

# WHO DECIDES?

How Participatory Grantmaking Benefits  
Donors, Communities, and Movements



THE  
LAFAYETTE  
PRACTICE



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# EXECUTIVE SUMMARY

**P**articipatory Grantmaking emerges from a practice of grassroots activism, with assumed belief that decision-making participation of people impacted by the fund's programs will guarantee that grants are allocated to those most deserving. Participatory Grantmaking models have proliferated over the past several decades. Yet there has been little research or documentation to analyze the assumptions and outcomes of the methodology.

The Lafayette Practice conducted research and interviews to analyze and compare the practices of eight premiere international Participatory Grantmaking Funds (PGF). TLP examined existing data regarding the qualitative aspects of the funds and their grantees, including functions, roles, and budgets. The funds included in this report are: **Disability Rights Fund, FRIDA, GMT Initiative, HIV Young Leaders Fund, International Treatment Preparedness Coalition (ITPC) HIV Collaborative Fund, Red Umbrella Fund, Robert Carr Networks Fund, and UHAI - the East African Sexual Health and Rights Initiative.**

Our research revealed that a PGF model possesses benefits including innovation, flexibility, and transparency. We learned that PGFs serve as a powerful intermediary between grassroots organizing and traditional and institutional donors, functioning as a learning hub for institutional donors and participants. PGFs often offer significant technical assistance and support in addition to grants, and in doing so they contribute to capacity building for their grantees, and within their communities of concern. We also learned that these PGFs face challenges including problem-solving about potential conflicts of interest, lack of income-stream diversity, and other complexities of running international organizations. In all, we found that PGFs are a cost-effective model.

PGFs present an exemplary and effective model worthy of further exploration, reproduction, and investment. While the PGF model is innovative, it is now building on three decades of experience, experimentation, and learning. We believe the PGF model is an intelligent, scaleable, and effective approach.

Our Analysis of PGF funds was initiated to compare the operations of the surveyed Funds. We did not attempt to measure or compare the impact of the funding model, but we believe that studying the impact is a necessary Phase Two of this research. With this in mind, TLP offers three recommendations:

- First, a study of the impact of Participatory Grantmaking.
- Second, a comparative study of PGFs in relation to traditional philanthropic models.
- Third, creation of a formal network of Participatory Grantmaking Funds.

# ACKNOWLEDGMENTS

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Sam Avrett, The Fremont Center

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Nicky McIntyre, Mama Cash

Catherine Hyde Townsend, Disability Rights Fund

Special acknowledgement and appreciation to Daniel Lee, Levi Strauss Foundation Executive Director, for his regular support, feedback and critique throughout development of this research and report.

**The Lafayette Practice is grateful to the representatives of the eight funds we worked with for sharing their time, expertise, and insights with us. Thank you!**

*Report designed by Maori Karmael Holmes, Karmalux Creative*

# LEADING DONORS AND ALLIES RESPOND TO THE REPORT



*As community-based models, PGF's have multiple benefits. They bring the experiences of those most affected by problems to consider the best opportunities for funding solutions to those problems. And PGF's have the added value of building diverse philanthropic leadership — by training community leaders to make grants, PGF's are also building philanthropic literacy, program design skills, fundraising capability, and movement and leadership skills of community activists.*

SURINA KHAN, **FORD FOUNDATION**

*Those of us who work in foundations often talk about empowering affected communities in the fields in which we work. There is no better way to empower a community than to put money and decision making power into their own hands. Peer Grantmaking Funds are a flexible and innovative mechanism of doing just that. PGFs direct their grantmaking to those that the community themselves believe most deserve support, while at the same time building the capacity of community leaders in make strategic investments in their own movements.*



SHARI TURITZ, **AMERICAN JEWISH WORLD SERVICE**



*The participatory structure has had a hugely positive benefit to the DRF's grantmaking. Providing agency to people with disabilities is key, but so is accountability and a shared understanding of the goals of the Fund. This has resulted in the development of detailed grantmaking strategies regarding criteria for geographic focus, tactics, and expected outcomes. Funders and activists collectively refine these strategies and share them publicly with all stakeholders.*

CATHERINE HYDE TOWNSEND, **DISABILITY RIGHTS FUND BOARD  
PRESIDENT**

This research confirmed many of the things we knew about participatory grantmaking funds but hadn't seen researched, analyzed and collated before. This study makes it clear that participatory grantmaking funds are blazing a trail in articulating and putting into practice a transformative approach to philanthropy. They provide fresh insights into questions many funders continue to grapple with, such as how we can make our grantmaking more effective, transparent and responsive. For example, the participatory grantmaking fund model makes visible the inherent power dynamics that come with making decisions over money. By democratizing their decision-making processes, these funds are not only funding social change but are also showing that how we fund is of equal importance in our efforts to bring about lasting change. Overall, the study helps funders to understand the innovative practice and added value of participatory grantmaking, as well as to learn what we can take and apply to our own grantmaking strategies—when a fully participatory grantmaking approach is not (yet) feasible. It is a great accomplishment and a valuable contribution to the broader field of philanthropy.



NICKY MCINTYRE, **MAMA CASH**



*Participatory grant making yields better impact. Grants are targeted more accurately and more widely when guided by multiple perspectives. Application, review and reporting processes are made better when shaped by people with practical front-line program experience. And because participatory funds frequently have multiple donors, they last longer, because as one donor's interest or capacity fades, others can step up.*

*In the United States, the Syringe Access Fund and its predecessor the George Williams Fund have been providing small grants since 1997 for harm reduction programs serving people who use drugs. Over 17 years, different funders have taken the lead – first the Open Society Foundations, then Ford, then Levi Strauss Foundation, then the Irene Diamond Fund, and now the Elton John AIDS Foundation. The impact has been huge: without any national government funding, more than 60 organizations have directly helped hundreds of thousands of people. Researchers suggest that more than 150,000 people are not infected by HIV or hepatitis C as a result. All from an investment – approximately \$25 million over 17 years – that could not have been committed by any single donor, nor allocated in a way that was as steadily and consistently as done by through the peer review mechanism.*

SAM AVRETT, **THE FREMONT CENTER**

# TO BEGIN WITH....

## WHAT IS THE LAFAYETTE PRACTICE?

The Lafayette Practice (TLP) consists of long-time collaborators, senior executives, academics, researchers, financial experts, philanthropic advisors, economists, data analysts, and geographers with decades of leadership in the US and internationally. TLP's partners have had an impact on community and economic development, grassroots organizing, advocacy, communications, media and crisis relations, resource mobilization, democracy building, philanthropy, and organizational advancement. Our work is carried out in a manner that is both internally and externally consistent with organizational values, cultural contexts, and privacy and security concerns. TLP synthesizes field knowledge, system analysis, and data to drive the catalytic change needed to thrive in the complex and change-oriented ecology of today's political, funding, and growth opportunity environments.

This report was researched and written by Matthew "Matty" Hart, with Helen Faller, Ezra Berkley Nepon, and Michelle Schmitt.

## A NEED FOR COMPARATIVE REVIEW

Participatory Grantmaking - also referred to as Peer Review Grantmaking, Community Funding, or Activist Funding - emerges from a practice of grassroots activism, with assumed belief that decision-making participation of people impacted by the fund's programs will guarantee that grants are allocated to those most deserving. Participatory Grantmaking models have proliferated over the past several decades. Yet there has been little research or documentation to analyze the assumptions and outcomes of the methodology.

While peer review has a long-standing precedent in the sciences and humanities, dating back to the 18th century, it was only relatively recently adopted as a methodology for making grants to disenfranchised communities. The Funding Exchange, a network of North American grantmakers, first adopted the model in the early 1970's. Despite increasing practice since then, many leading participatory funds (and their staff and Board members) do not possess up-to-date information about what other funds do or how they operate. This funding model clearly engages many more community participants than traditional grantmaking. But what else can be said about the model and its evolution, its practitioners, donors, and stakeholders?

TLP proposed a comparative operational analysis of Participatory Grantmaking Funds (PGF) because we believe that PGFs represent important evolutions in the form and practice of philanthropy. Moreover, we recognized that institutional donors and practitioners in the field seek documentation and data about best practices and the basic assumptions of this philanthropic model. Ultimately, we felt that a comparative operational analysis would help explain and more broadly disseminate these relatively new practices to new settings and new endeavors.



To this end, we proposed a research project with the following goals:

- Create assessment criteria to describe core characteristics of Participatory Grantmaking Funds.
- Illuminate promising practices and innovations.
- Examine and highlight the unique solutions these funds have developed to address the Participatory Grantmaking model's operational, budgetary, and administrative particularities.
- Establish baseline for Participatory Grantmaking models that will enable donors to evaluate potential new Participatory Grantmakers for efficiency.
- Assist existing Participatory Grantmakers to understand how they operate within the field.

It should be noted that this study set out to examine the practices and methodologies of Participatory Grantmaking, and is not intended to offer analysis about the impacts of the funding model.

## SCOPE OF WORK

TLP conducted research and interviews to analyze and compare the practices of eight premiere international Participatory Grantmaking Funds.

Using an online survey fielded from January 14-February 16, 2014, TLP examined existing data regarding the qualitative aspects of the funds and their grantees, including functions, roles, and budgets. A total of eight funds were invited to participate in the survey. All participated, for a response rate of 100%. The survey consisted of 81 questions and eight documents that we requested funds upload. Periodic follow up and technical assistance were conducted while fielding the survey.

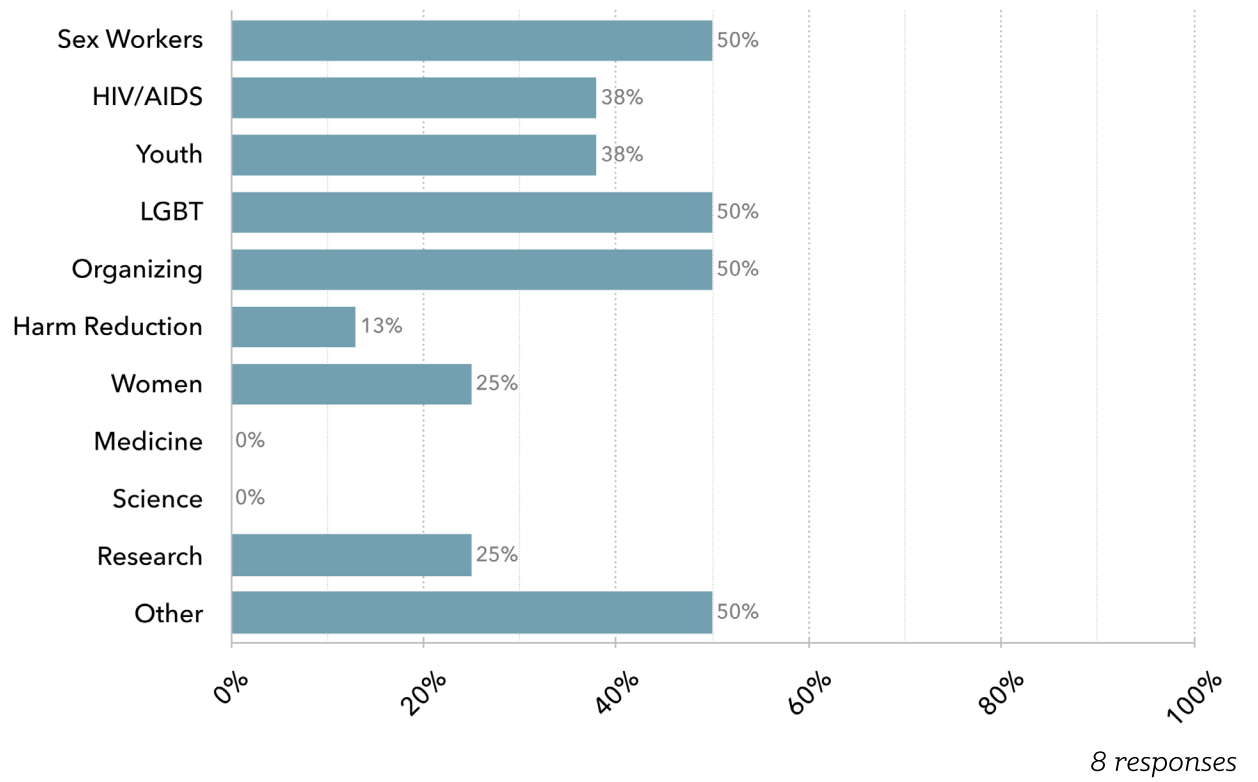
TLP also conducted and recorded interviews with staff at each fund, 22 hours in total, to collect, synthesize, and reflect on their grant-making practices. The quotes in this document are drawn from those interviews.

Our agreement with the participating funds was that the results would generally be anonymous, and any parts that require identification of specific respondent would be included subject to the fund's approval. (N.B. Some quotes have been lightly edited for clarity and/or to remove identifying details.)

### FUNDS INCLUDED IN THE ANALYSIS:

- **Disability Rights Fund.** Based in Boston, MA.
- **FRIDA - The Young Feminist Fund.** Based in London, England.
- **GMT Initiative.** Housed at amfAR in New York, NY.
- **HIV Young Leaders Fund.** Based in New York, NY.
- **International Treatment Preparedness Coalition (ITPC) HIV Collaborative Fund.** Housed at ITPC/Tides in New York, NY.
- **Red Umbrella Fund.** Housed at Mama Cash in Amsterdam, Netherlands.
- **Robert Carr Networks Fund.** Housed at AIDS Fonds in Amsterdam, Netherlands.
- **UHAI - the East African Sexual Health and Rights Initiative.** Based in Nairobi, Kenya.

**What are your primary areas of concern in grantmaking? Please check all that apply.**



## COURSE OF INQUIRY:

The participating PGFs and their grantmaking structures share some core assumptions and common hypotheses. Our inquiry explores the practices of PGFs and brings to light what we learn from our research for the benefit of the funds, their key stakeholders, and donors. The inquiry was designed to affirm or challenge the following assumptions:

A participatory grant-making model...

- Is more accountable to intended beneficiaries.
- Is preferred by intended beneficiaries.
- Sets priorities that are well aligned with what the field needs.
- Can identify grant-making priorities and grant-making opportunities that non-participatory models would miss.
- Makes better investment decisions.
- Can be efficiently run.
- Can ensure a dynamic evolution of who participates and leads.
- Can mobilize additional funding for the field.

A final assumption is that the investment in peer leadership and peer review in a Participatory Grantmaking model might be costly in terms of budget and time, but it yields ownership, collaboration, new leadership, and strengthens the field of practice.

# LET'S GET INTO THIS...

## WHAT DID WE DISCOVER?

First, we found that the funds move a significant amount of money to grantees: They received a total of 4,008 proposals in 2012 alone, and granted a total \$3,686,253 in that year. On average, 61% of their funds went directly to grantmaking.

We also found that while PGFs share an ideological lens, they vary widely with regards to most other metrics.

### What is your fund's total amount in annual grant-making over the last 3 fiscal years?

	Average	Minimum	Maximum	Total
2012	\$921,563	\$60,400	\$2,369,000	\$3,686,253
2011	\$1,379,777	\$485,055	\$2,274,499	\$2,759,554
2010	\$1,383,210	\$516,419	\$2,250,000	\$2,766,419

*4 respondents gave information for 2012, 2 respondents gave information for 2011 and 2010*

### What is the total number of grants the fund has made in its history?

Average	Minimum	Maximum	Total
457.5	43	1,177	1,830

*4 respondents*

## A FLEXIBLE AND DIVERSE MODEL

The eight funds surveyed for this study represent a diverse sample of PGFs, illustrating the considerable variation among funds using peer review as a method for dispersing grants. Specifically, there is wide variation among most attributes of the funds including:

- Budget size (ranged from \$242,510 to \$4,250,000 in 2012)
- Grant-making totals (ranged from \$60,400 to \$2,369,000 in 2012)
- Geographic focus
- Funding priorities
- Changes in staffing over the last three fiscal years.

### What has your annual operating budget been for the last three fiscal years? (In U.S. dollars)

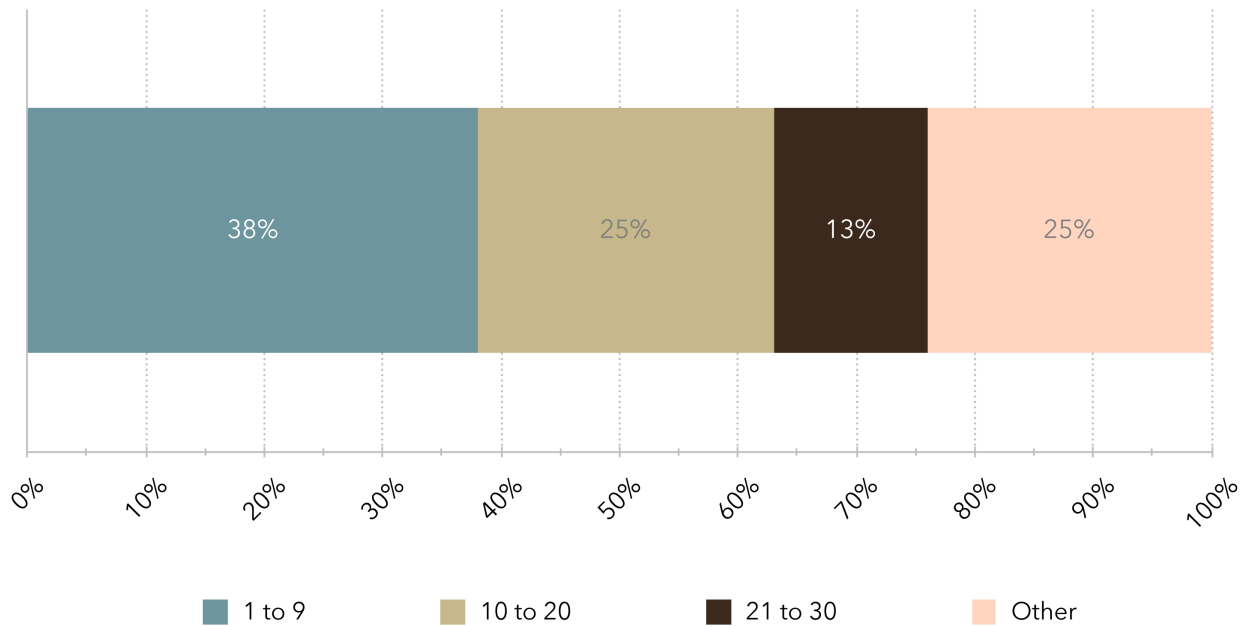
	Average	Minimum	Maximum	Total
<b>2012</b>	\$2,025,306	\$242,510	\$4,250,000	\$12,151,821
<b>2011</b>	\$20,969,945	\$61,184	\$4,250,000	\$10,349,727
<b>2010</b>	\$2,566,261	\$987,869	\$4,250,000	\$10,265,044

*6 respondents gave information for all 3 years, however 1 fund did not have an operating budget for 2011, 2010*

There is also variation among some of the processes the funds used to do their work including:

- Frequency of reassessing funding priorities
- Size of peer review panels
- Gender, age and geographic make-up of panelists
- Board sizes (range from 5 to 27 people)
- Use of a fiscal sponsor
- Use of the Board to solicit funds.

## How many people serve on an average peer review Panel?



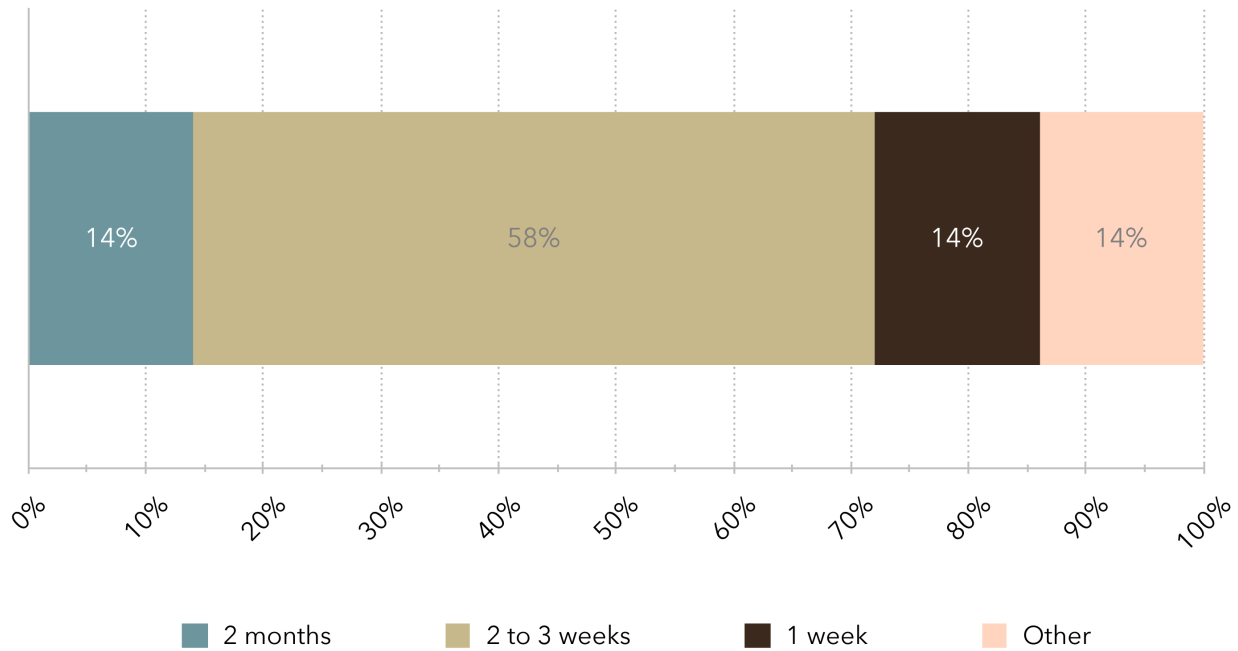
8 responses

There are also many similarities between the funds. However, not all of these similarities are necessarily due to their Participatory Grantmaking structure.

One category of similarities comprises the characteristics these funds share because they are thoughtfully and effectively run. One would expect to find these attributes at any well-run foundation or NGO, regardless of its mechanism for distributing grants. These include:

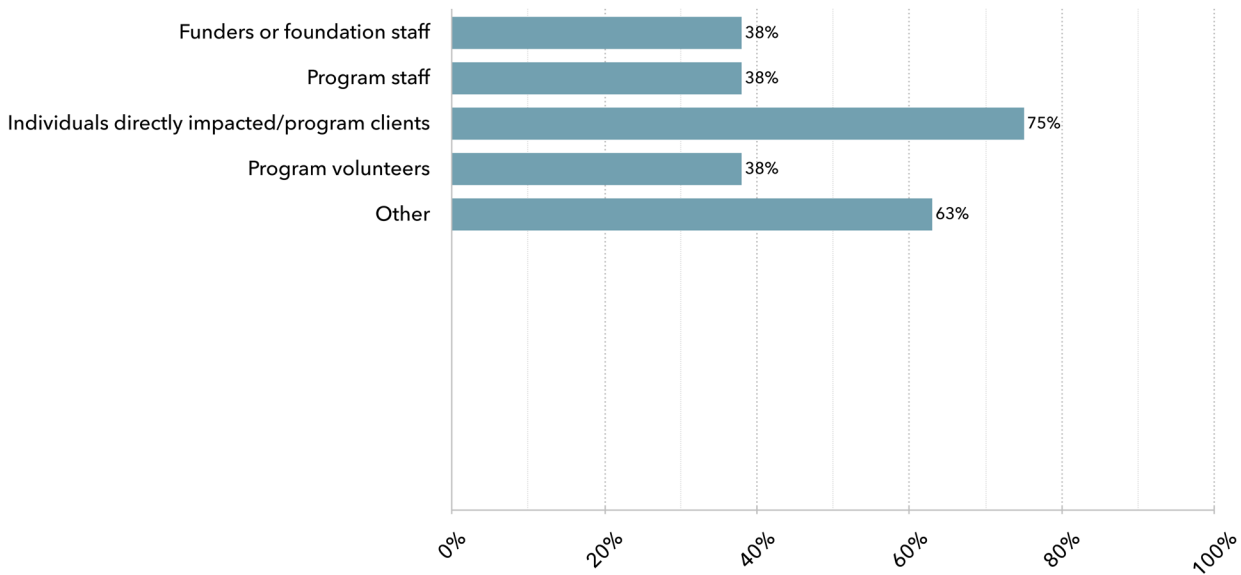
- All funds have a written conflict of interest policy.
- All funds follow up with grantees via interim reports and phone calls.
- Most funds (88%) also follow up with site visits, technical assistance and other types of ongoing communications.
- Most funds (88%) feel their funds are fiscally sound.
- Most funds (88%) have stated funding priorities.
- Most funds (75%) have term limits for their grant review panelists.
- Most funds (88%) have their Boards approve their annual operating budgets.
- Most funds (57%) meet annually.
- Most panels (57%) receive applications to review 2 to 3 weeks prior to meeting.
- Most funds conduct panels in person (88%) or via email (88%).
- Most funds (88%) reimburse panelists for travel costs.
- All funds use consultants in their work.
- Most funds (71%) have Board committees.

## How much in advance of panel meetings do reviewers receive applications?



7 responses

## Please describe the nature of the peer relationship for panel members. Please check all that apply.



8 responses

The second category contains characteristics that these funds have in common due to their funding structure. These seem to be essential qualities of a Participatory Grantmaking model:

- Most funds (88%) indicate their panelists are made up of individuals directly impacted by or program clients of the applicants they review.
- Most funds (88%) select peer review panelists through an application process.
- Funds are granting predominantly to small organizations (with annual budgets of less than \$75,000).
- While there is a considerable range of grant sizes (\$500 to \$54,000), the grants given out by these funds tend to be small grants.
- Most funds cite the small budgets and emerging organizations as the reason for their small grants.
- The funds have small staff sizes, ranging from 2 to 6 full-time equivalents.
- No fund has an endowment.
- Most funds (75%) do not require a letter of intent or preliminary application.

## BENEFITS

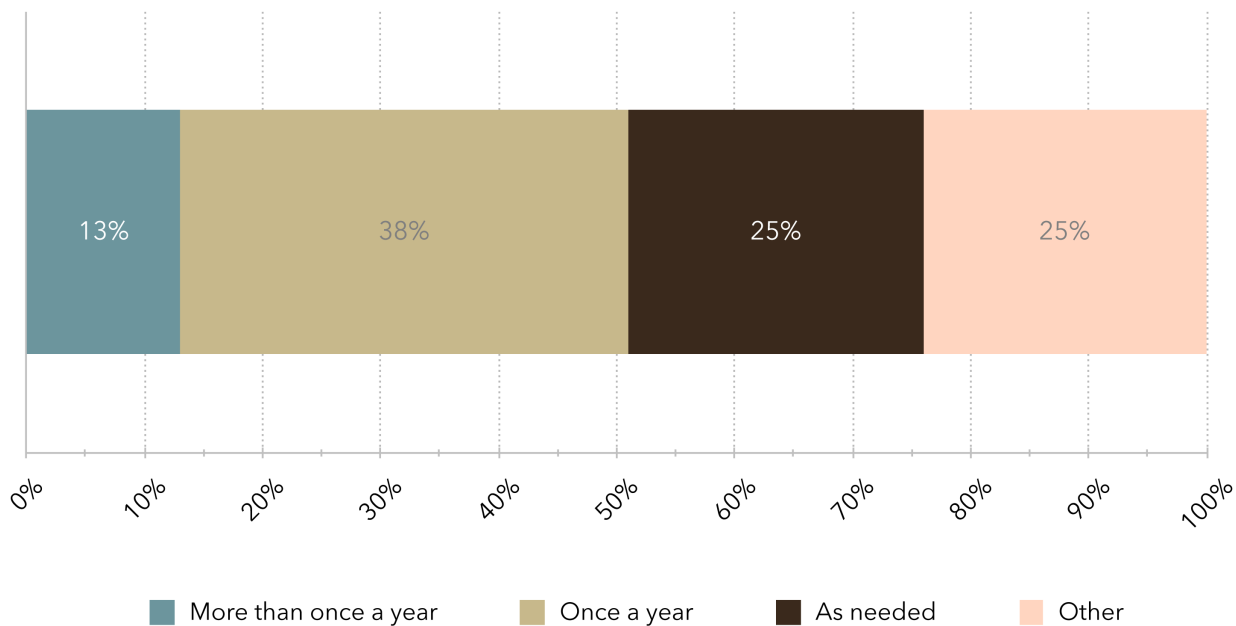
### INNOVATION & FLEXIBILITY

*Traditional philanthropy is often slow to respond to changes. Their structures are big, and there will be procedures to make changes. Peer-led funds will also have procedures, but if the context changes quickly, people really affected will demand quick response. This could be for small procedural issues, communications issues, or the core grantmaking strategies.*

Interviewees spoke of the capacity for flexibility and maintaining a dynamic organization as major strengths of their model. This showed up in the survey data with regards to reassessing funding priorities: 51% reported re-assessing their priorities once a year or more often, while 25% reported re-assessing as needed. One PGF explained that its overall funding priorities are evaluated every other year, “while prioritization of regions with funding gaps is done more frequently, when new information or new developments arise.” Some funds, like The Disability Right Fund, have created multiple areas of funding to address the variety of applications and the diversity of reviewers’ knowledge base. This represents a key evolution that leverages the full breadth of field and applicants’ contributions.



## How often do you reassess your grantmaking priorities?



8 responses

*Peer Review funds go from bottom up rather than top down. The priorities are coming from below and filtering up. The difficulty is that priorities keep changing and shifting because of the lives people live. We have found this to be both good and bad. We see ourselves as a learning institution and are constantly incorporating learnings. That may mean a shift of priority or something as small as making one part of our application format more accessible to a screen reader. Peer Review more closely mirrors the movement, because it isn't static. If we were using a more traditional model and saying, "That's it and if you don't fit, you don't fit," then it wouldn't mirror the movement.*

## TRANSPARENCY

We found a consistent, deep commitment to transparency among respondents. This comes, in part, as a reaction to frustrations with traditional philanthropy. Respondents even reported hearing the frustrations of program officers working in a traditional grantmaking model, who may put significant time into preparing a presentation of a grant and receive a "no" from a trustee without explanation or justification.

*With traditional funders, you can send in a request but they may or may not share their criteria or priorities, and in the end you get a decision: yes or no money, or yes money but half of what you requested. You never know why, or it's very vague. It's like the decision is made in a black box. You put something comes in and something comes out, but you don't know how.*

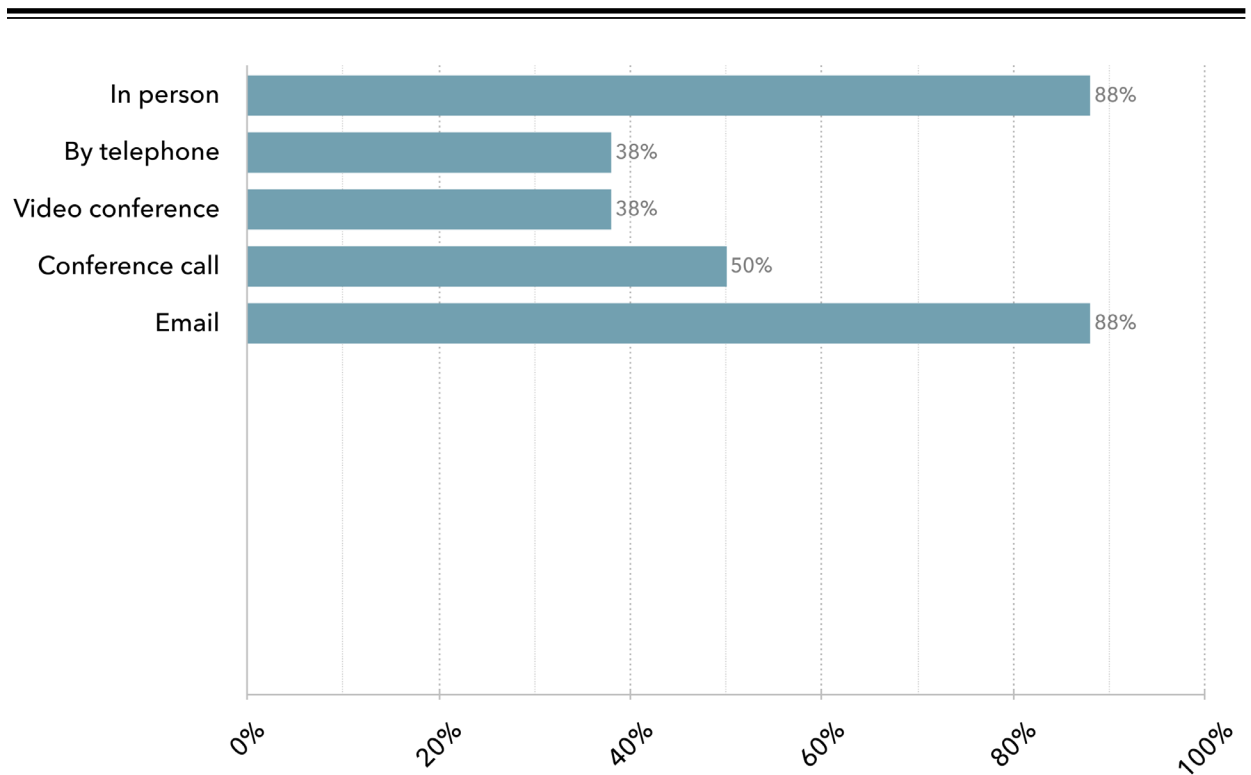
Respondents identified as a strength of the model that Participatory Grantmaking requires a shared understanding and clarity about all parts of the process. As a democratic practice, which includes the participation of a large number of people from diverse experiences, Participatory Grantmaking necessitates both transparency and authenticity with regards to the ways that the process can be changed, matured, and evolved. This requires a high level of integrity. As one interviewee noted, *“Participatory Funds need to make processes more transparent, and need to be more clear about how and why decisions are made. Because the peers - the community - demand that from the reviews.”*

## PARTICIPATION

*Traditional philanthropy is a closed group. You need to know the right people to get in.*

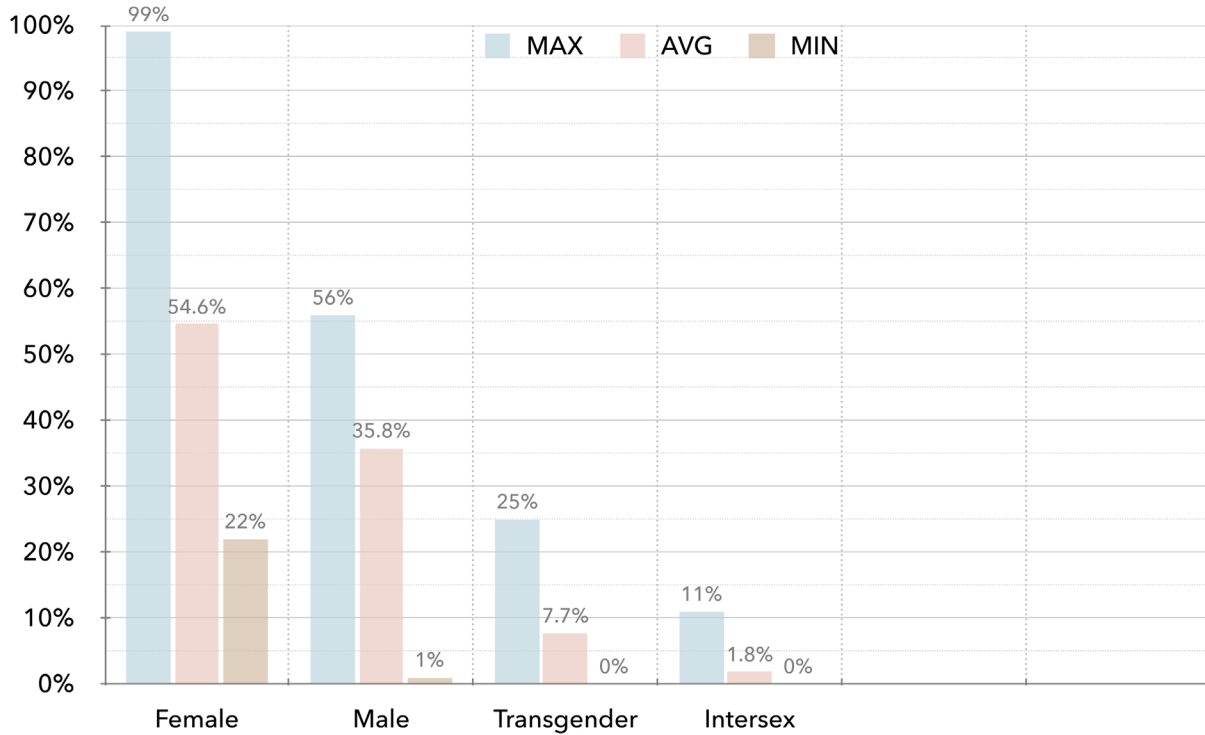
At a PGF there are many paths to the decision-making table: 75% of survey respondents said that their panel members include “individuals directly impacted/program clients;” 38% listed Funders or Foundation Staff, Program Staff, and Program Volunteers as panel members; and 63% said that panel members are “Other,” describing Other as Community Leaders, Scientists, and Activists (with issue-based and/or regional ties). In the case of the Red Umbrella Fund, 80% of panel members identify as current or former sex workers, with the other 20% identifying as strong allies. All panel members at the Red Umbrella Fund must have the endorsement of a sex worker organization.

### What communication methods do you use to run panels? Check all that apply.



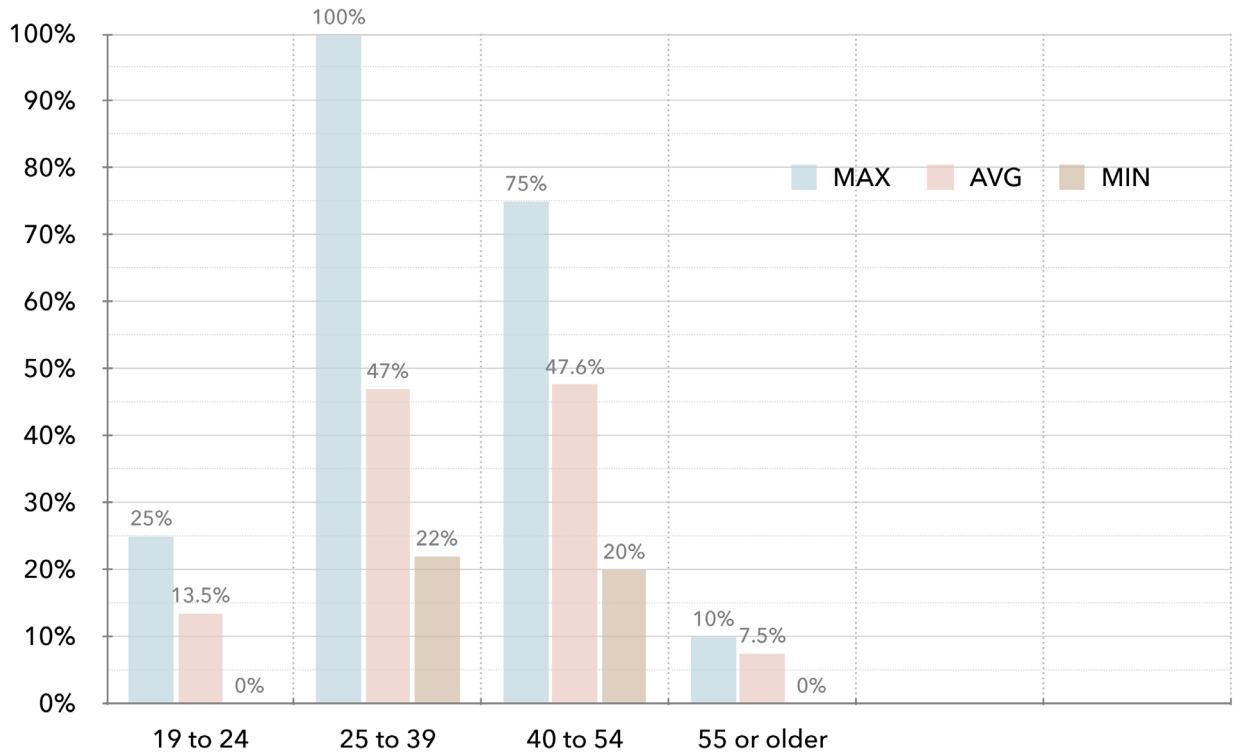
Peer Review panelists' gender makeup, age range, disability, and geography of origin all varied widely within the survey. And it should be noted that this correlates to the specific focuses of each fund. For instance, youth-focused grantmakers make use of a predominantly young group of panelists.

## What is the gender makeup of your reviewers?



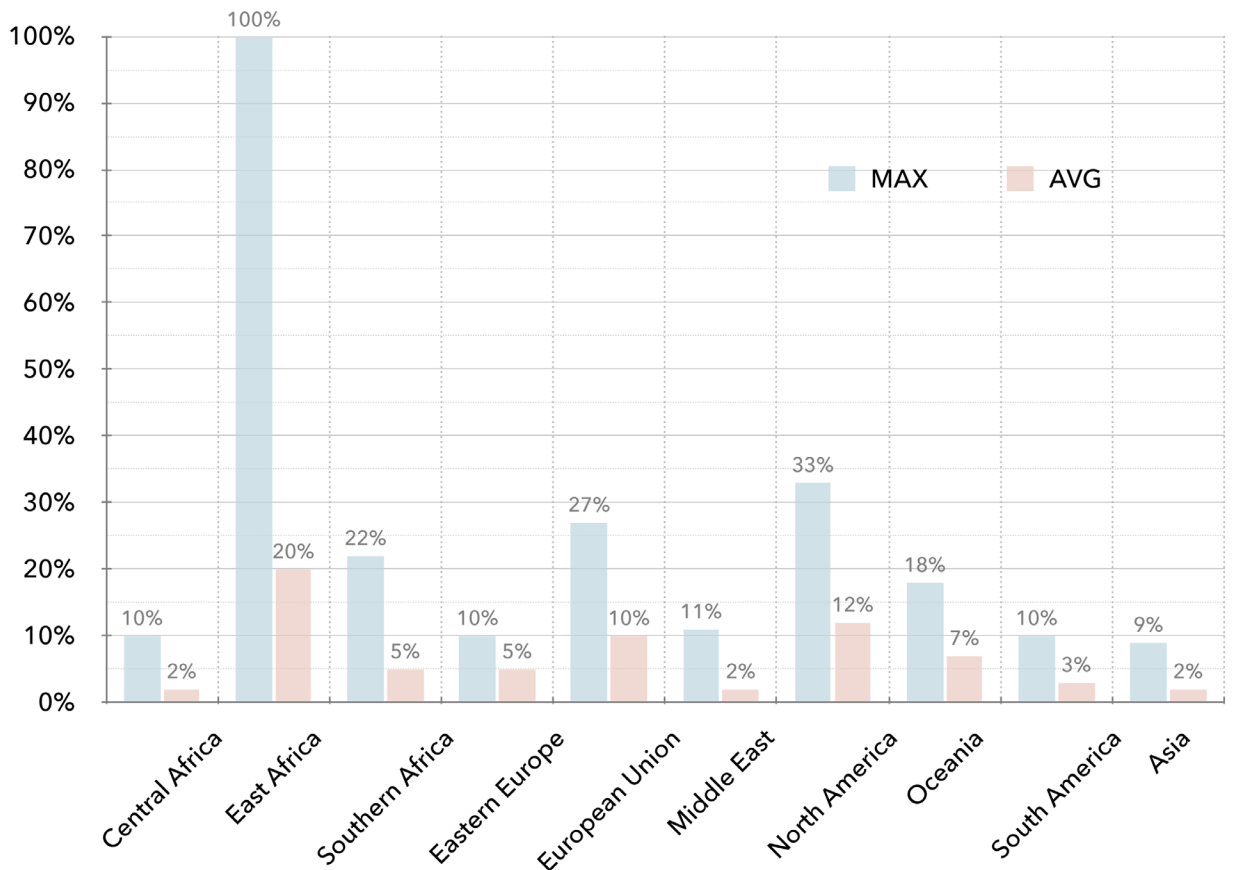
6 responses

## What are the age ranges of your reviewers?



6 responses

## What are the geographies of origin for your reviewers?



One small but important accessibility detail in the survey: 88% of respondents reported reimbursing reviewers for travel costs. In the case of the Disability Rights Fund, this includes reviewers' personal assistants or sign-language interpreters. This strategy is crucial to increase decision-making access for low-income community members, and those for whom costs are increased when they have assistants or interpreters.

The Disability Rights Fund (DRF) offers a thoughtful, strategic model for Participatory grantmaking:

*The disability rights slogan is “Nothing about us, without us.” The most important right in the UN Convention is participation of people with disabilities in all decision-making that affects them.*

DRF ensures that their meetings are held in physically accessible spaces, that they have (when needed) Braille documents, Sign Language interpreters, and Computer Aided Realtime Translation (CART).

The DRF Advisory Panel is made up of 12 people: nine disability rights leaders representing different regions and impairment groups, and three “bridge builders” from other human rights communities (for example, those focused on children’s, indigenous, and/or women’s rights) who both contribute knowledge from their communities and take what they learn about disability rights back to those communities.) The group of 12 chooses four panelists for the Grantmaking Committee, who meet with five donor advisors. The Grantmaking Committee has shared, final say on guidelines and on the DRF’s funding portfolio.

Groups including the International Disability Alliance (IDA) and other national and regional disabled persons organizations nominate DRF Advisory Panelists. Once a member of the Advisory Panel, however, panelists represent themselves as individuals (experts in their own right). They are not required or expected to report back to their networks, in order to maintain the necessary boundaries to prevent conflicts of interest.

Even with strong commitment to accessibility, representation is a real concern for PGFs that work with marginalized communities, already struggling with burdens of exclusion, isolation, and stigma. Our interviewee from DRF reflected on the struggle to create equity in a nine-seat panel, with endless possible “permutations of impairment, region, race, gender, age...” In response to such concerns, DRF rotates four of its nine Advisory Panel every three years, and regularly rotates its Grantmaking Committee members as well.

Use of language and technology likewise contribute to participant access for both applicants and panelists. All of the funds surveyed currently accept applications in multiple languages and utilize a broad range of communication technologies to ensure participation: Skype, email, paper documentation, translation services (including Braille, ASL, and CART), online meeting services, and more.

## ACCOUNTABILITY

*Grant decision-making should never depend on an individual, and Peer-led funding will always have larger group involvement as a frame for those decisions. Most Peer Review funds are related to movements and movement-building. So there's always that larger vision of what's the best for the movement. Not asking "Which group am I personally most comfortable with, or excited by?" but "For the movement, what would be the smartest choice?"*

In our conversations with interviewees, Transparency and Accessibility correlate to Accountability. Respondents spoke about perceived fears that panelists would vote in their own interests, for example prioritizing groups in their own country above other applicants. "There are risks," said one interviewee, "But we've seen that people take it very seriously when given the opportunity and trusted." In traditional philanthropy, "you have individuals or groups of people who have money and then they hire people to select groups or projects to give money too, and they make the final decision. That can often be very personal... Decision-making on these panels is much more nuanced - you see that from the rationale people offer about their priorities in the panel conversations."

One interviewee likened Participatory Grantmaking to "what ACT UP was fighting for, when the Health Department was making decisions about HIV and not having a clue, and ACT UP was on the streets screaming at them, and then finally the Health Department decided to open the doors to get real advice."

The manner of governance and the structure of the funds TLP researched involve built-in accountability. For instance, in addition to the multiple Peer Review panels within the Robert Carr Fund, the organization also includes access points for participatory decision-making at multiple levels of governance, through the International Steering Committee (ISC), and the Program Advisory Panel (PAP).

## LEADERSHIP OF THOSE MOST IMPACTED

Grantmaking by means of a participatory model distributes resources as the missions of the funds intend. Beyond this, participatory grantmaking has additional beneficial outcomes. We found that all of the fund directors we interviewed intentionally nurtured cross-learning, information sharing, and network development. We also learned that grantmaking sessions were purposefully held at times and places chosen to enable groups served by the funds to deepen their relationships and mutual trust. The funds see themselves as contributing to the creation of cohorts of well informed leaders that leave panel participation better networked, more fully informed, and often, with a better understanding of the grantmaking process and particularities of how funding decisions are made.

# WELL-INFORMED DECISIONS:

“

*We have evidence. When an affected community has the power to decide how to solve a problem, this brings a different impact into how you are targeting something, or developing a solution. Bringing community to the driver's seat gives a new perspective and new ideas. A young person with HIV in Latin America has a different experience than a young person with HIV in other regions. I don't necessarily have the context to make decisions on specific issues in those regions. Why not bring them and let them decide? I have seen the impact.*

*I think the thing about Peer Review, or just making sure that communities are at the center of the whole grantmaking cycle, is that you end up finding the sub-populations. For us it's about the women who are homeless drug users and come in to the drop-in center. You have a Peer Reviewer who is able to say, "This is actually where the issue is." Even if there's no data showing it because everyone is always oriented toward the men. In this way, we are able to find the cracks in treatment access.*

”

“

*With the discussion that our Peer Review group had, I was smiling on the inside because it was so clear to me that they as a group had made a better choice out of the portfolio than I would have been able to do sitting behind my desk. Even though they said no to some groups that I think would have been good, overall the whole portfolio is much more strategic now than it would have been if I had made the selection. They really looked at the bigger picture, the movement, what's strategic. I fully support those choices.*

# INTEGRITY IN THE PROCESS:

“

*Working with networks and informal structures who couldn't access resources, I was blown away that someone had made a structure to address that. Putting decision-making in the hands of [those impacted]. I was blown away at how true to values it was.*

*As a donor, to not have to make final decisions, and instead leave it up to a group of peers - who know each other, the communities, and context far better - is amazing, empowering, transparent, and right. It makes sense.*

”

“

*We have seen an immense amount of leadership from youth. It is very important for us to show the other partners and stakeholders, and so-called adult allies that we can do the same things that you are doing, but with accountability, transparency, and integrity of the process - and still be community-led.*

## EMPOWERMENT

*This is a way of communities making our own philanthropy. We are the community and we want to decide how to take that forward. We need to stop knocking at the door and asking for a seat at the table. We need to change the entire paradigm.*

”

“

*The whole model is different. In the spirit of it. Letting go of control and seeing what happens when we create enabling environments for activists to make those decisions. Trusting them to take it seriously and engage in a meaningful way. Not assuming that as program officers or as grantmakers we are going to be better prepared or more informed to make those decisions, but actually letting go of that and seeing what happens when you let other people make the decisions. Collectively.*



Much of our research focused on PGFs' grant review process. However, we noticed a trend in our conversations with staff of the funds. The fund directors we interviewed came to their work in philanthropy through backgrounds as grassroots activists, nonprofit and NGO workers, fundraising and development consultants, and other on-the-ground relationships with the movements that their PGFs fund. These are not philanthropists or long-time philanthropic staff who accepted a job that was posted. Rather, these fund directors tend to be people who have lived in and built up the movements they are now supporting. They are committed to moving resources to these movements as part of their overall dedication to the work. One interviewee explained "I have always worked in the human rights world, always in communities. We are an activist fund. I continue to be an activist, and a funder at the same time." Interviewees often referred to their own experiences as grant-seekers. As one explained, "This work is the culmination of a journey of working with grassroots NGOs, then as an advocate, then actually supporting the movement from the inside out."

## (COST-) EFFECTIVE

*I have always experienced that when we don't listen to reviewers, later in the process we always find out that they were right. Sometimes their responses to an applicant are a bit too aggressive or negative, but the criticism is always important and really valuable. We use the feedback later in the process to better manage the grant, and use the criticism in a positive way.*

But are PGFs efficient? Interviewees often responded to anecdotal concerns about the efficiency of Participatory Grantmaking models. With so many people involved, with all of the language differences, background differences, and other unwieldy details of a democratic group process, how can the grantmaking possibly be effective, both in regards to time spent and monetary cost?

Respondents framed efficiency and effectiveness in another light. They pointed out that while having one person make a decision may be faster and require fewer resources, it's not effective if the grantmaking decisions turn out to be flawed or ill-advised. "Efficiency in this case," said one interviewee, "might not mean really fast but might mean thorough understandings of implications of a grant award. Those sorts of things, if done well, are efficient. Efficiency is defined in a structurally different way." In a Participatory Grantmaking model, the time and cost of proceedings also have added value beyond the strength of the grantmaking decisions: connecting groups, movement building, and increased philanthropic literacy for panelists, which can strengthen their own fundraising, movement building and leadership efforts.

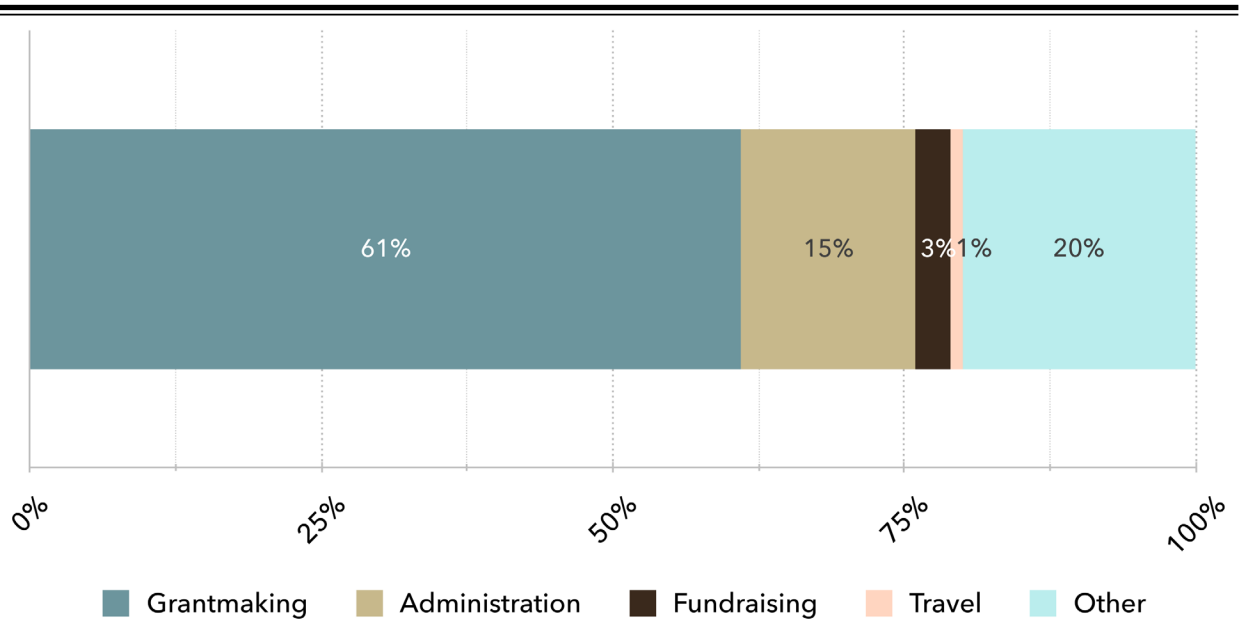
While it may seem expensive to bring activists together for a panel, the process is also cost-effective in many ways. For instance, some traditional funders pay researchers to assess applicants and that constitutes an added cost. However, assessing applicants is a core aspect of a peer review panel's convening. And when circumstances change quickly in the field/context, consulting people who actually do the work brings greater benefits because they are better equipped to respond with agility and be more time-responsive. The result is greater impact.

The Red Umbrella Fund (RUF) offered another example of the cost-effectiveness of a participatory model. Their Steering Committee requires RUF to spend at least 70% of the budget directly on grants. This is very high, both compared to traditional and other participatory funders. The average for our respondents was 61%. Because RUF is a re-granting organization, the Steering Committee hold that the fund may not be sufficiently useful if it consumes too much of the pass-through funds. If it did, it would be better to have organizations apply directly to bigger funders. In order to

stay relevant and useful to the movement, RUF must function as an ally to its grantees, interfacing with larger funding structures to move money into smaller groups, while keeping its own costs extremely low.

One interviewee explained that they believe we need to see this grantmaking as a direct investment in communities. “Yes it’s philanthropy, or people might call it charity. Personally I don’t like the charity model. But I think if we are seen as an investment model, we can show that there is social investment return.”

### What percentage of your budget goes to the following?



8 responses

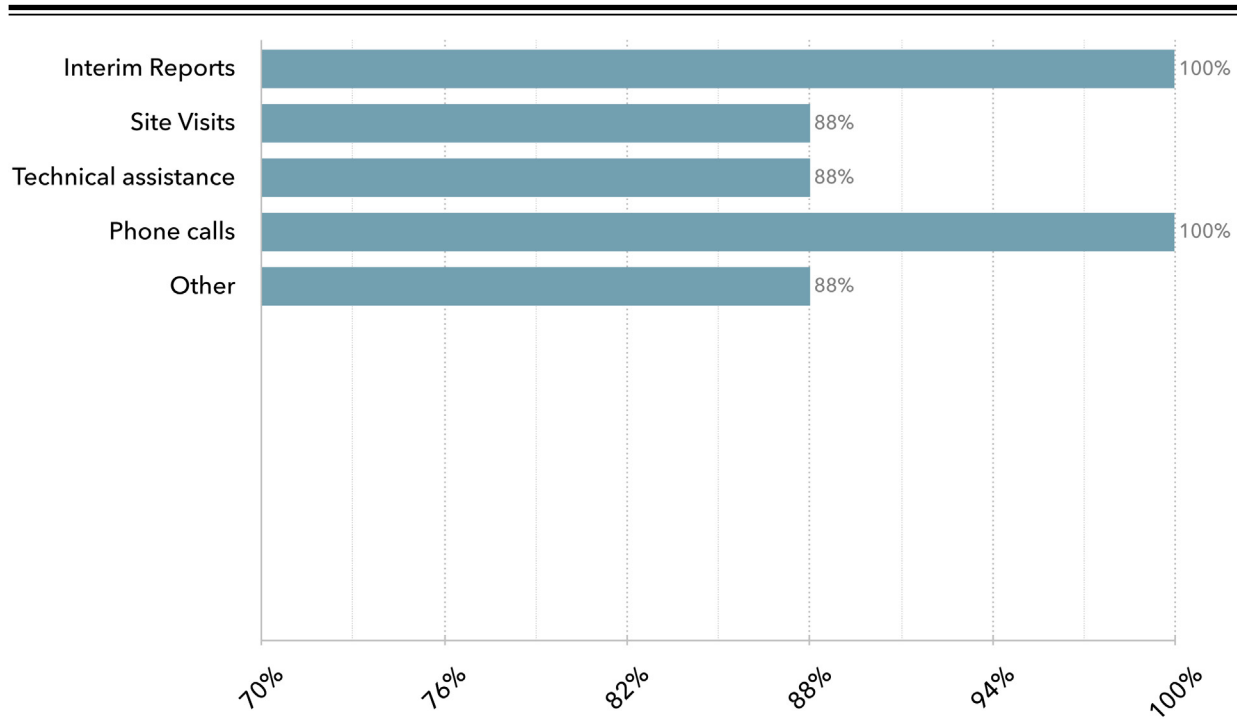
### CAPACITY BUILDING

*We have a very simple application process. Our community has very low education levels [due to structural access issues], has received so little attention from grantmakers, and has so little experience applying to grant funds. We see our process as a technical review process. When the applicants have a good idea, we spend a lot of time going back and forth to get a better application to clarify what they may mean. We also spend time on the denial side. If they seem basically eligible, to say, “This is why you didn’t receive the grant, and you’re welcome to apply again.”*

A significant value-added effectiveness function of PGFs is powerful attention paid to capacity building. The technical assistance, capacity building, and coaching offered by PGFs enable groups with the ability to improve their skills to pursue additional funding, often from traditional institutional donors. The PGFs TLP studied all offer resources that improve the operational paradigm of mainstream philanthropy.

“Sometimes you’re working in a region with great need and low capacity,” said one interviewee. “So you get proposals that aren’t great, but the idea is good.” Since PGF staff do not make grant decisions, they have greater ability to work with grant applicants to craft and improve their applications. This support ranges from individual consultations to group workshops. In the survey, 100% of the funds reported that they follow up with grantees via interim reports and phone calls, and 88% reported that they additionally conduct site visits, provide technical assistance, and other types of follow up. “Other” included e-mail/chat/Skype conversations, support in submitting receipts and grant documentation, and pre-implementation workshops.

## What kinds of follow up do you perform with grantees?



8 responses

However, one interviewee reported that their fund offers very little support to applicants.

*In our first year of funding, we had no office set up, and no one full time available to provide support. In our second year, we did provide a contact for support in our applicant guidelines. Very few groups made use of it and most who did were asking eligibility questions, very few technical or strategic questions. This raises the question of whether there is little need or whether we need to communicate differently.*

Another interviewee, whose fund provides grantees a great deal of support, explained that needs vary widely for different groups.

*Some groups have the habit to ask approval for their workplan elements because they are not used to working with funders where they can make their own decisions, or because they don't have experience of long-range planning. We don't make their decisions - that's key. They are the experts. We try to support them to not feel lonely in that. We need to okay changes [to their submitted plans], but not to decide whether it's the best activity for them.*

One fund requires applicants to attend a three-day workshop in their region, and they pay participants to facilitate attendance. In these workshops, groups work on improving their proposals, and squaring up their budgets and other logistics to meet the funder's requirements. The director of this fund explained, "We work with very grassroots organizations, and they may not know how to use Excel. But they are doing good work. We stick with you and train on those things."

PGF staff frequently talked about being more able to take risks on less formalized organizations than is possible in traditional philanthropy, for example, on a group without an organizational bank account. Once such an organization receives initial funding, options increase for bigger grants in the future. Our survey results show that PGFs are granting predominantly to small organizations, with grants ranging from \$500 to \$55,000 and average grant size between \$18,000-\$25,000. When asked, "Were there compelling reasons to make particularly small grants in the past 3 fiscal years?" 71% of respondents answered Yes. As explanation, many funds stated that their grantees are new, small, or emerging groups without budget experience or capacity to handle larger grants. One PGF explicitly budgets for monies to supplement each grant. These monies are used for capacity development and advocacy work.

At the same time, 57% of respondents had compelling reasons to make large grants in the past three fiscal years. Some reported giving large grants to organizations and networks working at national, regional/multi-country, and international levels with the infrastructure and personnel to manage larger grants. In an added layer of complexity, one fund discussed giving proportionally larger grants – which may not be large in scale of traditionally philanthropy - to unregistered networks, such as a loose association key to the support of their constituents.

Many respondents talked about supporting their grantees in their efforts to apply for next-level funding, access networks, and other resources. These include convenings of grantees, mentorship programs, nomination to working groups that result in policymaking and advocacy opportunities, and other networking opportunities through international platforms. As a result of these combined forms of support, many grantees are able to scale up to access the next higher level of funding resources. One interviewee described the project of increasing grantees' fundraising opportunities as Making Them Famous. "We give them a little money to make them famous, build their capacity, so that [bigger funders] will step in and start funding them. So they go to the table not with 'Please fund us,' but with 'We have a project and we need to scale it up, and you can do that.'" TLP's research suggests that this tactic often works. A representative from FRIDA revealed, "Of our first grantee group, more than half have successfully mobilized additional resources after being funded by us."

Even for organizations that do not receive grants there may be helpful opportunities. As one interviewee explained, "You often have 60 applications and you can fund 12. When a non-funded group complains, they are asked to join the review panel, as a means to help them understand their proposal's issues and how complex the process is." Many of our interviewees supported this point

of view: Participating in a peer review panel offers potential applicants a big, quick learning arc, functioning as a very effective form of technical assistance.

## BUILDING SOLIDARITY

Respondents consistently identified close relationships with the leadership of other PGFs. These relationships consisted of formal and informal technical assistance, shared grantees, and shared peer review panelists.

In the wider philanthropic landscape, respondents described powerful opportunities to build movements by increasing solidarity among grant-seekers and peer review panelists, particularly through creating and maintaining listservs for grantees and panelists, and through regional and national grantee convenings. Many also mentioned the need to work more intentionally to advocate for this practice in traditional grantmaking and to begin exploring ways to convene, formally share knowledge, and build/leverage power among the communities they serve.

The Disability Rights Fund provides an exciting example of how to build solidarity between grantees and donors. DRF was created in part to address the dearth of funding for disability rights. As part of the organization's strategy to educate philanthropists about the need for funding disability rights, DRF published a guide called "Beyond Charity: A Donor's Guide to Inclusion. Disability funding in the era of the UN Convention on the Rights of Persons with Disabilities." As noted above, DRF also requires representation of both people from the disability community and donors on their grantmaking committee.

*It was clear that donors didn't have knowledge of the Disability Rights community. There had to be a way this structure would inform donors, so that's why the grantmaking committee is half donors and half advisors. Not only so the disability rights community can be involved in making decisions, but so that the donors listen to the priorities of the disability rights activists, and learn from that. A really great part of this has been the learning that goes both ways. Leaders from the disability community learning about grantmaking, how donors function, and who are they. Donors learn who disability rights leaders are, their priorities, and what this is all about.*

# CHALLENGES

## CONFLICT OF INTEREST

Conflict of interest was one part of our research where the survey data did not offer much information: only that 100% of respondents state that their PGF has a written policy to prevent conflict of interest among Board members with regards to the fund, while 83% reported that they have not had to use the policy. Our interviews disclosed much richer data on this topic. As one interviewee explained, “The issue of conflict of interest is key to explore, although we haven’t had any issue with this. I don’t know whether just getting the policies on paper is enough. Have you used it? Have you revisited it?”

Many funds reported, anecdotally, that they have moved through multiple versions of conflict of interest policies as their peer review methods have evolved. One fund started off with a cut-and-dried exclusion of anyone who was affiliated with a potential grantee. Upon finding that this excluded a wide swath of emerging leaders from participating in their panels, the PGF changed its agreements to an elaborate policy depending on the person’s relationship with the organization (staff, Board, etc.) More recently, this fund changed its policy so that panelists with a conflict of interest simply identify their affiliations and recuse themselves from decisions about the relevant organizations.

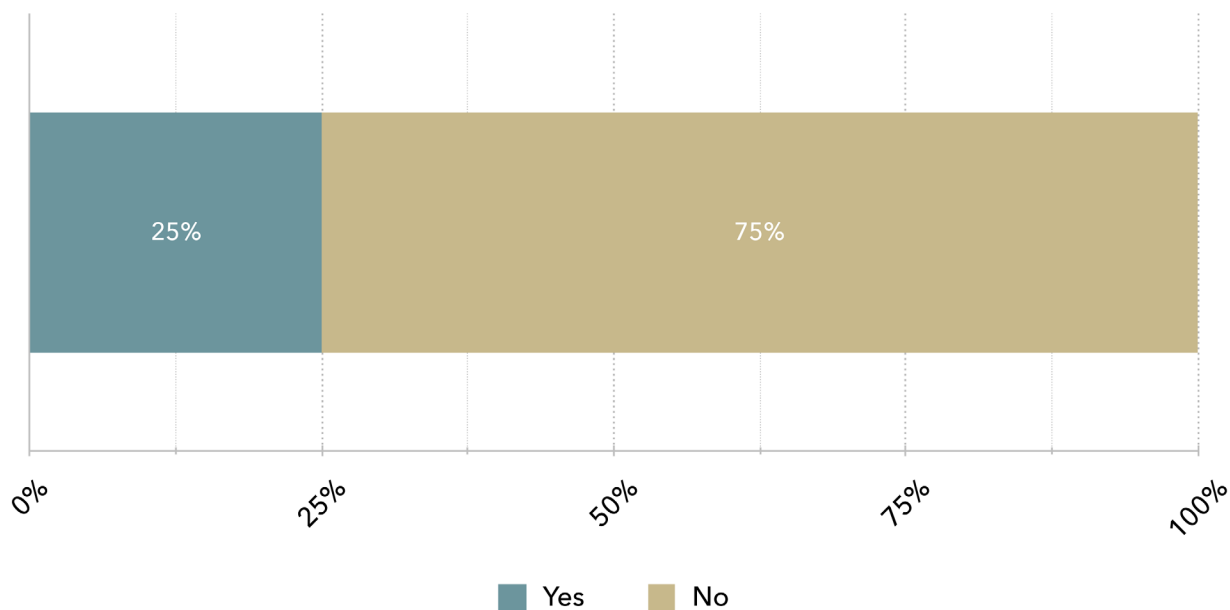
Another fund originally allowed people to both apply for funds and participate in the peer review panel. But the fund re-evaluated this position due to multiple complaints from panelists that it created a very uncomfortable situation. That funder has now instituted a number of multi-year grants as well as a portfolio of non-competitive grants. The PGF’s multi-year grants are both competitive and non-competitive, but importantly allow the group to not have to reapply each year. The non-competitive grants are solicited by the fund and usually negotiated directly with an NGO. These two innovations enable grant recipients to join panels as peers without being in competition with applicants.

One fund noted the importance of going around the panel table and asking panelists to identify any potential conflicts of interest, so these are clearly and publicly acknowledged. In this model, a person with conflict of interest leaves the room when the grantmaking discussion concerns the organization with which he or she has a relationship. This interviewee especially valued transparency in this process, adding, “In the traditional philanthropy model, program officers also have relationships with the groups that also influence their decisions. Conflicts of interest happen everywhere, but in this model they’re spoken about.”

One interviewee reflected that a grant applicant unknown to any of the panelists may be more concerning than one with connection to a panelist. “Bias can not be avoided as people who fund people. It happens in traditional philanthropy as well. More often than not, if no one in the mix of people on a peer review panel knows you, that seems striking, and you’re not likely a legitimate group. I stand by that.”

As noted above, renewable funding is one strategy for negotiating conflict of interest concerns within peer review panels. However, only 25% of respondents reported that they renew (or repeat) funding for grantees.

## Do you ever renew funding?



6 respondents gave information for all 3 years, however 1 fund did not have an operating budget for 2011, 2010

But, funds that do renew funding seem committed to prioritizing funded organizations for continued support. One PGF reported that 70% of their funding goes to repeat grantees, with no limitations for how many years an organization can return to renewed support, as long as it is building on previously funded work. Another fund requires previous grantees to compete in the regular cycle, but prioritizes them to receive funding. A third PGF prefers to renew funding for a period of three years, explaining that:

*As long as they are continuing to do the important work that they were initially funded for, and are communicative, we generally renew funding. This process has taken place after the group submitted their reports and a proposal for renewal and then advisors discuss the prospect of renewal over Skype calls. If any problems arise, then further due diligence takes place.*

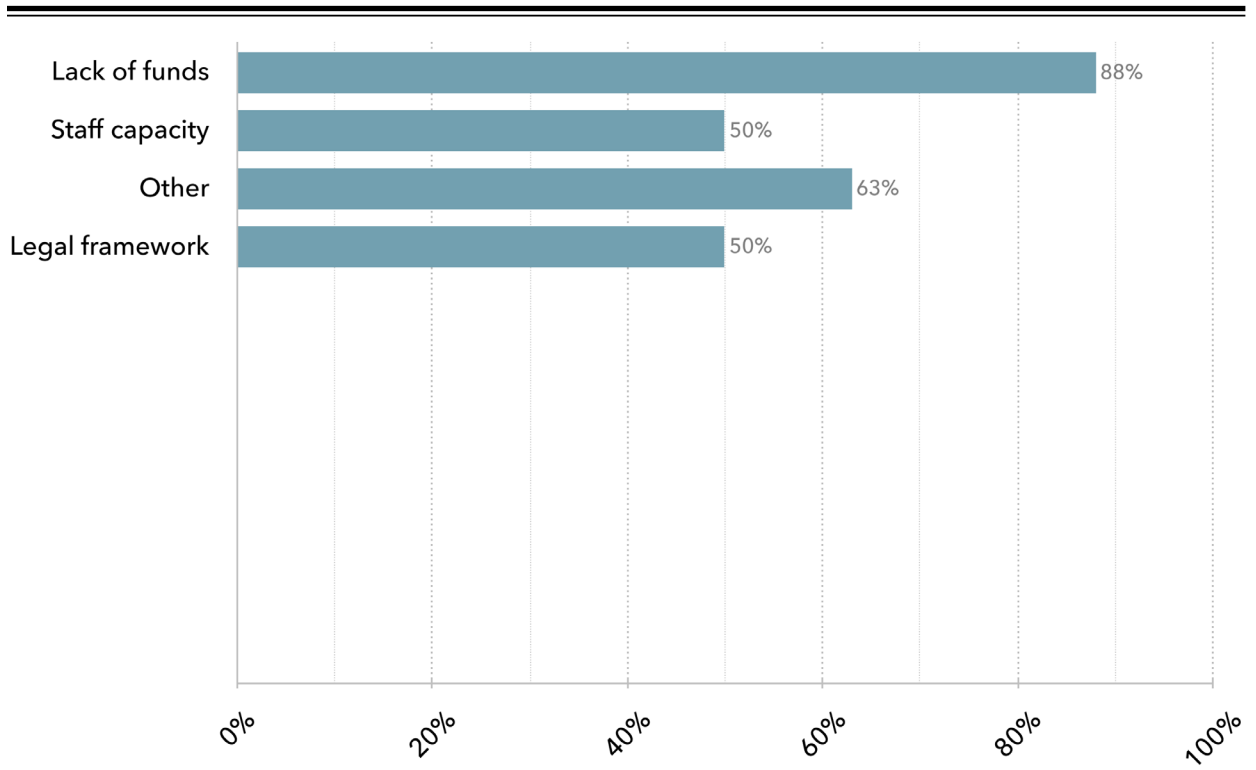
## DIVERSITY OF INCOME STREAMS

One of our survey questions asked, “What are the biggest barriers to fulfilling your mission?”

In response, 88% chose “lack of funds” and 63% chose “Other.” Explaining the “Other” category, PGFs offered a number of examples of ways that their communities of concern face specific barriers:

- *The marginalization of disability as a human rights issue and of People with Disabilities generally.*
- *Stigma and discrimination and violence against sex workers and sex worker organizing.*
- *Influential and well-funded anti-sex work lobby and programs usually focused on anti-trafficking work but often with strategies that are harmful for sex workers.*
- *Lack of good will from other donors as they do not want to take a risk of working in Eastern Africa.*

### What are the biggest barriers to fulfilling your mission? Check all that apply.



8 responses



Regarding lack of funds, a few issues became clear in our research. First, none of the surveyed PGFs have an endowment from which to draw renewable income. A vast majority of the PGFs' income is sourced from institutional donors. Respondents listed between four and eight institutional donors each, with many of these donors supporting multiple PGFs. Essentially, a small donor pool is supporting much of the Participatory Grantmaking represented here. Moreover, the capacity and infrastructure that have been developed for PGFs may serve a broader set of donors as well.

### How many institutional funders do you have?

Average	Minimum	Maximum
6.2	4	8

5 responses

Respondents also spoke to related concerns about the flexibility of their funding. Dependence on institutional funders, which often prefer to fund specific projects over general operating expenses, can limit access to funds for core organizational costs. It can likewise burden PGFs with tracking and measuring short-term targets, distracting from longer term goals and strategies.

Speaking to trends in the fundraising landscape for PGFs, one fund staff person identified three key changes:

1. Funding is decreasing.
2. Funds are moving focus from AIDS to Sexual Orientation and Human Rights (SOHR).
3. Funding is shifting from core operations to program-based funding.

Another interviewee pointed out the increased competition as foundations become more rigid and specific in their defined populations and funding areas. That same person also spoke about an increase in donors to PGFs who demand to fund partnerships rather than individual groups. And while this sometimes results in “amazing synergies,” these partnerships can be challenging when they are forced rather than organic.

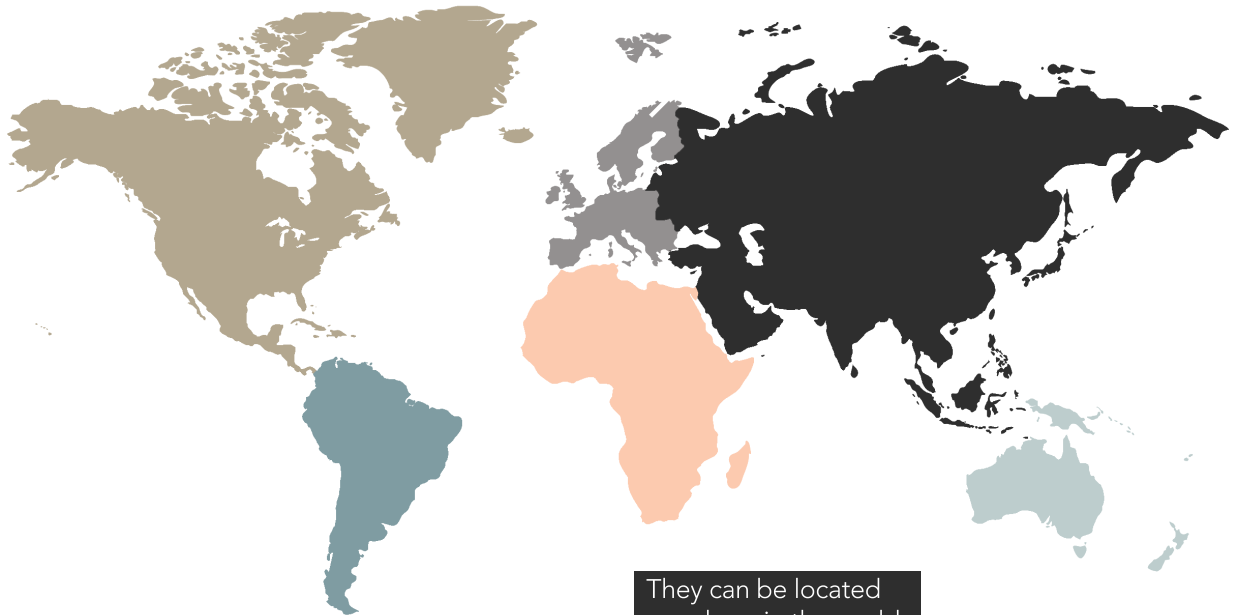
## COMPLEX LOGISTICS

### Multiple Languages

Our interviews often turned to discussion about the challenges of negotiating the complexities of language, space, and staff capacity within PGFs that address both global and grassroots/local concerns.

### Where are your grantees located geographically?

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Africa: Ghana, Malawi, Rwanda, Uganda. Asia: Bangladesh, India, Indonesia, Myanmar. Caribbean: Haiti. Eastern Europe: Ukraine. Latin America: Nicaragua, Peru. Middle East: Lebanon. Pacific: 14 Pacific Island countries.

Africa, Asia-Pacific, Caribbean, Eastern Europe-Central Asia, and Latin America

Latin America, Caribbean, West Africa, Central Africa, MENA, East Africa, Eastern Europe, Central Asia, China, South Asia, South East Asia.

Our grantees are located in East Africa with most being in the cities i.e. Kenya-Nairobi, Mombasa and Kisumu; Uganda-Kampala; Burundi-Bujumbura; Rwanda-Kigali; Tanzania-Dar es Salaam and in Zanzibar.

They can be located anywhere in the world. We currently have 21 grants from our 2012 budget (Sierra Leone, Benin, Cameroon, DRC, South Africa; Tajikistan, Serbia, Ukraine, Russia; China, Fiji, Cambodia, India, Bangladesh, Myanmar; Argentina, Brazil, Dominican Republic, Peru; UK) and 25 grants from our 2013 budget (Kenya, Zambia, Nigeria, Mozambique; Chile, Brazil, Nicaragua, Guyana, El Salvador, USA, Canada; France, UK, Netherlands, Hungary, Kyrgyzstan, Turkey; Vietnam, China/Hong Kong, Malaysia, Thailand, India).

Afghanistan, Brazil, Burkina Faso, Burundi, Caribbean (regional network) Ecuador, Egypt, Mexico, Nicaragua, Nepal, Nigeria, Romania, Slovenia, Trinidad and Tobago, Vietnam, and Zimbabwe

Everywhere in the world. The Robert Carr civil society Networks Fund supports global and regional networks.

For example, UHAI's peer review panels include seven reviewers who speak multiple languages, usually a combination of English, Swahili, and French. This means there are seven reviewers and two interpreters involved. "It's not a challenge," explained our interviewee, but "It adds to what you must do to make it work." Another interviewee identified communications with grantees, the Steering Committee, and the peer review panel as a core issue for the PGF:

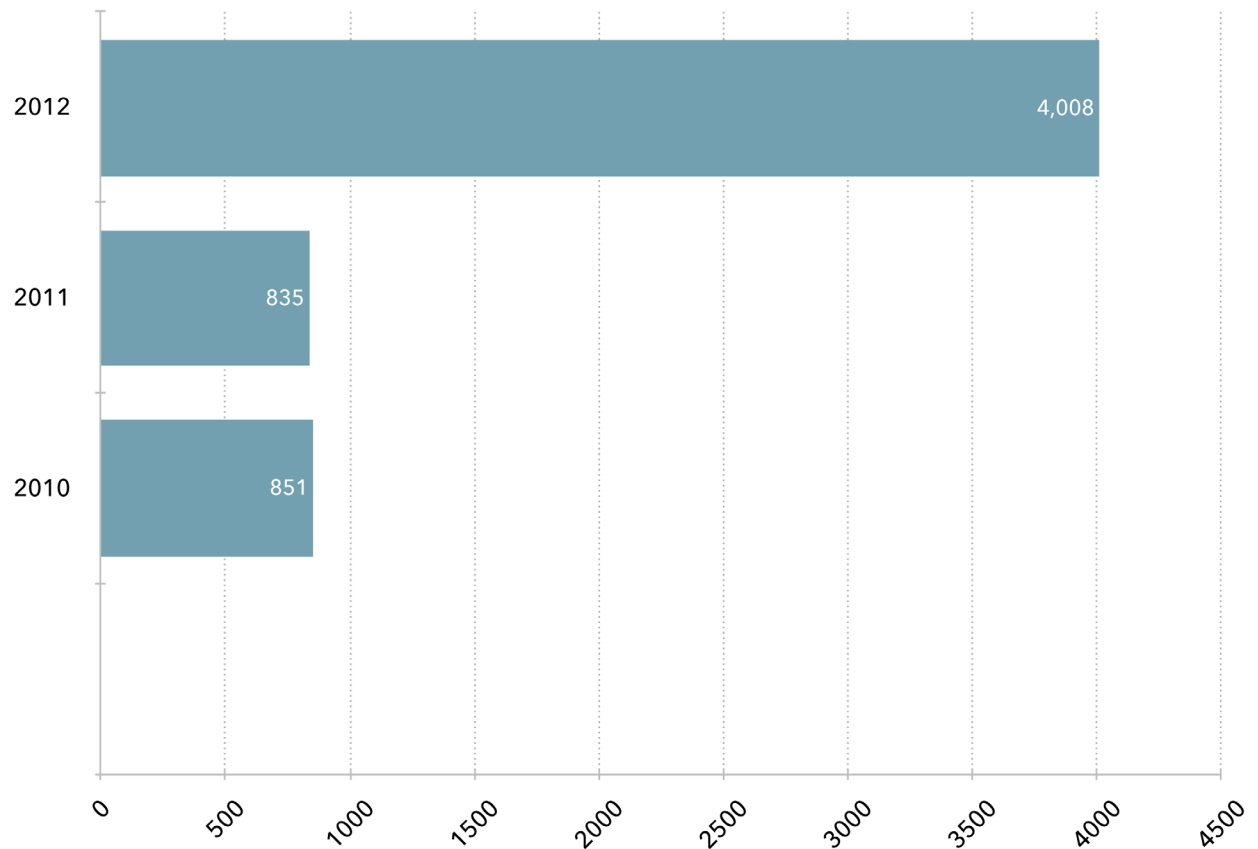
*Communications are a challenge when your work is in four languages. It can cause a bottleneck in the process. Any message must be translated into three languages. It's a challenge that can be overcome. But it requires our organization to prioritize regular translation, which requires both money and time. Budgeting and planning for regular translation is essential. We must ensure that nobody feels things are happening without them being included. Also, different words can mean different things to different people, so we've found that it's important to check translations, or build a relationship with a translator who gains understanding of our context.*

One interviewee whose PGF currently works in five languages was looking towards an end-of-year review to assess further language needs so as to improve outreach to targeted regions and subregions that may currently be underserved.

## **Staff Capacity**

The interviewed funds all reported small staff sizes, ranging from two to six full time equivalent staff. At the same time, respondents reported receiving a combined total of over 4,000 applications in 2012. Interviewees spoke about learning the lesson that "You can't do it all."

## How many proposals did you receive in each fiscal year?



7 respondents gave information for 2012, 4 for 2011, 4 for 2010

“

*I work with activists who work 24-7, many of whom are doing this work and then working [for pay] all night. You want to do everything, but of course it's unrealistic. My goal is to turn the position into a realistic and doable job.*

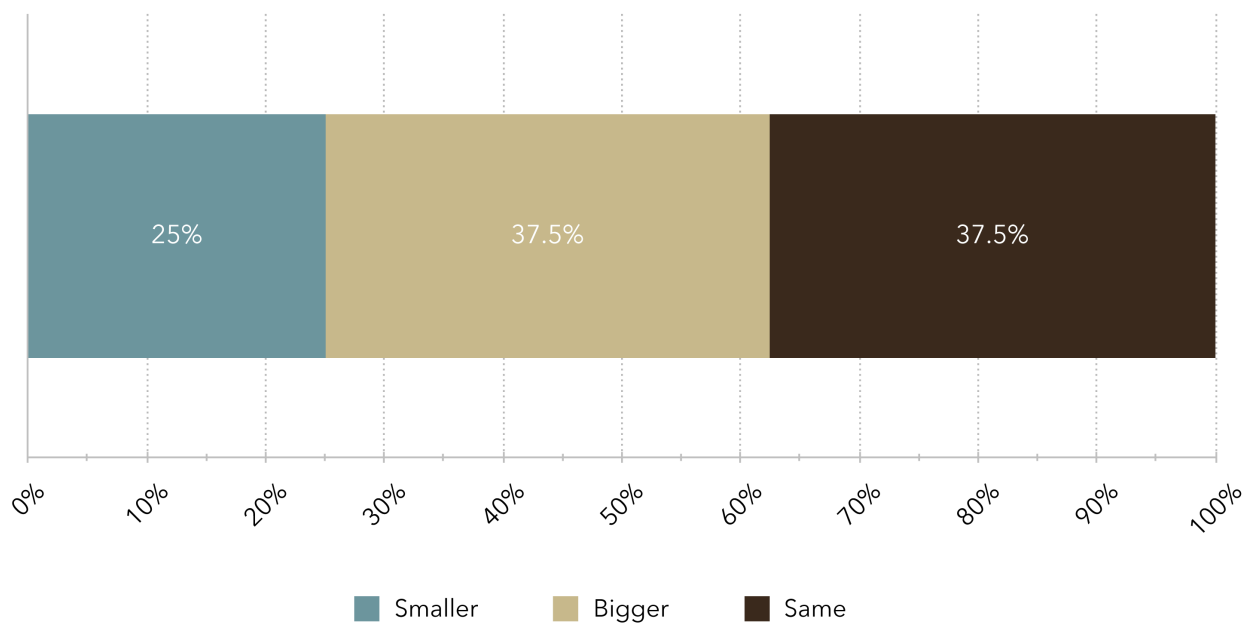
*It's so exciting, and there are so many avenues and partnerships to explore. It is easy to get distracted. Donor education, advocacy, and other things we are involved in need to be balanced with making sure grantmaking doesn't stop, and not having mission creep... There is pressure to be a leader that is tireless, always working, no balance, et cetera. Despite working across time zones, we are trying to model a sort of leadership that isn't going to lead to burnout. Hopefully co-leadership is a structure that supports this by sharing challenges and successes so that people aren't so isolated.*

Another interviewee shared the realities of “severe funding limitations, and personnel limitations” in their work:

*There is far, far more need than resources. A huge gap. Hardly anybody is doing funding in this arena. We struggle with constant guilt about having to say no, responding to questions like “Why did you choose this country over ours?” and realizations about who we can actually reach and not.*

We found no cohesive trend in changes in staff size over the past three years: 38% of respondents reported staff had grown, 38% reported staff had stayed the same, and 25% reported decline in staffing numbers. However, 100% of respondents reported using consultants, with an average of 7.3 consultants per PGF in 2012.

### Has your staff sized changed over the last 3 years?



8 responses

## How much money (in US dollars) did you spend on consultants in each of the last 3 fiscal years?

	Average	Minimum	Maximum	Total
<b>2012</b>	\$111,260	\$8,000	\$251,100	\$670,660
<b>2011</b>	\$139,368	\$22,903	\$230,200	\$622,671
<b>2010</b>	\$127,352	\$25,656	\$196,400	\$545,808

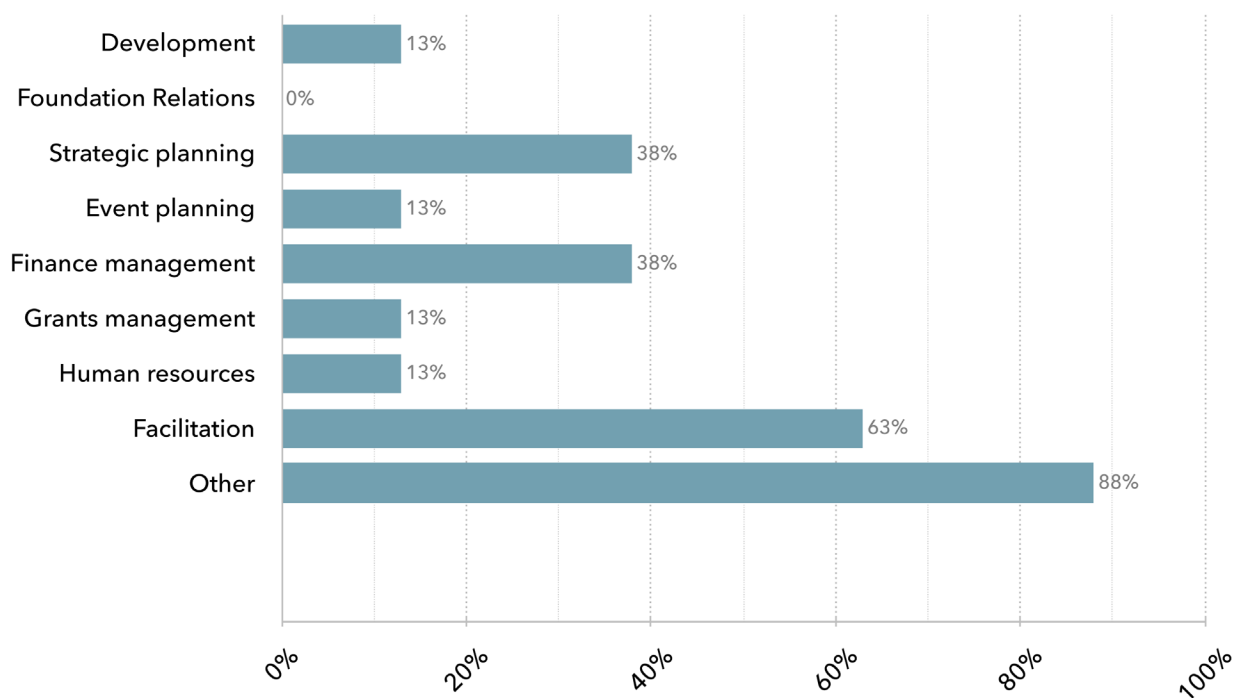
5 respondents gave information for 2012, 3 respondents gave information for 2011 and 2010

## How many did you use in each of the last fiscal years?

	Average	Minimum	Maximum	Total
<b>2012</b>	7.3	2	22	44
<b>2011</b>	6.6	2	16	33
<b>2010</b>	9.5	2	25	38

5 respondents gave information for 2012, 3 respondents gave information for 2011 and 2010

## What services do the consultants supply? Check all that apply.

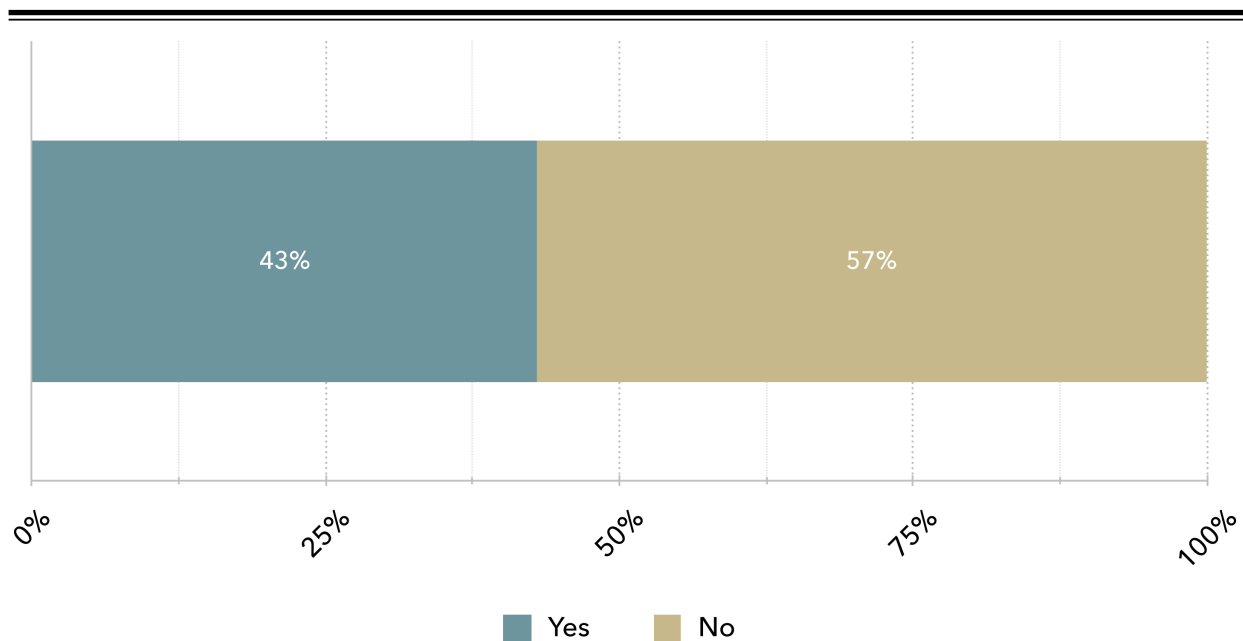


5 respondents gave information for 2012, 3 respondents gave information for 2011 and 2010

## Fiscal Oversight

Nearly half of the PGFs we surveyed are fiscally sponsored: 43% of respondents listed Tides Foundation (and its program Tides Center), Mama Cash, and the Association for Women's Rights in Development as sponsors. A fiscal sponsor can function to remove some of the burden of financial, human resources, and administrative processing from a relatively small PGF. However, fiscal sponsorship also adds costs, with respondents noting administrative fees for receiving donations, as well as for each grant given. One interviewee reported that the PGF's fiscal sponsor handles internal evaluations and audits, but as the fund's government funding grows, auditing needs also must develop to acquire new organizational processes.

### Do you have a fiscal sponsor?



7 responses

# SO WHAT DID WE LEARN?

The Lafayette Practice conducted a study of eight leading international Participatory Grantmaking Funds with the follow goals:

- Create assessment criteria to describe core characteristics of PGFs.
- Illuminate promising practices and innovations.
- Examine and highlight unique solutions these funds have developed to address the Participatory Grantmaking model's operational, budgetary and administrative particularities.
- Establish baseline for Participatory Grantmaking models that will enable donors to evaluate potential new Participatory funders for efficiency.
- Assist existing Participatory Grantmakers to understand how they operate within the field.

We learned that the PGFs we studied vet thousands of applications and grant a significant amount of money each year, over three and a half million dollars in 2012. On average, 61% of their funds go directly to grantmaking.

We discovered what seem to be essential qualities of the Participatory Grantmaking model:

- Grant review panels are made up of individuals directly impacted by the applicants they review.
- Funds tend to select peer review panelists through an application process.
- PGFs make grants predominantly to small organizations.
- The grants given out by these PGFs tend to be small grants.
- PGFs have staffs ranging from 2 to 6 full-time equivalents.
- PGFs operate without an endowment.
- They do not require a letter of intent or preliminary application.

Our research revealed that a PGF model possesses the following benefits:

- **Innovation & Flexibility:** PGF has the capacity for flexibility and maintaining a dynamic organization. Because they are smaller and use community activists in their operations, PGFs are more adept than traditional foundations. They can make significant impacts with small sums of money.
- **Transparency:** Participatory Grantmaking requires a shared understanding and clarity about all parts of the process. With participation by a large number of people from diverse experiences, Participatory Grantmaking necessitates transparency, accessibility, and authenticity.
- **(Cost-) Effective:** PGFs frame efficiency not in terms of time and money spent. Rather, they maintain that having one person make grant decisions is not effective if those decisions do not emerge from thorough understandings of the implications of the award. Beyond this, the structural model for grantmaking in PGFs – which may require additional costs – also yields added value in terms of connecting organizations, movement building, and increased philanthropic literacy for panelists, which can strengthen panelists' own fundraising, movement building, and leadership efforts.



- **Capacity Building:** PGFs pay powerful attention to capacity building among their communities of concern. The technical assistance, capacity building, and coaching offered by PGFs enable groups to pursue additional funding, often from traditional institutional donors.
- **Building Solidarity:** The PGFs we surveyed enjoy close relationships with each other. They take advantage of opportunities to increase solidarity among grant-seekers and peer review panelists. They seek to advocate for this practice in traditional grantmaking and to begin exploring ways to convene, formally share knowledge, and build/leverage power among the communities they serve.

PGFs face challenges as well. Most significant among these are:

- **Conflicts of Interest:** PGFs have developed sophisticated ways to deal with potential conflicts of interest, both among Board members and, more importantly, among the peer reviewers upon whom they rely to make funding decisions. Different from traditional grantmaking, conflicts of interest are openly acknowledged and addressed to make the decision-making process more equitable.
- **Diversity of Income Streams:** The PGFs we surveyed have between four and eight institutional donors, with many donors supporting multiple PGFs.
- **Complex Logistics:** By nature of their work to bring the grassroots into funding practices and due to their relatively small operational budgets, the small staffs at PGFs have to negotiate complex logistics that can burden the organizations.

In conclusion, TLP considers that PGFs function as a powerful intermediary between grassroots organizing and traditional and institutional donors. They function as a learning hub, offering significant technical assistance and support in addition to grants. Professionally managed, well governed and disciplined, these PGFs demonstrate a model worth exploring. They represent a remarkable and cost effective entry point into areas that many larger institutional grantmakers are beginning to explore.

## WHAT IS STILL LEFT UNDONE?

PGFs present an exemplary and effective model worthy of further exploration, reproduction, and investment. While the PGF model is innovative, it is now building on three decades of experience, experimentation, and learning. We believe the PGF model is an intelligent, scaleable, and effective approach.

Our analysis of PGF funds was initiated to compare the operations of the surveyed Funds. We did not attempt to measure or compare the impact of the funding model, but we believe that studying the impact is a necessary Phase Two of this research. With this in mind, TLP offers three recommendations:

- First, we recommend a study of the impact of Participatory Grantmaking.
- Second, we recommend a comparative study of PGFs in relation to traditional philanthropic models. This study will increase clarity about promising practices, innovative strategies, and logistical solutions that can be shared across grantmaking methods, as well as illuminating the areas where the practices and outcomes diverge. We recommend a Comparative Impact Study that analyzes examples where Traditional Grantmaking and Participatory Grantmaking funds are both invested in shared communities of concern. Are there differences in impact of those investments?
- Third, we recommend creation of a formal network of Participatory Grantmaking Funds. We consider it vital that PGFs develop means for sharing information on a regular basis. The PGFs we researched shared many similar challenges and would benefit from mutual/shared support. Key capacity deficits in core staff support, technical skills, and outcomes tracking may necessitate strategic investments in training and professional development. Formalizing information and resource sharing, promising practices, and so on would provide opportunities for developing capacity across the broader field of human rights.

# WHAT ARE YOU PROUD OF?

Closing this report, we share a few of the statements we heard in response to an interview question about what these leaders of PGFs are most proud of.

“

*I'm proud that with few resources and a small administrative platform, we are managing to meaningfully give decision-making power to the groups. And we are reaching groups that are very, very grassroots. This is a validation of the need for the fund. Within the first year, we had over 1,000 applications, including from incredibly remote contexts, groups that had never received funding, groups operating in dangerous and difficult conditions, and groups that have limited Internet access.*

*I'm really proud of having a sex worker-led grantmaking fund up and running in a really short period of time. In the same year of set up, 21 grants were made. In 1.5 years the Red Umbrella Fund is supporting 46 sex worker-led groups in every region of the world. Very new, very young groups, many unheard of. And more established groups. Male, trans, female. A Peer Review process and sex-worker led steering committee made all core decisions. And at a global level - with so many practical and logistical issues to handle! The grantees' work is really what I'm most proud of - what they've been able to do with \$10,000. Change the world, sometimes!*

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*The joy is working with the program advisory panel. The people involved have so much knowledge and heart for the AIDS response. We constantly say to each other, “How is it possible that we are allowed to do this?” When we have meetings with grantees, it's always inspiring. There are always really interesting, and smart people involved.*

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