



FUNDING WELL

.....

A PATH TOWARDS
VALUES-ALIGNED,
TRUST-BASED SOLIDARITY

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Written by Melissa Pitotti and Rachel Jacquot.

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“The path to values-aligned, trust-based solidarity in the humanitarian sector requires funders to work on themselves, defer to the people they serve, strengthen their partners, deepen their alliances, and build a new future.”



IT ALL STARTS
WITH A MINDSET
SHIFT, A BELIEF
THAT CHANGE
IS POSSIBLE AND
DESIRABLE, IN THE
MINDS OF THOSE
HOLDING THE
MOST POWER.



FOREWORD

The International Council of Voluntary Agencies (ICVA) and the CHS Alliance have again partnered with their shared members to co-produce this “Funding Well” report. It is the fourth of a series of reports, including “Working Well” (2020), “Leading Well” (2021), and “Governing Well” (2022).

ICVA and CHS Alliance members are united behind *who* they serve: crisis-affected people. Fellow human beings, facing extremely difficult circumstances, are entitled to principled, effective, quality, accountable support in alignment with their rights and needs and delivered with dignity.

There have been too many painful examples of when aid carried out in their name has not met the Core Humanitarian Standard (CHS). That is to say, it has not always been appropriate, relevant, timely, effective, locally-led, complementary, well-coordinated and based on communication, participation and feedback. Organisations have not always welcomed complaints, learned and improved, supported staff to do their jobs and treated their workforce fairly and equitably, managed resources responsibly, and taken every effort to prevent and address sexual exploitation, abuse and harassment.

To this end, we have come to believe that how organisations work requires as much attention as what they deliver. Many organisations have adopted the CHS as a means to guide their approaches and behaviours, but support to do so and incentives for others to follow suit remain limited.

This is an area where funders want and can do more. By “funders,” we mean donors (traditional bilateral governmental and regional agencies and foundations) and funding intermediaries (including UN agencies and NGOs).

This “Funding Well” report suggests a step-by-step path for funders to harness their power to catalyse a future in which all crisis-affected people access principled, effective and accountable support. It offers concepts, examples and tools for each of the steps to “fund well,” informed by innovations both inside and outside the humanitarian sector.

With crisis-affected people at the centre, the future we seek will be powered by a healthy, competent workforce that is supported to work effectively and treated with fairness and equity.

Our humanitarian system will be more about solidarity than competition, and we will live and work in alignment with values like compassion, accountability and equity.

We want to thank our members for making this report possible.¹ We invite you to join us in making this a reality.



Jamie Munn
Executive Director
ICVA



Tanya Wood
Executive Director
CHS Alliance

OVERVIEW

As humanitarians, we are dedicated to relieving human suffering. We can relate to people supporting other causes, like human rights, public health, good governance, the environment, poverty eradication, women’s rights, social justice, mental health, peace, safeguarding, and systems change.

After scouring our sector and others for examples of “funding well,” we present them to you as part of a proposed path forward to achieve a trust-based humanitarian system aligned to values like compassion with accountability and solidarity with equity.

Perhaps it could help to offer a contrast between the world we experience today, and the world that funding well could make possible in the future.

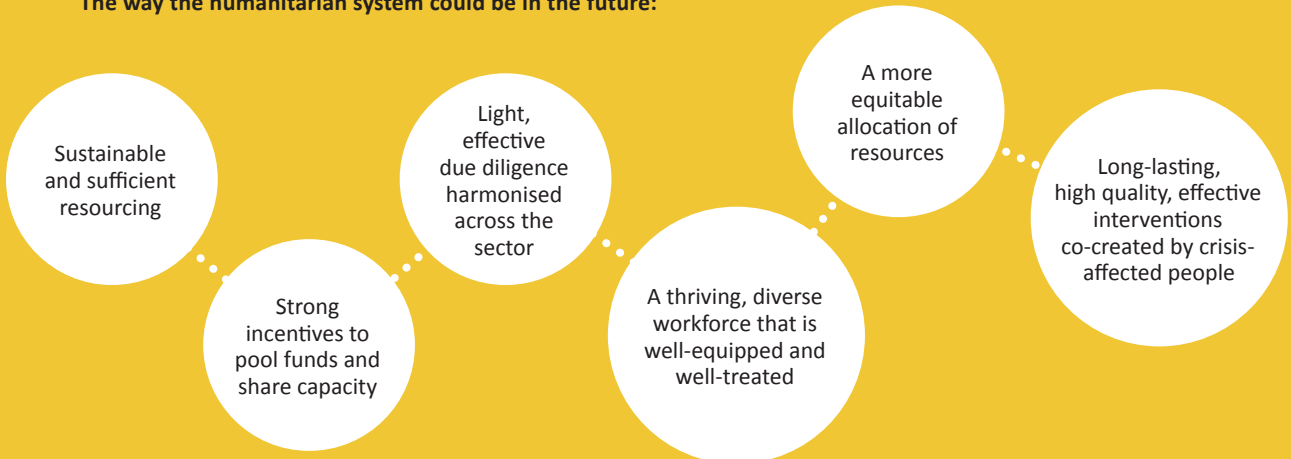
Ultimately, if the humanitarian system continues to be financed using the *status quo* approach of short-term, tightly earmarked funding slowed by heavy bureaucracy, we cannot, collectively, meet the Core Humanitarian Standard.

The report that follows provides a framework and a path forward to get from the system we have today to the system we could have in the future, powered by those in power: donors.

The Characteristics of today’s humanitarian system:



The way the humanitarian system could be in the future:



A THEORY ON CHANGE

The humanitarian sector has been calling for accountability for decades. What is accountability, after all? According to the Core Humanitarian Standard (CHS), accountability is the process of using power responsibly...

“Accountability: the process of using power responsibly, taking account of, and being held accountable by, different stakeholders, and primarily those who are affected by the exercise of such power.”

The Core Humanitarian Standard

If “power” is the ability to influence the actions of others, then interviews dating back to 2018 for the “Working Well” reporting series show that donors hold a preponderance of power in the humanitarian sector. Without the funds provided by donors, much of the humanitarian action formally carried out by UN agencies, the Red Cross Red Crescent Movement, and NGOs would not be possible. Moreover, humanitarian donors do far more than provide funds. They set the tone and direction for the humanitarian sector. They sway priorities and direct leaders’ attention. They influence behaviours inside and between organisations. They are often seen as the key to accountability in the sector.

People in humanitarian agency leadership roles and governance positions also carry significant authority, but many CEOs and board members told us in our research for “Leading Well” (2021) and “Governing Well” (2022) that their room for manoeuvre is significantly limited if and when their organisations rely on short-term, restricted donor grants to survive. Only a small number of organisations, like Médecins Sans Frontières (MSF), feel they have enough autonomy because they draw significant proportions of their funding from recurring, flexible income, for example from private citizens.

To their credit, traditional humanitarian donors have made collective attempts to use their power responsibly. In 2003, the Government of Sweden convened a meeting attended by representatives of 16 donor governments, as well as the European Commission, the OECD, the International Red Cross and Red Crescent Movement, NGOs and academics. At this meeting, participants set about to achieve a clear desired outcome: quality humanitarian assistance characterised by accountability, transparency, coordination, collaboration, respect for humanitarian principles and international humanitarian law, support for national and local capacities, and advocacy for long-term solutions and resilience.



They identified “good practices in donor financing, management and accountability”, that came to be known as the Good Humanitarian Donorship Initiative (GHD) principles,² including:

- funding new crises without adversely affecting ongoing crises
- reducing earmarking and increasing the use of predictable, flexible, longer-term funding arrangements
- facilitating safe humanitarian access
- supporting contingency planning, capacity strengthening, learning, and accountability initiatives
- standardising reporting formats, and
- the systematic use of cash (this last one was added in 2018)

But who holds donors accountable for exercising these GHD principles and practices?

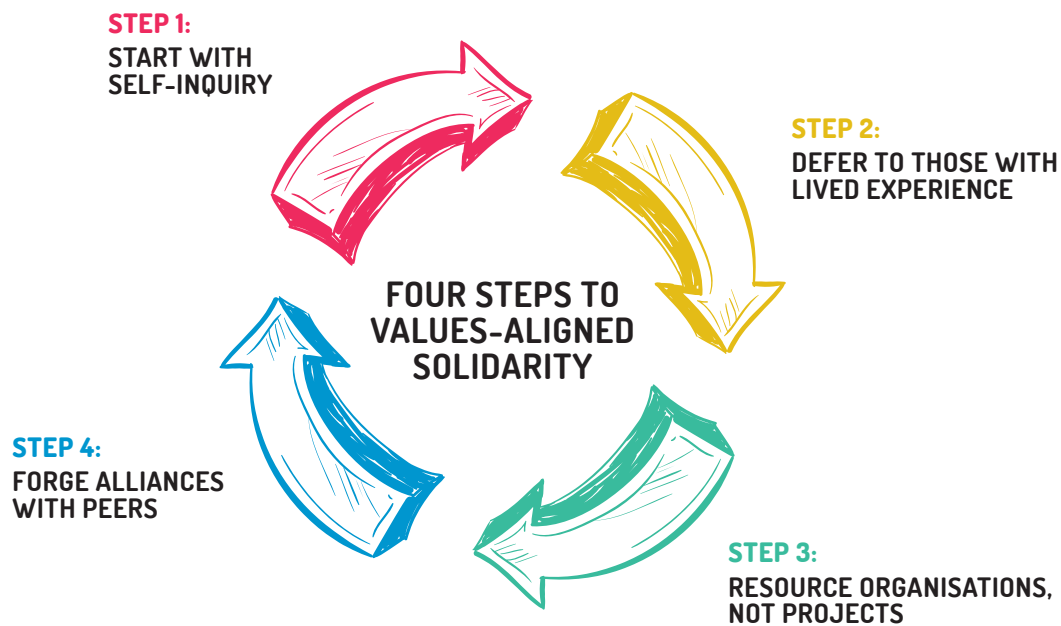
In each of the years from 2007 to 2011, a Spanish NGO called Dara produced the “Humanitarian Response Index” (HRI). The HRI aimed to provide an independent assessment of how well 23 members of the OECD’s Development Assistance Committee (DAC) were applying *the GHD principles and practices*: Australia, Austria, Belgium, Canada, Denmark, the European Commission, Finland, France,

Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States. Many in the humanitarian community praised the index for its analytical rigour, its establishment of a baseline, its scope for comparability between donors, and its potential use to advocate both internally and externally for behaviour change. The HRI was even endorsed by Valerie Amos, the Emergency Relief Coordinator at the time. But several donors did not enjoy the public-facing scrutiny, including the final Humanitarian Response Index: Addressing the Gender Challenge produced in 2011 that reported donors had collectively fallen short in their support for gender, prevention, preparedness, reform, transparency, and accountability.

If we fast forward to 2016, several of the GHD practices re-appeared in a new form when the Grand Bargain on Humanitarian Financing was launched at the World Humanitarian Summit, including commitments to localisation, participation, reduced earmarking, multi-year funding, relief to development, harmonised and simplified reporting and cash programming at scale. This arrangement was framed as a *quid pro quo* agreement between the largest donors and the largest implementing agencies. Additional signatories were later welcomed – currently there are 67 signatories to the Grand Bargain agreement.



Image of the Grand Bargain signatories on stage at the 2016 World Humanitarian Summit in Istanbul, by Ben Parker/ IRIN. This is featured in The New Humanitarian.



The Grand Bargain’s accountability mechanism is self-reporting accompanied by an annual independent review. Seven years later, the HPG-commissioned independent review of the Grand Bargain in 2022 found progress in a variety of areas, but lamented “there is an ongoing failure to substantively increase funding to local and national actors; and quality funding is still insufficient to enable the desired step-change in efficiencies and effectiveness.”³

In his research for the Inter-Agency Standing Committee (IASC) published in April 2023, Andy Featherstone pointed out that “for the humanitarian system to be accountable to those it seeks to assist, there is a fundamental need to up-end the current power dynamics. Despite efforts, this remains an aspiration. As part of this, local actors must play a much stronger leadership role in [Accountability to Affected Populations] AAP, but there is significant work to do for this to become a reality.”⁴

How can we explain a lack of progress over the twenty years since the birth of the GHD principles, despite several initiatives involving donors at the highest levels, like the HRI and the Grand Bargain?

If we look at this question through the lens of power, the answer is clear.

To be a donor who gives its partners – predominantly local partners – core, flexible, multi-year funding requires a release of power. Or, if applying a feminist lens, it requires a mindset shift from power “over” partners (control) to power “with” partners (collaboration).

Donors who want to release their power run into a series of obstacles:

- historically entrenched power imbalances;
- institutionalised norms that make it difficult to collaborate and decentralize decision-making;
- a lack of understanding or awareness of partners’ expertise, knowledge and capacities;
- a lack of trust in partners stemming from a perceived risk that funds will be mismanaged or misused;
- a sense of responsibility leading to a desire for control;
- a need to demonstrate impact, tied to a desire for recognition, which makes it difficult to step back and let others take the lead;
- and, ultimately, a fear of failure.

This resistance may feel insurmountable, but the good news is that some donors have already demonstrated progress is possible, especially during the COVID pandemic. This report will provide examples of practices to consider as part of a path towards values-aligned solidarity.



STEP 1: START WITH SELF-INQUIRY

If you hold power, then you also hold a responsibility to catalyse change. This starts with an honest self-reflection of how you operate as a funder, and is followed by modeling the practices you want others to adopt.



“It’s about walking the talk. You shouldn’t be asking something of other organisations that you’re not willing to do in your own organisation.”

Karen Walker-Simpson

Director, Funder Safeguarding Collaborative

REFLECT ON YOUR OWN PRACTICE – THE TRUST-BASED PHILANTHROPY SELF-REFLECTION TOOL

In 2020, a five-year initiative called the “The Trust-Based Philanthropy Project” was born in partnership with the Whitman Institute, Robert Sterling Clark Foundation, the Headwaters Foundation, the General Service Foundation, Durfee Foundation and Satterberg Foundation. Their core set of values are rooted in advancing equity, shifting power, and building mutually accountable relationships. They have published a “4D” guide and a self-assessment tool to help funders embark on their own trust-based funding journey.

The first step, they argue, is to clarify your values. This will function as a “north star” for decision-making, culture setting and systems design. Then you should consider your culture (your organisation’s general way of being), structures (hierarchies, systems, protocols, and technologies), leadership (the ability to inspire and align around shared values), and practices (what you do and how you show up as a funder).

▶ **Check out the 4D Guide**
www.trustbasedphilanthropy.org/resources-articles/tbp-in-4d
and Self-reflection tool

LEAD BY EXAMPLE – THE FUNDER SAFEGUARDING COLLABORATIVE

Launched in March 2021, the **Funder Safeguarding Collaborative** (FSC) is a global network of Over 75 charitable trusts and foundations, intermediary funders, and funder networks. FSC promotes collaboration, listening and learning to strengthen safeguarding practices globally.

A key message in their and ACF’s “Safeguarding Framework for Foundations” is that funders of safeguarding need to implement safeguarding *within their own organisations*. When they have their own internal safeguarding procedures, train their staff in safeguarding, and demonstrate an openness to learning from others, this increases the likelihood that safeguarding will be practiced by their partners. It increases credibility by demonstrates a genuine commitment to keeping people safe. It fosters trust and communication.

▶ **The Safeguarding Framework’s “in your own organisation” section provides helpful questions for donor self-reflection.**



STEP 2: DEFER TO THOSE WITH LIVED EXPERIENCE

A common complaint in the humanitarian sector is that our actions are “donor-driven,” rather than guided by the desires of people in crisis. Donors can “flip this script” by hiring people who have experienced crises themselves to work for them, by partnering with organisations governed and staffed by people with lived experience, and by co-creating programmatic interventions directly with crisis-affected people.



“In our context, for the last 30 years plus, South Sudanese have been accustomed to always being recipients of aid. Someone somewhere at HQ sits down and decides they are going to give food or they are going to give blankets, and that’s the end of the story. CLIP and the SCLR are unique, because we go to the communities with financial support and tell them to decide what solutions look like from their own context, to solve their own problems.”

Gloria Soma
Director, the Titi Foundation¹¹

CO-CREATE WITH CRISIS-AFFECTED PEOPLE – THE CLIP PROGRAM

Since April 2020 the Community-Led Innovation Partnership (CLIP) programme has been supporting community-based and community-led innovations. The programme is now present in four countries: Guatemala, Indonesia, the Philippines and South Sudan. It is funded by the UK Foreign, Commonwealth and Development Office (FCDO) with additional support from the Dutch Ministry of Foreign Affairs. The programme consists of partnerships at the global level – Elrha, Start Network, and the Asian Disaster Reduction & Response Network (ADDRN) – and national level – ASECSA (Guatemala), Yakkum Emergency Unit (Indonesia), the Center for Disaster Preparedness (the Philippines), and Titi Foundation (South Sudan). The idea is to nurture, advise, and enable community innovators to identify their communities’ biggest needs and create solutions imbedded into each local ecosystem for sustained impact.

Examples of CLIP results thus far include: a culturally relevant health centre in Palestina, Guatemala; organic waste management in Yogyakarta, Indonesia; and building a dike in Surallah, Philippines. An external evaluation of the effort found this to be a refreshing alternative to “the traditional approach of objectifying communities as passive recipients instead of promoting the agency of the communities.” Innovations were highly contextualized to the local environment and needs, and spanned the humanitarian-development nexus.

▶ **Check out more of the initial learnings from CLIP in this external evaluation:**
<https://reliefweb.int/report/guatemala/community-led-innovation-partnership-program-evaluation>



STEP 3: RESOURCE ORGANISATIONS, NOT PROJECTS

The normal approach in our sector is to issue a request for project proposals, and then sift through documents received by a certain deadline and choose which proposal meets pre-selected criteria. What if this process were reversed? What if instead, donors who are clear about their values and ready to defer to people with lived experience, chose to support organisations aligned to their goals?



“In addition to whatever assets life has nurtured in me, I have a disproportionate amount of money to share. My approach to philanthropy will continue to be thoughtful. It will take time and effort and care. But I won’t wait. And I will keep at it until the safe is empty.”

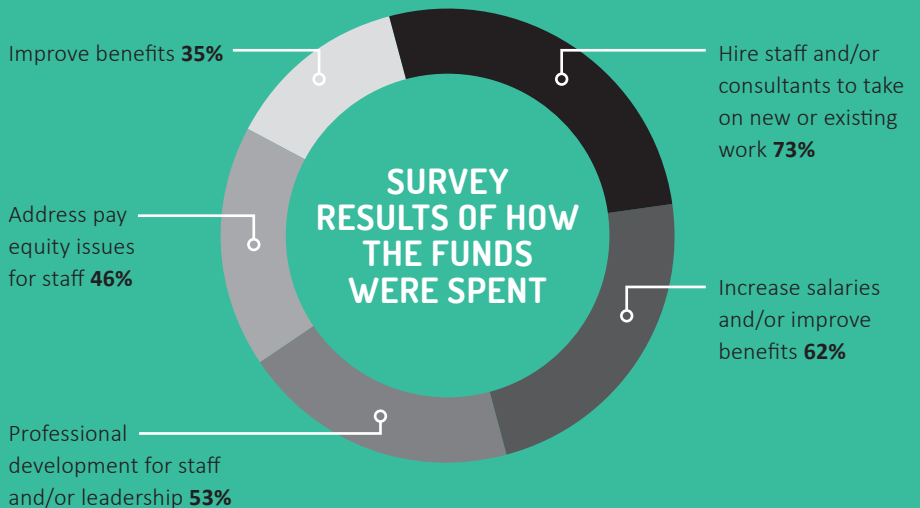
MacKenzie Scott

SHIFT YOUR MINDSET – MACKENZIE SCOTT

In May 2019, MacKenzie Scott signed The Giving Pledge, a commitment to give the majority of her wealth to address some of society’s most pressing problems. A year later, she shocked the philanthropic and nonprofit worlds with the announcement that she had given \$1.7 billion to 116 nonprofit organisations focusing on issues of equity. The gifts came in the form of significant grants made with no restrictions – only an expectation of an annual three-page letter back to the donor for the three years following their receipt.

At the time of this report, she has given more than \$14.1 billion to at least 1,621 charities since 2020.⁵

The Center for Effective Philanthropy interviewed 277 nonprofit organisations and 40 leaders to learn about the use and impact of these gifts. It found that nearly 90% of recipient organisations are using the grant money for staff and operational needs, often bringing on new staff to carry out existing, expanding and new work. Most are also using the money to improve their organisation’s financial stability and to fairly compensate and support staff.⁶



“It is so refreshing to a veteran nonprofit person to have a donor say, ‘You know what? It’s up to me, it’s my responsibility to do the research about who I want to support. It’s not up to the charities to prove to me why I should support them, and I’m going to do this in a very organized, methodical, data-driven way.’”

Respondent to a survey carried out by the The Center for Effective Philanthropy

UPDATE YOUR THEORY OF CHANGE – CO-IMPACT

When you fund time-bound projects supporting crisis-affected people – activities delivering “what” you want – you may see an immediate impact. However, without a properly executed exit strategy, this impact can erode when project-funded staff are let go or transferred to other projects and their institutional knowledge is lost. Moreover, partner organisations can lose sight of their constituents’ priorities and their unique organisational strengths if they spend too much time responding to a stream of disparate donor Requests for project Proposals (RFPs) rather than their constituents’ stated desires.

Ask yourself “who” before “what.” Who are the potential partners aligned to your mission and values? Who is well-positioned to serve the cause long after our funding relationship ends? Which are the national and local organisations (as per the Grand Bargain) and women leaders (as per the Pledge for Change) you would like to get behind? Who has a track record of hiring people with the lived experience of the population they serve (like Urgent Action Fund Asia Pacific). Who builds equitable partnerships and drives systems change?

It may feel scary to relinquish the feeling of control you have as a donor monitoring delivery at the project level, but the relationships developed as the focus shifts from what to whom – from “power over” to “power with” – can yield deeper insights, offer more leverage for course correction, and can have longer lasting benefits.



“100% of our country-level investments are to organizations locally-rooted in the global south. We also aim for at least 75% women-led (currently at over 90% of our portfolio). Our theory of change is that as funders we should get behind the organization’s vision as they understand the cause and the context. These organizations focus on the systems, and the systems work to deliver for the people.”

Yasmin Madan

Director of Philanthropic Collaboration, Co-Impact¹²



“The multi-year, unrestricted support Oak Foundation gave us helped us to think outside of the box. We created a reserve for rapid response, hired people we needed, and, finally, our development staff could do their job.”

Tania Turner

Executive Director,
Fondo Semillas (Mexico)

COVER “TRUE” COSTS – THE OAK FOUNDATION

Established in 1998, Oak Foundation, has been known to provide over \$300 million a year for child abuse prevention, the environment, housing and homelessness, human rights, mental health and issues affecting women.

In a story highlighted by the Stanford Social Innovation Review, [Oak Foundation](#) pivoted much of its grant-making to core funding after it invited non-profit thought leader, Vu Le, to address a 2016 in-person event with staff and trustees. “We all had a moment of truth,” recalled Program Officer Medina Haeri, “Vu Le used the [analogy of baking a cake](#) — if you want a fully baked cake, you can’t only pay for the ingredients. You also have to pay for electricity, the bake staff, and all the other costs beyond ingredients. That was a light bulb moment.”⁷

Before the event, Oak only funded 15 percent overhead, but Oak’s leadership concluded that 15 percent was an arbitrary number and decided to de-emphasize project funding and cover the “true” costs associated with the work.

Today, Oak Foundation provides multi-year core funding to grantees they believe are best placed to advance the causes they care about. They also provide their grantees with a range of options to improve their capacities: customised support

plans; capacity strengthening grants; training and workshops on organisational development, fundraising, strategic planning, and program implementation; technical assistance on program design, evaluation, financial management, and other operational aspects; and opportunities for peer learning and best practice sharing between grantees. To ensure grantees invest in themselves, Oak “ringfences” or earmarks funding for organizational development.

Partners work closely with Oak Foundation’s relevant thematic focal points, but they also have a direct, confidential channel of communication to Oak’s in-house organisational strengthening and effectiveness team to seek advice and mentorship on organisational challenges they might otherwise feel worried about reporting to their donor. When Oak Foundation seeks frank feedback from their partners in an anonymous survey circulated every five years, it is this organisational support that grantees’ express appreciation for, allowing for trust and closeness that would not otherwise be the case.

► **Listen to more insights from Vu Le on the podcast, “What donors want” here:**
<https://soundcloud.com/user-99832337>



“ Most donors are not flexible; they’re very strict. With BUILD, we feel that we are an equal partnership with Ford, whereas some donors treat grantees like slaves. We need to be able to not only do projects that donors want us to do, but also be able to strengthen our organisation and leaders. Donors that only support certain projects and not overhead put us in a position where we can’t afford to run our office. If we didn’t have BUILD we would be spending all of our time struggling, figuring out how to squeeze out money, cent by cent, so we could pay for our food every day. It’s because of BUILD’s flexible, long-term funding that we are able to successfully implement projects funded by other donors. We hope more donors will adopt programs like BUILD.”

Rukka Sombolingg

Secretary General of AMAN, explains BUILD’s impact in her own words and by translating those of her colleague, Eustobio Rero Renggi, Deputy Secretary General of AMAN on organizational affairs.

STRENGTHEN YOUR PARTNERS – FORD FOUNDATION’S BUILD PROGRAMME

Established in 2016, the Ford Foundation’s BUILD programme is a six-year, \$1 billion initiative to help organisations working on inequality and social justice to become stronger, more sustainable and more durable. A key part of BUILD grants is the Organisational Mapping Tool (OMT), an open-source assessment tool to help nonprofits identify and prioritise where they need strengthening as organisations. The tool is designed to provide clear qualitative markers of development, creating an assessment of an organisation’s current state as well as a roadmap for its improvement. BUILD grantees use the tool at the beginning of their grant period. The tool is a facilitated, in-person, qualitative exercise to help organisations come to consensus on their strengths and most urgent capacity-building needs. To encourage frank discussion, Ford decided to keep the exercise anonymous, and to not require grantees to share their OMT reports with Ford. They worked with an external vendor, who anonymises the reports to enable Ford to do analysis.

Of 172 BUILD grantees, of all the organisational capacities that need work, grantees prioritized two (in many cases, both were selected): human resources (53%) and organizational culture (48%). Human Resources assesses the strength of HR policies, job descriptions and

appraisals, compensation, staff development and turnover, and diversity, among other elements. Staff turnover and diversity, in particular, are two aspects that many BUILD grantees say they are working to improve. The questions on organisational culture cover areas like internal communications, decision-making processes and staff well-being. Internal communications, in particular, is often highlighted by grantees as a popular priority area. Fundraising is another priority common to both groups.

When funding is mostly short-term, tied to specific project outputs, and does not cover indirect costs, it can be difficult to invest adequately in people and systems over time. One of the goals of BUILD is to enable partners to make those investments and strengthen their operations, while also providing general support for their vital programmatic work.

► **Check out the Ford Foundation’s Organisational Mapping Tool (OMT), which is open-source and available in seven languages: www.fordfoundation.org/work/our-grants/building-institutions-and-networks/organizational-mapping-tool/**

► **Check out Humentum’s March 2022 report, “[Breaking the Starvation Cycle: How international funders can stop trapping their grantees in the starvation cycle and start building their resilience.](#)”**

KEEP IT EASY AND SIMPLE – UAF FOR WOMEN’S HUMAN RIGHTS ASIA & PACIFIC



“If you expect to be able to do this work tomorrow, you need to take care of yourselves.”

Virisila Buadromo

Co-Lead, Urgent Action Fund for Women’s Human Rights Asia & Pacific

UAF A&P offers grants of up to USD \$5000 to women and non-binary activists, their families and their organisations in times of crisis. They offer two kinds of grants. A security and well-being grant is available to those who have immediate or time-urgent needs related to their safety or well-being due to their defence of women’s rights and human rights. It is also available for time-urgent needs for well-being such as psycho-social counselling, treatment for trauma, or medical assistance. For example, in the first 10 days of the evacuation in Afghanistan they gave grants for relocation and psychosocial support. A resourcing resilience grant is available to those who – on their own or in collaboration with others – seek to implement an initiative or respond to an unanticipated opportunity that would contribute to the resilience of women’s human rights and human rights activism and movement in the next 3-6 months.

Each UAF staff member is a part of a movement themselves, so they understand the lived realities of the people they serve. Application forms are translated into the seven regional languages, when possible, and can be filled out in other indigenous languages. Recognising that many activists have limited or disrupted internet access, UAF AP colleagues can help them to complete their application through a live phone conversation or through text messaging, making the process exceptionally accessible to traditionally underserved communities.

Virisila Buadromo, Co-Lead of the **Urgent Action Fund for Women’s Human Rights Asia & Pacific** is a Fijian political activist and former journalist herself. When she was helping grantees to submit these applications, she identified some specific opportunities for streamlining the application process and alerted her relevant colleagues to make this happen.



“ Even when we’re trying to do it right, we still don’t know what partners want unless we ask first.”

Emily Janoch

Associate Vice President,
Thought Leadership and
Design, CARE

ACKNOWLEDGE THE POWER DIFFERENTIAL – CARE

Philanthropist Natasha Dolby’s 2022 article, [“Why all donors need to look in the mirror,”](#) was written from the perspective of the Freedom Fund, which aims to end modern day slavery. Natasha called on funders to give their partners a chance to voice concerns anonymously. “Due to the inherent power imbalance between donor and grantee, it is hard for funders to ever receive truly honest feedback,” she wrote. That is why the Freedom Fund hired Keystone Accountability to carry out an anonymous survey with its partners in Thailand, Myanmar, Nepal and Ethiopia to find out what they really thought about working with Freedom Fund. Partners conveyed that they wanted more help to: diversify their funding; strengthen their leadership, management and advocacy; understand the Fund’s due diligence processes; and offer support that matched their needs, especially in conflict contexts like Myanmar.

In 2022, CARE also launched an anonymous survey asking its partners what they most wanted CARE to change as part of the [Pledge for Change](#).⁸ The 69 responding partners said they wanted CARE to: 1) send two rounds of funding upfront, rather than hold the second round “hostage” to the approval of a report; 2) release follow-on funding tranches even if there were small errors or omissions in their financial reports; 3) simplify their partnership agreements; 4) allow for more flexibility in deciding how to spend the money; and 5) train CARE staff on how to act like a mutual partner who learns together. CARE staff who answered the same questions assumed their partners had different priorities, like simplified MOUs, simplified due diligence, and bank account requirements.

These insights would not have been gleaned without asking, and asking in a way that partners did not fear negative consequences.



“We aim to become a leading example for humanitarian reform, working in accordance with the Grand Bargain Commitments and Core Humanitarian Standard. The Dutch Relief Alliance is as much an approach as it is an alliance.”

Dutch Relief Alliance

<https://dutchrelief.org/>

SUPPORT YOUR PARTNERS TO MEET THE CHS COMMITMENTS – DRA

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Do you support your partners to meet a shared or common standard? When you do, you offer a more levelled playing field for newer and more local actors who do not have large compliance teams, and you increase the likelihood that these standards will be met with more time allocated to serving the people.

Established in 2015 and resourced by the Dutch Ministry of Foreign Affairs, the Dutch Relief Alliance (DRA) considers itself to be a “global testing ground” to meet the Grand Bargain on Humanitarian Financing and Core Humanitarian Standard (CHS) commitments by practicing localisation, multi-year funding and programming, accountability, and community engagement.

DRA consists of 14 Dutch NGOs who have partnered with 83 local organisations in Joint Responses (JRs) to address protracted and acute crises. DRA’s model is to provide quality, flexible, agile, predictable, multi-year or short-term funding based on open, trust-built conversations that are

honest about current and expected needs. According to the DRA’s 2022-2026 Strategy, evaluations are investigating these JRs’ compliance with the CHS and Sphere Standards. By 2023, external CHS verification will be compulsory. By 2026, the DRA will engage best-placed local actors in JRs based on CHS quality criteria. Evidence from DRA’s JRs will be used to demonstrate how to achieve CHS commitments, sharing learnings and good practices at a global scale.⁹

DRA requires the 14 DRA members to share biennially and through a mid-term review their CHS implementation status, progress, and plans for improvement. They are looking into expanding this tracking system to all partners. They are consulting with the CHS Alliance and HQAI on how to improve the independent verification process so that local partners can have the means to participate in it. In some cases, international partners facilitate local partner’s CHS assessment or verification by designing and deciding together to allocate 5% of the local partner’s budget to capacity strengthening.



STEP 4: FORGE ALLIANCES WITH PEERS

To go fast, go alone. To go far, go together. Those truly interested in impact will want to leverage their power by joining forces with donors who share their values. Harmonise approaches, pool capacities, and collectively advocate for change.



“The [Programme Based Approach] PBA is fundamentally a relationship based on trust... The PBA is not for micro-managers.”

Lydia Poole

ENJOY THE BENEFITS OF TRUST RATHER THAN CONTROL – THE PROGRAMME-BASED APPROACH

In 2017, the Norwegian Refugee Council (NRC), Swedish International Development Cooperation Agency (Sida) and the Norwegian Ministry of Foreign Affairs (NMFA) piloted a programme-based approach (PBA) to humanitarian funding across 32 country programmes. Since then, the arrangement has grown to include others, like IRC and ACF starting in 2018, and ECHO other NGOs starting in 2020.

The PBA funds are earmarked only at the country programme level to support an integrated package of activities across a variety of sectors and themes. This flexibility was found, in a study by Lydia Poole, to yield a more accountable, needs-based, strategic, effective, and efficient response. Moreover, the approach corresponded well to the limited staffing capacity of Sida and the NMFA to manage their partnerships.

They were therefore already inclined to rely on trust rather than control in managing their relationships with partners, and selected partners with whom they already had a high degree of confidence in their ability to deliver on a programmatic basis and to account for funds.

► Check out “The Programme Based Approach: 10 lessons” by Lydia Poole, July 2020. <https://www.nrc.no/globalassets/pdf/reports/the-programme-based-approach/10-lessons-pba-funding-nrc-july-2020.pdf>

HARMONISE AND SIMPLIFY – THE 8+3 TEMPLATE

On Christmas eve, 2015, Melissa Pitotti sat in her sister's home office writing a quarterly report as the rest of her family celebrated their family tradition in the living room. Although the report was due to the donor that week, Melissa knew from personal experience that it would not exactly be high priority on the donor's reading list. She had not thought much about quarterly reporting requirements when she worked as a donor. But now, working for a partner agency, she felt the impact of that requirement on her personal life.

ICVA went on to lead the "Less Paper More Aid" campaign in 2016. The Less Paper More Aid report gave several examples of partners struggling under the weight of their donors' reporting, Partner Capacity Assessment (PCA) and audit requirements. "If ad-hoc requests are included, an NGO working in six countries estimated they would be

submitting a report every 24 hours...

During a PCA [Partner Capacity Assessment] an NGO may be asked to answer more than 100 questions and to supply up to **91 annexes**... Typically NGOs take **440 hours** to complete each audit, involving seven staff across various functions."¹⁰

The Less Paper More Aid analysis proved timely, and was fed into the Grand Bargain's Workstream Nine on harmonized and streamlined reporting. ICVA, the German Federal Foreign Office, and Global Public Policy institute (GPPI) worked with Grand Bargain signatories to produce the 8+3 harmonised reporting template, used by many donors and intermediaries today.

▶ Check out The Less Paper More Aid report: <https://lesspapermoreaid.org/>

▶ Check out The 8+3 Template elaborated here: <https://www.harmonizedreporting.com/the-template>



LESS PAPER MORE AID

Reducing the burden of donor conditions to improve the efficiency of humanitarian action.

SUPPORT PEER LEARNING – PEACENEXUS FOUNDATION



“Our support is meant to help them get to the next level. We accompany the whole process.”

Carole Frampton-de Tscharner

Organisational Development Support, PeaceNexus Foundation

The Swiss-based PeaceNexus Foundation’s primary mission is to strengthen the capacity and effectiveness of peacebuilding organisations working in conflict-affected and fragile contexts.

Over the past decade they have supported more than 30 partners with their organisational development: civil society organisations, international NGOs, multilateral and regional organisations, governmental institutions and networks. Through individual *organisational strengthening support* and *peer-learning initiatives*, they support their partners’ commitment to align organisational practices with the core values of peacebuilding, in particular participation and inclusion. This includes:

- Analysing the context(s) they work in;
- Clarifying their own roles, positioning and strategic priorities;
- Strengthening their governance and build constituencies in their contexts;
- Translating strategic priorities into programmes, action plans or advocacy approaches;

- Adapting their internal processes and/or organisational model to achieve more impact;
- Developing strategic partnerships and stronger coalitions;
- Embedding monitoring and learning into organisational practice;
- Building the capacities of staff accordingly.

PeaceNexus Foundation co-convenes with like-minded actors peer-learning spaces for donors interested in or already funding organisational development. Its 2022 international programme review praised PeaceNexus’ influencing efforts as having codified a space for powerful systems actors (donors) to come together and promote new ways of thinking around grant-making. It described PeaceNexus as a vocal champion of locally-led, conflict-sensitive peacebuilding, with these efforts creating a multiplier of inputs.

PeaceNexus Foundation is also supporting collective peer learning initiatives like the [Conflict Sensitivity Community Hub](#), [The Environment, Climate, Conflict and Peace Community](#), and conflict sensitive peer learning events.

Other examples of peer learning include:

Funder Safeguarding Collaborative

Since its launch in March 2021, FSC has welcomed a broad range of members. Membership is open to charitable trusts and foundations, intermediary funders, and funder networks that share FSC's values (safety, listening, learning, practicing trust, and shifting power) and commitment (to promoting a culture of safety and embedding practices that keep people safe from harm).

Giving Women Membership

Giving Women is a community of professional women with a common goal to empower and support vulnerable girls and women globally. Membership is open to women who wish to share their experience, network, skills, generosity, and knowledge to enhance the philanthropic ecosystem. Giving Women members have the opportunity to further develop their skills and competencies to engage in more effective philanthropy. The Giving Women head office is based in Geneva. They also have an active community in Zürich and surrounding areas.

The Trust-Based Philanthropy Peer Exchange

The TBP Peer Exchange is an online hub for grantmaking practitioners to connect with peers and share tools, ideas, questions, and challenges in order to strengthen their trust-based approach.

- ▶ **One idea to implement this report would be to create and support a peer advisory board of donors who would like to try Funding Well themselves. This would involve a recurring meeting whereby donors could get advice on common challenges and a bit of peer accountability to take action.**

FIND YOUR REPLACEMENT

Recognising that all partnerships are finite, and “the safe will eventually be empty,” MacKenzie Scott, Co-Impact and others make it a habit to introduce their partners to other potential funders.

There is also something to be said for encouraging new funders to enter this space. For example, Kampala-based CivSource Africa is cultivating “homegrown” philanthropy based in Uganda by gathering and telling stories of African philanthropy. They encourage giving and generosity in schools to build the base for the next generation of the philanthropy movement in Africa. Fidelity Philanthropic Consulting is advising the next generation of individuals, families and institutions on how to make a meaningful difference through philanthropy.

Finally, an overlooked suggestion made in the January 2016 High-Level Panel on Humanitarian Financing Report to the Secretary General,

“Too important to fail – addressing the humanitarian financing gap” was to create a steady revenue stream for humanitarian action through a solidarity levy.

Panellists agreed the world needs to move towards new models of funding global public goods, including humanitarian aid. This could, for example be done through micro-levies, like those already seen on airline tickets to fund treatments and diagnostics for HIV/AIDS, malaria, and tuberculosis in low-income countries. Existing donors have the power, capacity, and time to collectively advocate for this measure.

► **Read about the “solidarity levy” idea in the High Level Panel Report: <https://reliefweb.int/report/world/high-level-panel-humanitarian-financing-report-secretary-general-too-important-fail>**



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CONCLUSION

The path to values-aligned, trust-based solidarity in the humanitarian sector requires funders to work on themselves, defer to the people they serve, strengthen their partners, deepen their alliances, and build a new future. They must become power conscious, people-centred, experientially informed, organisationally focused, comprehensively cost covering, standards based, and solidarity minded.

It all starts with a mindset shift, a belief that change is possible and desirable, in the minds of those holding the most power. They must set the example, walk the talk, be the change.

It also requires a long-term change process, one that incorporates both peer support and peer accountability. For this, we have several existing examples to build upon, and we could be even more effective if we create a space dedicated solely for the purpose of implementing this Funding Well report.

ENDNOTES

- 1 The views expressed in this report do not necessarily reflect those of our Secretariats, members and donors.
- 2 24 Principles and Good Practice of Humanitarian Donorship, GHD Initiative, <https://www.ghdinitiative.org/ghd/gns/principles-good-practice-of-ghd/principles-good-practice-ghd.html>
- 3 “The Grand Bargain in 2022: An independent review” by Victoria Metcalfe-Hough, Wendy Fenton and Farah Manji (June 2023), page 4 https://interagencystandingcommittee.org/system/files/2023-06/HPG_report-Grand_Bargain_2023_exec_summary.pdf
- 4 “Supporting donors’ responsibility for greater accountability to people in crisis: a review of donor AAP commitments, requirements and recommendations,” by Andy Featherstone, April 2023, page 28. https://d1h79zlgft2zs.cloudfront.net/uploads/2023/04/Donor_AAP_review.pdf
- 5 Interview between Melissa Pitotti and Gloria Soma, dated 24 July 2023
- 6 “Giving Big: The Impact of Large, Unrestricted Gifts on Nonprofits: Results from Year One of a Three-Year Study of MacKenzie Scott’s Giving” by the Center for Effective Philanthropy. <https://cep.org/report-backpacks/giving-big-year-one/?section=conclusion#conclusion>
- 7 “Giving Big: The Impact of Large, Unrestricted Gifts on Nonprofits: Results from Year One of a Three-Year Study of MacKenzie Scott’s Giving” by the Center for Effective Philanthropy. <https://cep.org/report-backpacks/giving-big-year-one/?section=conclusion#conclusion>
- 8 Interview between Yasmin Madan and Rachel Jacquot, dated 25 April 2023.
- 9 “Five Accelerators of Equitable Grantmaking and How to Harness Them” by Katie Smith Milway, Amy Markham, Chris Cardona and Kathy Reich in the 27 April 2022 edition of the Stanford Social Innovation Review. https://ssir.org/articles/entry/five_accelerators_of_equitable_grantmaking_and_how_to_harness_them
- 10 “What Changes are Local Partners Asking for?” by Emily Janoch, 25 January 2023, <https://usaidlearninglab.org/community/blog/what-changes-are-local-partners-asking>
- 11 “Dutch Relief Alliance 2022-2026 Strategy,” page 11, https://dutchrelief.org/wp-content/uploads/2021/08/DRA_Strategie-2021-2026-V07-Interactief-gecomprimeerd.pdf
- 12 “Less Paper More Aid: Reporting, Partner Capacity Assessment, and Audit” by Cecilia Roselli, Paola Fabbri and Clare Collingwood Esland, April 2016. <https://lesspapermoreaid.org/documents/lpma-reporting.pdf>




Image: Domenico Loia on Unsplash



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