draft proposals for debate and decision at the in-person Annual Assembly 2022	
June 2022	\$	In-person Annual Assembly conclusions:	
		 The establishment of the Founding Board of the foundation The establishment of a Community Council (formally, according to the statutes: Supervisory Board) Approves the statutes for registration (some minor issues that came out of the discussion with members were discussed with the notary and got amended) Extension of the mandate of the "transition" Facilitation Group (FG) until the transition is completed (target date at the time: June 2023). Annual Assembly takes the initiative to set up a Care Group composed of FA members, who will explore and make proposals for support to the FG In-person Annual Assembly provided input for the following processes: Election and mandate of the Community Council (formally: Supervisory Board) Operational tasks of "staff" (structural support roles), work by 	
		WGs and ad hoc contractorsHow the new FundAction ecosystem will work	
August 2022	¢	Official registration as a Foundation (<i>Stichting</i>) with the Chamber of Commerce in the Netherlands	
August 2022	¢	Onwards: the quest for a bank account starts	
October 2022	¢	FG reduced from eight to seven members, including one funder representative. Compensation of Coordinator gets increased from 1000 EUR (1 day per week) to 2000 EUR (2 days per week)	
December 2022	¢	Switch to temporary fiscal host to mitigate our bank account delay	
December 2022	¢	Community Council of 3 FundAction members elected + Dutch resident added to the founding board	
December 2022	¢	Transition Facilitation Group, Community Council, Transition WG (and Community Building WG), meet in person to work out the transition plan until June 2023 in more detail	





FundAction Community

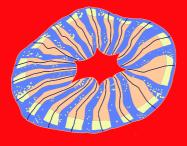
All important matters are collectively discussed and decided in consultation with all FundAction members. The online platform/assembly (run on Decidim opensource software) is crucial tool for our participatory community processes.

Community Council or Supervisory Board

As part of the transition to a foundation, three members among the FundAction community got appointed to the Community Council (formally "Supervisory Board"). The Community Council can increase up to a maximum of nine members. They are responsible for safeguarding the decision making and consultation of the FundAction community. The current Community Council is composed of: Luka Knezevic-Strika, Tara Tarakiyee, Jason Nardi.

Founding Board of Stichting FundAction

The founding board of Stichting FundAction consists of Stefanos Galountzis (Chairman), Marko Aksentijevic (Secretary / Treasurer), Ruby van der Wekken, Carmen Lozano Bright. Board members perform their board duties free of charge. They are compensated for expenses made in the course of exercising their board duties, including participation in meetings and travel expenses.



Transition FG (Until Summer 2023)

The Transition Facilitation Group is responsible for the fund's daily coordination and day-to-day operations. All FG members combine FA work with their activism work (or other work). They get a compensation of 500 EUR for working 2 days per month for FundAction. The coordinator receives 1000 EUR compensation for working 1 day per week for FA, which has been increased from October 2022 to 2000 EUR for 2 days per week. The Transition FG is composed of: Emilie Deudon (funder representative), Carmen Dupont (coordinator), Stefanos Galountzis, Marko Aksentijevic, Giulia Palomba and Carmen Lozano Bright.

03.The evolving FundAction ecosystem

New FG of the Foundation (formally the Board)

from July 2023

As part of the transition, the Facilitation Group in the new ecosystem of the foundation, will be closer to the responsibilities of a board, i.e. the new FG will be formally responsible for managing the fund and for keeping the strategic oversight. Daily operations will be taken on by paid roles (see below). The new FG will be appointed in the summer of 2023. Some of the Founding Board members will remain, some will leave and will get replaced by new members. In their capacity as legal board members, FG members perform their duties free of charge. They are compensated for expenses made in the course of exercising their duties, including participation in meetings and travel expenses.

Working Groups

19

All FundAction members are invited and encouraged to join and contribute to the working groups who cover the main working areas of FundAction: community building, fundraising, grants and processes, communications and outreach. Ad hoc working groups cover ad hoc processes and events such as the transition and the Annual Assembly.

Daily operations

In the new foundation structure, the daily operations will be taken over by paid roles which are currently under discussion: 1 operations role, 1 coordination role and ad hoc contractors. Where possible, ad hoc assignments are taken on by FundAction members, who receive fair compensation for their work.

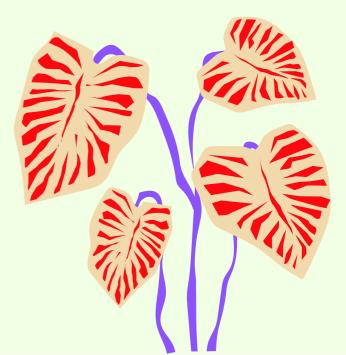
The evolving FundAction ecosystem

04. Engaging the FundAction Community

Discussions on community participation have always been at the heart of debates in FundAction. The importance and urgency of improving community participation got particularly re-activated by the outcomes of the <u>Five Year Review</u>, which confirmed that inside the FundAction community, a relatively small percentage of members is actively participating.

The definition of "meaningful participation" is different for every community, depending on the core mission and the activities of the community at stake. If the level of meaningful participation for a given community is not reached, the community cannot fulfil its mission and activities. For FundAction, this means that its core mission as a participatory grantmaker can get affected, as also flagged in the Five Year Review. Because only a relatively small group of members actively participates and many members don't participate, the participatory grantmaking decision-making process gets skewed.

Building on the outcomes of the review and the challenges described in last year's Annual Report, we took big steps in 2022 by introducing more clarity around expectations and minimum requirements for FundAction members. We adopted a new membership approach, based on the understanding that different levels of engagement should be promoted and based on positive incentives so it is more clear to members what they will get out of their commitment.



Growing the FundAction Community

At the Annual Assembly at the end of 2021, the FundAction community agreed that the process of becoming a member by invitation cannot continue as the only way to join FundAction, as it basically leads to a relatively closed "club" of people. The Community Working Group took this forward towards the end of 2022. A first pilot round to bring in new activists who apply through a (simple) form, was completed in March 2023. 30 new members joined from diverse backgrounds and from struggles and places that are currently underrepresented in FundAction. Next steps on opening and growing the membership will be discussed at the 2023 Annual Assembly and further concrete actions will be taken in Autumn 2023.

We also formally introduced compulsory induction sessions for new members. The lack of induction for new members came up in the Five Year Review as a significant obstacle to meaningful participation. New members are now invited to attend at least one online induction session where new members get to know each other and FundAction.

A new visual identity and website

2022 also was the year of the launch of our new <u>fundaction.eu</u> website with a new and fresh visual identity, developed and cocreated with the <u>DigitalFems collective</u>. The new website aims to lay the foundations for a more vibrant external communications approach, featuring examples of granted projects and offering a platform for sharing learnings and successes.

As we start to move out of the transition, our ambition is to prioritise and resource a full-fledged communications strategy (with matched capacity for implementation), which seeks to meet the needs as expressed in the Five Year Review and by the community, also regarding internal communications. Limited capacity has been an ongoing challenge in the area of internal and external communications, as well as some limitations of our online platform (run on Decidim open source software).

05. Fundraising, outreach and advocacy

As we know, fundraising is all about building and nourishing networks and participating in the right spaces. We have gotten better at devoting resources to networking and to advocating for participatory grantmaking and the FundAction model, but more can be done.

Throughout 2022 we used our Five Year Review as a tool to proactively approach relevant networks and spaces to share our learnings and the FundAction approach. This helped to further increase our profile, which led to new conversations and partnerships.

We presented our Five Year Review to the EDGE Funders community and to the PGM community of practice. We got invited by our current funders and partners to a number of speaking events, including a presentation to the Resource Transformation community, a panel about trust-based philanthropy and a panel at the German Stiftungstag together with LEAP and Resource Transformation. We also took part in the EDGE Europe retreat in May 2022 where we organised an interactive session about "power" together with Resource Transformation.

We are grateful to our current funders who highlight us as an example of participatory grantmaking and who facilitate new connections, which has led to new collaborations and to exchanges with new potential funding partners.

We are happy to have Lush join us as a new funder. We have secured the continuing support of some funders who have been part of FundAction from the very start, such as Guerrilla Foundation and Un Monde Par Tous. Porticus, who joined as a funder in 2022, also renewed their support. Contributions of individuals of wealth who share our mission and vision continue to make up a big part of our fund.



Financial Report

FG members stipends	55,162.00
Peer Review Panels	4,000.00
Annual Assembly & In-person meeting in Budapest	21,308.82
Administrative Costs (Fiscal Sponsor)	16,500.00
Outreach Costs (Decidim, Website)	15,546.00
Other running costs (legal transition consultancy, bank costs)	7,138.72
TOTAL RUNNING COSTS	119,655.54
RESIST GRANT	0.00
RENEW GRANT	119,930.00
RETHINK GRANT	116,416.00
TOTAL GRANTS	236,346.00

As a foundation, we managed to open a bank account in The Netherlands with Triodos at the end of April 2023. Until we are fully operational, we continue our collaboration with Änderwerk - who took over as our fiscal sponsor in December 2022.

The Ratio Grants: The running costs ratio in 2022 was 2.

This is a 0.3 improvement from the last year (when it was 1.7) - yet smaller than planned (2.2), mainly due to the inability to distribute additional grants because of the challenges during the transition.

Sources of income in 2022 and secured income for 2023

	2022	2023
Open Society Foundation	€194,900.00	
Un Monde Par Tous	€30,000.00	€30,000.00
Guerrilla Foundation	€30,000.00	€30,000.00
Individual donations	€309,735.00	€170,000.00
Lush GmbH		€15,000.00
Porticus	€50,000.00	€50,000.00
Expected (based on pending conversations with potential funders)		€500,000.00
TOTAL	€614,635.00	€795,000.00



Thank You

