

Trust in Action: The Bridge Between Grantmakers and the Grassroots

A Message from Community Leaders

Dear funders and global development organizations,

Community-based organizations (CBOs) worldwide play a vital role in driving change in their communities. When you fund grassroots organizations, you invest in lasting, far-reaching transformation. We call upon philanthropy and global development actors **to fully trust and meaningfully amplify community-led change**.

As leaders of CBOs, we encounter more roadblocks than bridges in the funding landscape. The system is marked by power imbalances and limited access to resources, both of which hinder progress toward community development and human rights.

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To me, philanthropy is being conscious of problems that confront the world and wanting to create true change."



Kimberly Barrios Jóvenes Artistas por la Justicia Social, Guatemala When we do access funding, it can bring dilemmas about the strings attached – we should not need to choose between addressing our communities' needs and fulfilling donor requirements. We must recognize that partnerships built on oppressive systems harm both CBOs and funders, our communities, and the changes we seek.

We call upon you to build a more just funding ecosystem not only for us **but also with us**. Community leaders must have access to and power in decision-making spaces to shape a more equitable future. We envision a world where trust overrides bias, where the focus is on quality of impact rather than sheer numbers, where accessibility triumphs over bureaucracy, and where possibilities are abundant rather than scarce. Let's build a bridge founded on mutual trust and human-centered relationships that confronts power dynamics, collaborates to overcome challenges, and fosters deeper learning.

From more accessible grantmaking to flexible funding, from organizational strengthening to evaluation, here are our priorities for philanthropy and global development to make resources more transformational for community-led change.

Join us in building a bridge between grantmakers and grassroots organizations,

— Global Fund for Children (GFC) Change Champions

Common Funding Limitations for CBOs



Limited access

88%

of funding from human rights foundations in the Global North stays in the Global North



Minimal resources

49%

of youth-led organizations working in peace building operate on less than \$5,000 per year



Inadequate support

<mark>63%</mark>

of restricted funding agreements provide less than their fair share of the operational support costs needed to implement the project



Constrained flexibility

14%

of US foundations' global grant dollars are for general or unrestricted support

Sources:

- » <u>https://www.hrfn.org/trust-gap/</u>
- » https://cof.org/content/state-global-giving-us-foundations-2022-edition
- » https://humentum.org/advocacy/administration-costs-research-project/
- » https://unoy.org/downloads/mapping-a-sector-bridging-the-evidencegap-on-youth-driven-peacebuilding/

Trust the Grassroots

Financial resources can help civil society and social change thrive at the grassroots – if CBOs can access funding.

Funding often remains concentrated in the hands of larger, well-connected organizations, while nascent grassroots and youth-led groups struggle to secure vital resources. CBOs working with historically marginalized communities face entrenched systemic barriers that impact access to opportunities and resources. CBOs find themselves navigating a maze of rigid funding requirements, with complex application processes, lengthy documentation, and multiple prerequisites.

Be an organization's first funder

- » Take pride in being an organization's first funder. Track what percentage of your grantmaking consists of organizations receiving their first-ever institutional funding.
- » Examine your bias toward more established organizations (often in capital cities) and their assumed greater trustworthiness with financial resources.
- Find ways to support unregistered groups and offer financial and legal support for registration.
 Respect that it may not be safe or desirable for all groups to register.
- » Provide meaningful funding opportunities that align with different stages of organizations' development.

Make funding more accessible

- » Check if your eligibility criteria and requirements are unnecessary barriers instead of entry points.
- » Ensure that your language is accessible. Avoid or explain jargon. Publish information in multiple languages and check for disability accessibility.
- » Offer resources about how to apply, and clarify what you will and will not fund.
- » Right-size the length of your funding application to align with the amount of the grant.
- » Invest time and resources to ensure that your funding approach, whether an open call or private invitation, reaches grassroots groups.
- » Explore recommendations for new grantees from existing grantee partners.
- » Be aware of your professionalism bias. Do not pass over groups that lack a website or professional email addresses.
- » Find ways to promote solidarity, rather than competition, in civil society.

Trust grassroots leadership and lived experience

- Be open to funding diverse forms of community leadership, including groups, collectives, networks, and individual activists.
- » Recognize the complexity and diversity of communities and local systems.
- » Fund holistically in ways that address interconnected root causes, rather than supporting single issues and their immediate symptoms.
- » Seek to understand the relationship that CBOs have with community members and how community visions and priorities shape and lead their work.
- » Recognize that innovation already exists and do not ask organizations to keep reinventing themselves or their programs to get funding.
- » Engage CBOs and community members, including young people, to determine priorities, design funding mechanisms, and select new grantees through participatory grantmaking.

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Registering a nonprofit is not realistic given the fees; young activists and small organizations can't afford it. The forprofit categories can't access grants. It becomes difficult to apply for funding."



Wardah Noor xWave, Pakistan

Common Funding Barriers

Here are some requirements that prevent grassroots and youth-led groups from accessing the support they need:



Trust Community Funding Priorities

CBOs possess unparalleled insight into evolving community needs and complex local systems.

Many face persistent deficits or low or nonexistent reserves, which constrains their ability to respond as priorities change or crises emerge. Offering flexible funding to grantee partners recognizes the power of CBOs as advocates with and for their communities, while not sacrificing their financial health. Long-term, flexible support nurtures organizational growth and builds trust-based relationships between funders and grantee partners so CBOs can thrive.

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Flexible funding for me is having a choice and a voice. When an organization receives flexible funding, it empowers and unlocks our agency to be able to try innovative things, try out new projects, and try out what the best solution is for a challenge that we are trying to address."

- Lawrencia Awuku, Move the World, Ghana

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Restriction in the budget line makes the implementation of projects difficult and sometimes even impossible. When grantees see all these restrictions, they end up not applying for grants because they know that they will not be able to implement their project, even if their idea is great."



Rostlyslav Semka Education 360, Ukraine

- » Move from project-based giving toward core flexible funding or general support.
- » Fund organizational strategies instead of projects.
- » Fund the full costs of projects and allow project budgets to be flexible.
- » Provide funding for longer time periods to move with the long arc of social change.
- » Support overhead and administrative costs, which are essential for CBOs to function.
- » Fund a larger percentage of small organizations' budgets so they can build their infrastructure to grow and seek other funders.
- » Let organizations reprioritize the funding without needing to ask donor permission.
- Cover transfer fees related to grant disbursements – every dollar matters to CBOs.
- » Make renewal processes significantly easier and less time-consuming than initial applications.

What does flexible funding make possible? **#FlexibleFundingWorks**



Infrastructure

"Our organization faced a crucial situation with continuous power cuts in our city, and we did not have a direct budget line to purchase a generator. I called our GFC contact and asked if we could use some of GFC's flexible funds. I was scared to my teeth when I made that request, but to my greatest surprise, GFC said yes because the funds are for my organization to improve our work. Our generator has helped keep our work going with internet access. It is so important for funders to invest in infrastructure because it drives organizations' ability to accomplish their desired goals. 'How can I cook a meal when there is no pot or fire?"

– Hannah Yambasu, Women Against Violence and Exploitation in Society, Sierra Leone



Social fabric

"It's difficult to find flexible funding because most funds demand reports, data, and number of people impacted. Flexible funding is more than the number of people or children impacted because it looks for results in the long term. Flexible funding allows you to create projects that last. When funds aren't flexible, you have to run to finish a project or deliver a number. Flexible funds don't look for numbers. Flexible funding really looks at strengthening the social fabric, really building projects that last, live on, and are sustainable for the community."



Luz Bonilla

Fundación Niñas de Luz, Colombia



Team wellbeing

"The pandemic had a profound impact on us all, and seeing its effect on communities was especially difficult. As a youth-led and youth-focused organization, we responded by directing some of our flexible funding towards the mental health needs of our team. This included investing in therapy and a range of somatic practices, highlighting our dedication to prioritizing the wellbeing of our employees."

- Aparupa Vatsalya, The YP Foundation, India



Internal policies

"Recently, three new team members at Move the World became pregnant. Without a maternity policy in place, the funding from GFC enabled us to establish one. This allowed these team members to take maternity leave while we hired replacements to continue their work."

- Lawrencia Awuku, Move the World, Ghana



Creativity and arts

"For the last 12 years, we have been using theater as part of our efforts for gender equality education and building more healthy power dynamics. We wanted to document the outcomes - including the play scripts and the solutions proposed by youngsters - in a book, but we were not able to find the necessary funding at the local level. Funds for gender equality and youth arts are very scarce in Romania. With flexible funding from GFC, we were able to print the book and launch it at our Gender Equality Festival, for inspiring other groups working with youth. It included ways we are working in a war-related context with Ukrainian youth."

- Camelia Proca, Association for Liberty and Equality of Gender, Romania

Trust Community Capacity

CBOs – including grassroots groups, collectives, and informal networks – can uniquely engage communities through trusting relationships for systems change.

However, funder expectations can put pressure on CBOs to shift their priorities and accountability to donors and to grow in ways that diverge from the vision of the CBO and its community members.

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One donor organization launched mandatory capacity-building training sessions for all their grantee partners. These sessions led to overburdening individuals' time, straining their ability to balance training requirements with actual project implementation. Training hindered rather than aided operational effectiveness. Efforts to enhance organizational resilience must be tempered with an understanding of the practical limitations within smaller organizations, such as leaders carrying multiple roles."



Lusine Kosakyan Frontline Youth Network, Armenia

- » Take time to listen and build relationships. Create space for grantee partners to share their visions for the future, their challenges, and their priorities for support. Be accessible for meetings.
- » Examine what you consider to be a "successful" or "strong" organization. The sector's bias toward formalization, professionalization, or "NGO-ization" may compromise organizations' values, visions, and connections with their communities.
- » Adapt capacity development strategies and resources to each organization and its context. Avoid a one-size-fits-all approach that undermines the diverse richness of civil society.
- » Appreciate communities' assets and strengths. Avoid focusing only on problems, gaps, and needs.
- Move from an emphasis on training to relational learning and accompaniment. Create opportunities for organizations to learn in community and build solidarity.
- » Invest in local civil society infrastructure for capacity development. Work with local capacity-building partners and give resources for grantee partners to hire local experts.
- » Introduce grantee partners to other funders and opportunities.
- » Fund grantee partners' support operations and leadership to create the bandwidth for organizational strengthening.
- » Recognize the importance of resources for wellbeing, healing, safety, and security tailored to culture and context.



There is a big difference when capacity building is needs-based versus following only donors' aims.

When based on your own organizational needs, you can feel how your organization gets stronger, how you get empowered, how you get motivated to work further with communities, how your team is strengthened, and you feel valued too. It feels like a journey where your donor gives you a hand to make it a bit easier so you can do it the way you need. When based on donor aims, capacity building feels like you have to, you must, and you are obliged. This doesn't give power to you, doesn't make you feel good in the process, and doesn't strengthen your organization in a long-term way.

When we want to strengthen communities, we ask them what they need. It should be the same with donor-local organization partnerships."

- Anna, Informal Education Center "Diversity," Moldova

Trust Community Learning

Community leaders want to measure what matters. It is part of their deep commitment to be accountable to their communities and social change.

Alternatives to Traditional Reports

Here are some other ways to learn about CBOs' work:



Learning calls



Organizations' annual reports



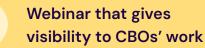
Reports submitted to other donors



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Following CBOs on social media



At best, learning and evaluation driven by donor priorities and reporting timelines miss opportunities to create transformative learning with community members; at worst, they lead to extracting knowledge from communities and eroding trust. Transformative learning in partnership with funders can help CBOs thrive.

- » Emphasize learning rather than results. Make room for changing plans, unexpected outcomes, and learning through failure.
- » Right-size your evaluation expectations to reflect organizations' capacities and contexts.
- » Fund learning and evaluation meaningfully (time, training, and people).
- » Invest in capacity for participatory and equitable evaluation practices.
- » Walk alongside grantee partners to measure complex long-term change in behavioral and social norms.
- » Ask CBOs what they want to share and how they want to share it.
- » Examine how frequently you need reports and consider alternative forms of reporting.
- » Recognize the undue pressure that funders can create for scale and impact.
- » Honor humanity in social change through greater appreciation for stories and testimonies.
- » Ask for only what you truly need in reporting. Do you really need a list of participants?
- » Be a partner in learning. Acknowledge reports and that you've read them. Respond to challenges shared and offer support – be it a conversation, a new connection, or funding – to address the gaps.

Learning Together to Thrive Together

A donor organization's new in-house expert introduced a new monitoring and evaluation approach to Frontline Youth Network in Armenia. The funder offered a weeklong training on an innovative methodology that promised fresh insights into the CBO's impact. Excited by this potential, the Frontline team dedicated considerable time and resources over a year to implement the new approach. However, when the donor's expert unexpectedly left, it led to the discontinuation of the promising new method and an abrupt shift back to the traditional results matrix approach.



Introducing new evaluation methods is a valuable step toward innovation and critical thinking, but pioneering new practices with sustainable impact demands more than a new tool. Funders must offer a great deal of flexibility, ongoing support, and adaptive learning to make a gradual shift that enables small organizations to embed new methodologies within their organizational practices. It's critical that funders truly walk with organizations as partners to understand how and why change happens."

– Lusine Kosakyan, Frontline Youth Network, Armenia

Influencing Changes in Philanthropy

There are ample initiatives to transform the sector, including but not limited to:

- » <u>Community-Centric Fundraising</u>
- » <u>Community-Driven Systems Change</u>
- » <u>Decolonizing Wealth Project</u>
- » Funding for Real Change
- » Movement for Community-Led <u>Development</u>
- » Participatory Grantmaking Community
- » Pledge for Change
- » <u>Shift the Power</u>
- » <u>Trust-Based Philanthropy Project</u>

Explore GFC's <u>Growing Map of</u> Resources to Reimagine Philanthropy and Global Development.

About the Creators: GFC's Change Champions

The priorities for philanthropic change in this document were developed by 12 community-based and youth-led organizations from around the world in 2023 in consultation with members of GFC's <u>Youth Leadership Council</u>, <u>Partner</u> <u>Advisory Group</u>, and <u>CEO Circle</u>.

Learn more about the Change Champions and their organizations <u>here</u>.

Suggested citation: Global Fund for Children (2024). *Trust in Action: The Bridge Between Grantmakers and the Grassroots.*

About Global Fund for Children

Global Fund for Children (GFC) partners with grassroots organizations around the world, helping them deepen their impact on the lives of children and youth and develop their capacity for social change. By pairing flexible funding with targeted capacity development services, we support community-led groups to shift social norms, policies, and practices to foster lasting change for children and youth. Since 1997, we have invested over \$63 million in more than 1,000 organizations worldwide.

Learn more at www.globalfundforchildren.org.