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# Transforming Philanthropy & Aid through New Models of Funding and Partnership

*Insights from Taking Practical Action to Move Funding Decisions Closer to Communities*

Center for Disaster Preparedness Philippines and GlobalGiving

There is a growing consensus that philanthropy and aid must transform if we are to truly meet the pressing needs and priorities of communities around the world. Call this locally led, community-led or something else, what needs to happen is the same: we need to change funding structures, roles and relationships to share and shift power and decision-making to communities, while prioritizing equity, accountability, and sustainability. But the critical question is *how*?

Over the past twenty years, GlobalGiving - a global funding intermediary - has witnessed a marked change in attitude and practice in philanthropy and aid. GlobalGiving has tested and evolved different approaches to move funding more equitably around the world, to enable community leaders to access funding and decide how to use resources. The Center for Disaster Preparedness Philippines has provided resources and support for a network of community organizations for over twenty years. They have grown within the prevailing aid and development system, and believe that to plant a new system, one must prototype new ways of implementation. Their innovations in grantmaking and practice offer new models that they hope will gradually, and ultimately, make the existing system obsolete thereby giving birth to a new one.

Slowly, international agencies, who have traditionally held the lion's share of power and control, are examining how to work differently. The role they play, the way they fund and how they partner greatly affect the ability of people affected by poverty, climate change and many complex issues to demand and defend their right to decide on how to invest in a better future. Philanthropy and aid actors must reframe their role and mandate, rethink their policies, processes, and structures, as well as their approaches to partnership, risk and reward.

Over the past three years, GlobalGiving and Center for Disaster Preparedness with Global Fund for Community Foundations and Nonprofit Finance Fund have embarked on a collective journey of inquiry and practical action in the Philippines by exploring how new models of partnership and funding can better support community-led change. This collaboration resulted in a nationally-led community-centered Community Solidarity Fund providing financial and other types of support to community leaders ranging from peer knowledge exchange, financial management training and collection action building.



This paper offers practical insights and recommended approaches to funding community-led change. It demonstrates new ways to model **roles and mindsets** (the “who”), practical shifts in **funding practices** to move decisions closer to communities such as risk management (the “what”) and how to model **equity in partnerships** (the “how”). Co-authored by

staff at GlobalGiving (an international intermediary philanthropy organization) and Center for Disaster Preparedness (a national civil society network in the Philippines), it aims to bring to life our recent experiences as well as set out key recommendations for development, aid and philanthropy practitioners and decision makers.

## The Imperative to Transform

International development, philanthropy and aid sectors are on a long overdue transformation journey. 2020 marked a catalytic year with seismic events like Covid-19 global pandemic and the Black Lives Matter movement pushing towards more fundamental change. The consequence of these events reaffirmed what many already knew: that **global structural power imbalances were not only unethical, but also hindering the effectiveness and efficiency of durable and responsive societal change**. These moments provided real time, powerful testament to the world that communities are experts in their own situation and are best placed to design their own solutions. They are the first and last responders in a crisis or emergency. Unlike International Non-governmental Organizations (INGOs), community organizations and leaders cannot simply leave when things get challenging or the crisis becomes less popular. Change that is led by community priorities will always be more contextually appropriate, impactful and sustainable. Despite global commitments, funding data is disappointingly trending backwards, with only 1.2% of international humanitarian aid going towards local NGOs in 2022; a far cry from the 25% committed by the Grand Bargain.

Currently, development programs and funds are mainly controlled by large, Western agencies. Funders are often risk averse, have stringent requirements, and are unable or unwilling to be flexible and responsive to the context and situation in communities. Organizations working directly with communities feel pressure to continuously tailor-fit their funding requests to donor priorities, which means that they cannot be responsive to community priorities leading to efforts that are inefficient, ineffective and lacking inclusivity. Additionally, locally-led and community-based organizations don't receive resources to strengthen their capabilities and cover their true costs thus reinforcing the cycle of international funder support via INGOs and perpetuating inequity.

Community leaders and local organizations have clear advantages. They are experts at serving the community over the long term. They are close to the problem and understand the community context in ways that international agencies cannot achieve (either logistically or otherwise). They have the trust of the community inherently or can build on it much faster due to proximity and innate understanding of cultural and



political circumstances. Unlike international actors, they do not leave or lose interest when the crisis is over or a problem becomes less popular. Instead, they can respond with increased speed and responsiveness to the community's changing needs.

By strengthening community organizations, solutions are likely to be more relevant, appropriate, adoptable, and sustainable. Recent research estimates that local partners could deliver programming that is 32% more

cost efficient than international partners. Beyond money, value lies in long term partnerships and not just timebound interventions. This work is life-long for community organizers and grassroots advocates. By building long term equitable partnerships, funders can provide support and legitimacy that can mobilize additional local/national/regional funds. As a result, the value of investing in community organizations can multiply, increase longevity and staying power.

## Taking Action to Transform

Within the current funding and development systems, opportunities to experiment and demonstrate new ways of being, doing and working can often feel limited by the constraints of the current dynamics and practices. Given this reality, we must intentionally seek opportunities to think creatively, work collaboratively, push boundaries and challenge assumptions.

We were afforded this opportunity through the initiative we called "Assets, Agency and Trust". Funded through Local Works, a USAID funding mechanism, we were able to reimagine roles within our consortium, design a community grantmaking approach that elevated the role of the national organization (Center for Disaster Preparedness) and test, build and model partnerships that placed primacy on equity. We took an emergent approach and adapted how we worked as

we learned what worked and what didn't through open and honest dialogue. We also took time to speak to, learn from and brainstorm with our funder - this was a key factor in being able to do things differently.

In the following pages, we lay out how we were able to fund community solutions differently. In reflecting on the most critical factors that enabled us to invest in community solutions, we coalesced around three things: the way funding flows, the roles we play and the approach to partnership. These insights are not new, and we had plenty of room for improvement. That said, we believe that adopting these approaches can help funding reach communities in ways that enable greater agency and decision making for community leaders.



## Rebalancing Funding Dynamics

*How we rebalanced dynamics to move funding and decision making closer to communities*

With funding from USAID, our initiative came with the potential of being somewhat constrained. In fact, despite the rather complex provisions required when spending US federal funding, we were able to shift agencies and share decision making with partners far closer to communities. GlobalGiving was the primary recipient and, as an experienced funding intermediary, was able to work closely with the national lead partner, Center for Disaster Preparedness, Philippines (CDP), to design a funding approach that would enable communities to access funding for community solutions.

The Abot Kamay Community Solidarity Fund (ACSF) was co-designed, fully managed and implemented by Center for Disaster Preparedness Philippines (CDP), with strategic support from a consortium of global partners. The model demonstrates a locally led, innovative partnership approach aiming to reach marginalized communities often overlooked for or unable to access

funding, with an emphasis on highlighting community assets and ownership akin to Community Philanthropy. The ACSF aims to better understand the community-led change landscape in the Philippines, and to elevate, connect, and strengthen local ideas and efforts with a view to long term sustainability. In practice, this means end to end ownership and leadership of the fund by CDP informed by the community partners they work with. Every aspect was led by CDP's knowledge and insights into the culture, context, and Filipino communities from the design of the call for proposals to the grant selection and due diligence process and monitoring and evaluation. As 'bridging partners', GlobalGiving and the consortium offered advice and support to CDP to navigate the possibilities given the funder's requirements, and carried the weight of funder reporting and risk management responsibility, freeing CDP to develop an approach that worked for communities. CDP launched a call for proposals in May 2022.

**127**

proposals

Received from community-based organizations on the themes of community-led actions and community philanthropy, sustainability, and shifting power.

**₱74 M**

in total

Requested against the available funding of 21 million pesos.

**32**

organizations

Selected by members of a community selection committee made up of Filipino representatives from the sector focused on themes such as women, persons with disability, and human rights.



Funding was provided for community solutions defined by communities. To reduce barriers, the application process was built to be flexible and inclusive, allowing applications to be in the local Filipino dialects and could also be submitted via video. CDP also reframed the compliance process and focused on getting to know the organizations holistically (not just from a risk/due diligence perspective). Instead of using compliance as a judgment process where these grassroots organizations either passed or failed, their goal was to meet them where they were and provide support where needed. They strove to understand areas in which many organizations may not have documentation for, such as governance, partnership values and financials, and help them to strengthen those capacities.

CDP created open channels of communication with partner awardees enabling rapid adaptation and responsiveness. In addition to funding, CDP provided holistic support based on partner awardees' needs including creating spaces for learning and workshops on topics such as financial management and sustainability. Feedback from Fund partner awardees highlighted how radically different this funding was from funds they had received previously. They shared that they had been tired and exhausted by compliance attached to most other funding they received. They felt that the ACSF was there to support them holistically, not just provide funding. The funding has enabled them to do more, and mobilize more resources and opportunities. They felt heard.

## **Reimagining Our Roles in Partnership**

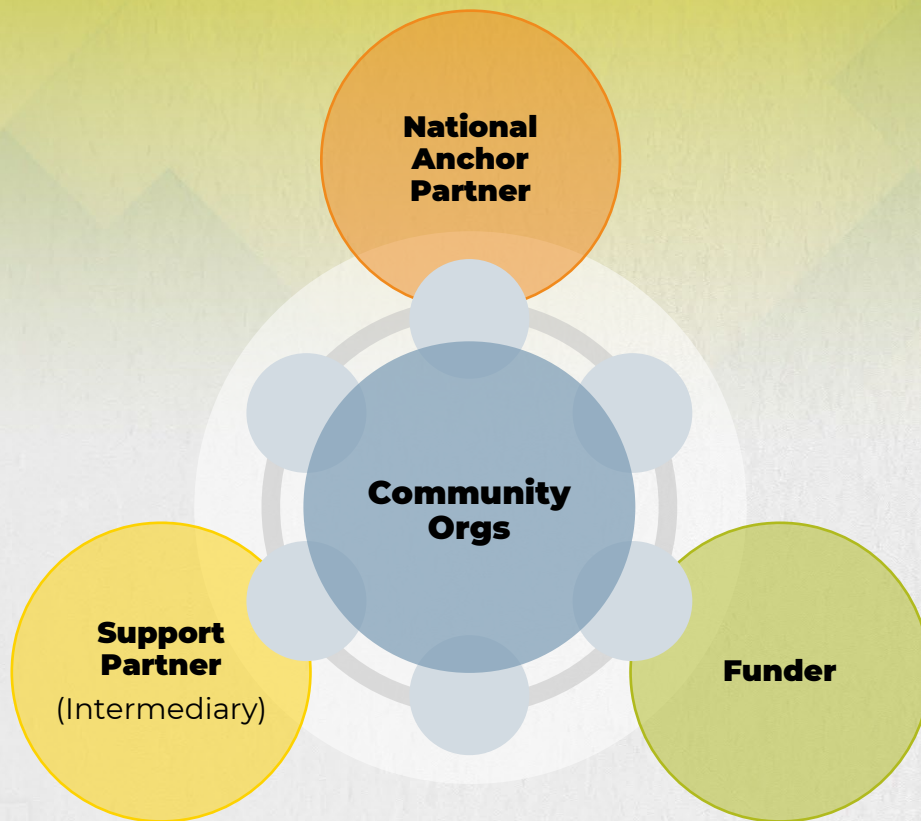
*How we reframed roles to create equitable partnerships for community-led change*

The international funding ecosystem is entrenched with unhelpful, at times harmful, practices. Funders hold most power and control, international organizations tend to receive grants and act as funder conduits or directly implement programs asserting funder rules as they use funds, and national or 'local' organizations as sub-recipients often deliver projects with little to no control. We recognised upfront that we needed to intentionally examine our roles if we were to genuinely move funding equitably and bring decision making closer to communities.

We advocated for the national organization (CDP) to lead and host the funding mechanism (ACSF), given their

expertise and connection to the communities and context. As the funding recipient, GlobalGiving acted as the bridge and supporter between the funding facilitating conversations and practices to seek opportunities and remove barriers. We regularly communicated with our funder to build our collective understanding of what we wanted to achieve, and to examine how we would work within the funders requirements whilst centering a community-led approach. For example, we developed a grantmaking guide for ACSF hosted by CDP and worked with the funder to align our understanding and practices.





During the initiative, we took time to create intentional reflection space to examine our roles - particularly around risk sharing and compliance management, facilitated with guidance from the [RINGO brave conversations approach](#). With our experience, we have articulated recommendations for reimagined roles that can better enable funding and decision making to move closer to communities.

### **National Organizations**

Lead and own fund initiatives

Facilitate access to communities

Support grassroots initiatives reliably, effectively, and sustainably with their local knowledge and insights

Provide trusted, safe space & facilitate shared learnings with partners

### **Intermediaries**

Connect and bridge for funding, where needed

Shift away from primary implementer and leading experts, to:

- Eco-system and relationship builders
- Advocate and amplifiers
- Co-conspirators and co-learners
- Interpreters and risk sharing partners

Carry burden of reporting to enable focus for national organizations

### **Funders**

Flexible and open mindset

Willingness to reimagine risk & be agile and open

Commitment to being community-led

Center trust, equity, and inclusiveness in partnerships

Committed to multi directional accountability



By adopting these reimagined roles, partnerships can be reframed and built with aligned values, balanced risk and equity at the heart. The default for funders has been to work through INGOs or other intermediaries as primary implementers or arms-length funding hosts. But, with these reimagined roles, intermediaries give funders assurance whilst enabling greater flexibility for national organizations. Inspiration for naming characteristics for international intermediaries was informed by [Peace Direct's global consultation on transforming partnerships](#).

## Concluding Recommendations

This Community Solidarity Fund model, led by national organization CDP, demonstrated an effective, and potentially scalable, pathway to channel resources and shift power, funding and decision making closer to communities and the organizations that work with them. The Fund offered flexibility and responsiveness through its proposal design, its participatory selection process, and its open call for community ideas and solutions. Country efforts for pooled funds like this need to be shifted to national and local actors and be led by them: this demonstrates true localization of development as opposed to current efforts led by intermediaries like the UN or longstanding INGOs. Intentionally examining and reframing the roles and partnership of the key enabling stakeholders enabled this funding approach to be realized.

We imagine that if all funders, both international organizations and national organizations, could embody the roles outlined above, more equitable partnerships would flourish. This would lead to greater power and decision-making for and with communities around the world. If these models are more frequently adopted, we anticipate expanded impact and effectiveness, including:

- an increase in resourcing for and effectiveness of community-driven solutions
- an increase in equal and equitable partnerships
- more efficient and equity in funding including funding to strengthen core capabilities
- evolved and improved roles for all partners: funder, intermediary, national, and community
- more reliable and rapid response to community issues and crisis

Adopting new models and ways of doing, thinking and being takes an investment in transformation. It is important that investments and actions now focus on the blossoming of emergent models and systems to facilitate the changes that we want to see in this new ecosystem and facilitate the obsolescence of current inequitable practices. We need investment to build a better system for all. This could look like investing in:

- National network organizations to host and lead Community Solidarity Funds
- Long term strategic partnerships between international and national organizations
- Support to strengthening anchor network organizations supporting community organizations
- Time needed to meet donor requirements, and adapt and create new approaches
- Time and resources needed to build equitable partnership

We hope that this paper offers some inspiration for like-minded practitioners interested in exploring how we can shift roles and practice towards community-led change. If it sparks your interest to have a conversation about ways to build transformative partnerships, shift practices or test models that are more equitable, accountable, and sustainable, please do get in touch.

## Supplementary Resources

### *From Traditional... To Community Led*

This initiative was emergent in nature and along the way we identified categories that we intentionally reframed or redesigned. The table below captures what those shifts looked like in practice in the partnership between GlobalGiving and Center for Disaster Preparedness (CDP). Below the table, we have included some instructive questions that can be asked when designing funds or and partnerships that aim to move funding decisions closer to communities.

From Traditional ...	... To Community Led
<p><b>Partnerships:</b> Transactional, inequitable, inflexible, top down, focused on serving the international/western partner's needs</p>	<p><b>Partnerships:</b> Based on trust built over time that featured regular dialogue, honest conversations and collaborative work. Key initiative led by CDP's knowledge and insights.</p>
<p><b>Grantmaking and decision making:</b> Funders or intermediaries holding on to and owning the process of grantmaking including designing the fund, selection process, vetting, disbursement, and monitoring.</p>	<p><b>Grantmaking and decision making:</b> CDP designed a Fund relevant for communities by engaging sector representatives for the selection committee to ensure it was participatory and inclusive. They removed barriers to entry especially for grassroots organizations by accepting non-English and non-written proposals (e.g. video). They disbursed funds in a flexible and accessible way for grassroots organizations including facilitating the opening of some bank accounts for organizations that didn't have one. All fund related decisions were led by CDP and their contextual knowledge.</p>



## From Traditional ...

### **Risk Mitigation & Due Diligence:**

Often burdensome, inequitable, one way accountability and low risk tolerance. Assumption that grassroots and local is more risky.

### **Monitoring, Evaluation & Learning:**

Monitoring and evaluation strategy often designed without any local partner input and that focuses on the goals or interests of the funder.

**Communication:** Focused on communications that meet funder goals and showcase “our” successes using problematic language.

## ... To Community Led

**Risk Mitigation & Due Diligence:** Reframed “risk” within partnership. GlobalGiving absorbed risk and supported CDP with policies and procedures. GG completed a risk assessment and vetting process on CDP to establish their ability to manage a grantmaking facility. CDP designed a due diligence process appropriate for community organizations that was contextually appropriate and relevant. CDP captured the capacity and track record of chosen partners to enable greater support. GG supported CDP to meet additional vetting requirements (e.g. OFAC checks).

**Monitoring, Evaluation & Learning:** Partnered on a strategy to gather learning relevant to all partners and the funder with CDP working with community organizations on their own indicators and specifically:

- Identifying common indicators based on Filipino values
- Harvesting outcomes from the partners' community engagements and processes that bring about change
- Documenting mindset and behavioral changes from community members and leaders in the course of community engagements with one another
- Documenting feedback from partner-communities and organizations

### **Communication:**

- Worked in partnership with a local communications consultant to center communications around CDP and community impact, and long term sustainability goals.
- Ensured that perspectives of community partners are captured in the narratives about their partnership engagement and corresponding outcomes.
- Engaged communications consultant to support international staff at GlobalGiving in efforts to shift language and decolonise communications.



## Guiding Questions to Support Transformation

*A set of questions for funders and international organizations seeking to be community-led in funding.*

### Partnerships

- Q How can we approach partnerships to focus on equity, flexibility, building trust and mutual learning?
- Q How can we step back and listen in to prioritize the experience, views and expertise of partners?
- Q What ways are we ensuring indigenous knowledge and perspectives are shaping the effort?

### Risk mitigation

- Q What flexibility exists within the compliance guidelines? Where can we adapt to ensure more inclusivity? What is really necessary? What assumptions are we making and can we challenge this?
- Q How are we enabling multi-directional vetting and accountability? Have we considered who holds risk and whether this is appropriate? What are the ways we can share risk and enable greater innovation?

### Decision making

- Q How can we co-design approaches and be led by people who understand the context best?
- Q Have we considered who has decision making power? What does this look like if we shift roles?

### Learning & Communication

- Q What matters most? Who is defining this? Are the methods used to gather learning appropriate?
- Q How are we prioritizing local partners and communities' goals and narratives and shifting language to center and uplift partners and communities?

### Fund Management

- Q How might we get funding decisions closer to communities? Who should be involved? What support do they need?



## Case Studies

With Php1M support from the **Fund to Kilometer 7 Farmers-Producer Cooperative**, farmers were able to mobilize an additional Php12.5M from government agencies and individual contributions, both financial and non-financial resources to train small farmers on best practices and agri-business management. In turn, the cooperative was able to reach out to ten more unorganized small farmer groups in the area who have now started their own communal and cluster farms. Six of these groups are now locally-registered to enable them access to government support.



### Copra Trading Marketing Cooperative:

Through ACSF's grant:

- ✓ BINHI People's Organization registered the new cooperative facilitated by the Mayor's unwavering assistance.
- ✓ After 32 years, they opened their first bank account.
- ✓ Their initiatives translate into increased income for coconut farmers, paving the path for improved education opportunities and the expansion of cooperative principles throughout the community.



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