

# Power sharing in philanthropy

Sophie Pritchard

While many funders want to see evidence that an applicant has consulted the community they work with, far fewer involve the community or applicants themselves in setting their priorities or deciding who actually receives funding. The next step is actually putting decisions into the hands of those you seek to help. There are some inspiring examples of collaborations between donors and communities which give majority say to those from the community they fund.



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### Collaborations between foundations and community activists

#### *Disability Rights Fund*

Established in 2008, Disability Rights Fund is a pooled fund with six donors: a government, some private foundations and a public charity. Their Global Advisory Panel recommends grantmaking strategy to the Grantmaking Committee. Two thirds of the panel are leaders from the disability movement in the Global South and the rest activists from other human rights areas. The Grantmaking Committee is made up of four of the global advisers and five donor representatives; it finalizes grantmaking strategy recommendations as well as grants decisions. The final say is with the board, which is committed to 50 per cent representation of people with disabilities. The majority of staff are also people with disabilities. Sharing power with activists keeps Disability Rights Fund and its donors informed of trends and the needs of the movement as it grows; it also expands the reach and credibility of the fund.

#### *Red Umbrella Fund*

The new Red Umbrella Fund is a sex worker-led fund supporting sex worker-led groups around the world.

Their model is very similar to Disability Rights Fund. The International Steering Committee (ISC) is the main strategic decision-making body; at least 51 per cent of its members are current or former sex workers, the rest are representatives of funds that support sex workers' rights and provide financial support to the Red Umbrella Fund. The Programme Advisory Committee (PAC), at least 80 per cent of which consists of sex workers from different geographic regions, selects applications for funding, which the ISC then approves. Both the committees include some current grantees. ISC members are self-nominated and elected (by a subcommittee of the ISC) for a two-year period. PAC members are also elected by a subcommittee of the ISC; it is expected that several members will be replaced after one year.

A challenge Red Umbrella Fund has faced is the conflict of interest that arises when community members decide about applications from 'fellow' groups. Naturally committee members are likely to treat applications from those they know more favourably, if only because they may seem a safer bet than those they don't. In order to tackle this issue the fund has both a conflict of interest and a confidentiality policy, which ensures that decisions about funding are made in a transparent, fair and honest way.

While both these funds give more voice to community activists, it's hard to imagine that they could easily disagree with those who actually fund the work. However, Rani Ravudi, a member of Red Umbrella Fund's ISC, makes it clear that they're 'getting the donor agencies to listen to the sex workers rather than having the donor agencies telling the sex worker community what to do with their funds'. Pontso Mafethe, an ISC donor representative, adds: 'You think you know a lot, that you understand a lot . . . The first-hand experience of interaction with sex workers on strategic issues has increased my understanding beyond what I thought it could.'

**Edge Fund** aims to present an alternative funding model which breaks down the usual power dynamics in funding; it is based on democracy, accountability and transparency. Launched in December 2012, it has adopted a cooperative structure and is run by its members, who determine both the strategy of the fund and which groups receive funding. Members come from many different backgrounds and include both individual donors and past and potential grantees. The decision-making process culminates in a meeting which includes both members and applicants who decide together how funding should be allocated. We have two overlapping funding streams: radical political groups aiming for systemic change and oppressed communities organizing themselves and taking action against the injustices they face.

### Collaborations between individual donors and community activists

#### *The Funding Exchange*

The Funding Exchange was set up in the 1970s with the inheritances of a group of young people. From the beginning they included grassroots activists in their grantmaking decisions. For example, one funding stream was for the LGBTQI community; people could nominate others or self-nominate and a panel was selected, with a majority from the LGBTQI community. Panel members were expected to have a good

understanding of grassroots organizing and share the values of the fund. A limited number of donors could also join panels, usually those who identified themselves as activists. While no longer running as a national body, the Funding Exchange inspired a whole network of funds across the US dedicated to grassroots community leadership in grantmaking.

#### **North Star Fund**

North Star Fund, founded in 1979, is one of the original members of the Funding Exchange. It is a collaboration between donors and community activists who share a commitment to building the leadership of those most affected by injustice. Their board comprises in equal parts people with inherited wealth, professionals in various fields who come from communities that face injustice, and grassroots activists. Funding decisions are made by the board's Community Funding Committee, a majority of whom are activists working at the community or constituency level, and the rest donors from a variety of backgrounds. Activists remain on the committee for up to three years and recommend others when they leave. Other committee members have a term of up to 18 months.

According to North Star's Hugh Hogan, 'people directly affected by injustice have the best sense of what disenfranchisement is all about, how policies affect them and what is needed to create change.' Moreover, growing income inequality and the resulting cultural and social divisions in the US mean that people seldom have relationships with people outside their class. Donors come to North Star because they feel remote from the realities of life of those less privileged than themselves. North Star's approach helps overcome this segregation.

#### **Social Justice Fund North West**

Social Justice Fund North West has taken the giving circle idea to a new level. People come together in Giving Projects around certain themes. For some of these, there's no minimum donation, so there's a mix of people from different backgrounds and wealth. Over a period of seven months, this group looks at and aims to overcome the issues associated with cross-class and cross-race work; they learn fundraising skills; and then they visit and select projects to fund. The Giving Project model has been so successful and popular that the fund now distributes all its money this way. This is a very time-intensive process, needing good facilitation, but

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the process has its own worthwhile, transformative outcomes.

#### ***Bewegungsstiftung***

In Germany *Bewegungsstiftung*, or Foundation for Social Movements, is funded by 130 'founders' who have put €5,000 or more into the fund. A working group of four founders and four previous or current grantees shortlist applications; final decisions are made by a committee of one representative of the founder and one of the grantees as well as three elected members from outside the network. Elected members remain on the panel for five years, the rest for three.

#### **No donor involvement**

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#### ***Global Greengrants Fund***

Global Greengrants Fund is a pooled fund that supports grassroots environmental action in the Global South. Most of its funding comes from foundations, with an equal amount coming from individuals and carefully scrutinized corporations. Community leaders and activists form 13 regional advisory boards; these include journalists, lawyers, NGO leaders, scientists and academics. These local experts decide on the funding strategy and allocation of funds for their region; there is no overall organizational strategy. The boards are self-governing and self-reproducing. Donors are not involved in decisions about grants, although they can choose to earmark their funds for certain themes. The only exception is the handful of donor-advised funds, where the donor has more say.

#### ***UHAI***

UHAI is an activist fund rooted in the East African sex worker and LGBTI movements. Staff, management, board and peer grants committee are active in these movements and recruited from within East Africa. The peer grants committee makes funding awards. Its nine activist members are nominated through an open process and sit on the committee for at least two grantmaking cycles. UHAI is funded by private foundations and bilateral funding agencies in Europe and the US. As with Global Greengrants Fund, while they may restrict their funds to certain themes, none of them are involved in deciding who receives funds.

#### ***XminY Solidarity Fund***

XminY Solidarity Fund supports social movements around the world. Their decisions are made by regional

panels of people who have a strong connection with the fund's goals. While all are Netherlands residents, many originally come from the regions relevant to the panels they sit on. There is no formal time limit for membership of these panels, but board members, who set the criteria and budgets, are replaced every two years. As with Resist, a US-based activist-run fund, the funding comes from thousands of individuals giving small amounts; this gives the fullest flexibility in how funds are used.

#### ***Southern Partners Fund***

Even where large donations are involved, it is still possible to maintain independence. Barbara Meyer provided the initial funding of \$12 million to Southern Partners Fund, which supports rural community organizing in the south-east US. But she has no official role in the fund, believing 'that the real expertise for solving community problems lies with a community's own leaders, not with academic or large non-profit institutions'.

SPF is member-run; all members commit to being active by attending meetings, participating in SPF organizing networks, providing peer support to members and grantees, and joining its committees or board. The membership elects the board at an annual meeting. Membership terms are five consecutive years; this is renewable. Board members serve three years, which can be renewed once. The board is composed of rural grassroots activists who have been or are currently grantees. Grants decisions are made by the grantmaking committee; again members are all rural organizers and former or current grantees. With the support of SPF staff, grantmaking committee members review proposals, hold site visits, write up evaluations and make the final funding decisions. Sadly, SPF finds it difficult to attract significant foundation investment. 'We see democratically controlled and shared power as being a significant new paradigm that has yet to be fully utilized or supported,' says Ron White of SPF.

#### **Concerns with the committee model**

Though donor power is minimized, power can easily be concentrated in another small group, particularly if people remain on committees for a long time. Where people can remain on panels indefinitely this could be particularly problematic. Neither XminY Solidarity Fund nor Global Greengrants Fund has a fixed term and both have some panel members who have been there

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for as long as ten years. An argument in favour of this is that it helps to retain knowledge about groups funded previously, and often panel members build up large networks. There is also a practical argument: the process of electing and training new committee members can be time-consuming.

Accessibility is another potential concern with committee models. Often a prerequisite of being a committee member is having time, expertise and connections. This can favour activists with a higher level of education or stature within the movement, and exclude those with less privilege and power. Where new members are elected by the existing committee, the circle may become even narrower. Moreover, it's possible that groups known to the committee and their wider network are more likely to know about the funding and could be more favourably viewed than those the committee has no connections to.

These issues can be overcome by ensuring committee members change regularly, that the process for electing new members and reaching potential applicants emphasizes accessibility and inclusivity, and having checks in place, such as conflict of interest policies.

#### **Alternatives to the committee model**

##### ***Involving much larger groups of people***

Some funds, while still having traditional structures for deciding overall strategies, have introduced alternative processes for distributing funds. Rather than decisions being made by small committees, much wider groups of people are involved.

**Community Foundation for Northern Ireland** (see p53) provides an inspiring example of how grantmaking can bring a community together while also contributing to community development. It developed the consensual grantmaking approach, in which foundation staff help the local community come together to decide what the priorities are and what should be funded. It's an intensive process but is perhaps the one most likely to give a voice to those who might find it difficult to access or participate in decision-making panels.

##### ***Flow funding***

Flow funding is another example of power sharing. Donors give activists a free rein to distribute a set amount of funds as they see fit. The amounts tend to be fairly small and while many of the activists are not from the communities who eventually benefit, the model shifts decision-making power from the wealthy person. Some flow funders also pass the funds on to communities to distribute themselves. For

example, one flow funder had his own flow fund circle of six Buddhist monks in Thailand. They walked across Thailand with their funds and responded to requests from the community.

### *Putting decision-making power in the hands of applicants*

Frida Young Feminist Fund is a new fund; it is led by young women and funds work led by young women. Its approach is perhaps the ultimate in putting power in the hands of the affected community. After applications are vetted for eligibility, applicants are asked to assess each other's applications through electronic voting, where they also share feedback. This approach is based on that of the Central America Women's Fund – FCAM (based in Nicaragua), which has used this model for many years (see p51). Applicants come together in a final meeting where projects are discussed and funding allocated.

One concern here is the burden on grantees. For many, completing the application form is hard enough, and finding time to take part in scoring may be difficult, especially where groups don't have good internet access. This could potentially restrict funding to groups who have the time and resources to take part. Another concern is the possibility of bias, but in practice any bias in scoring of particular projects tends to level out once all the scores are collated.

RSF Social Finance has its own take on the applicant-led approach. Inspired by the work of Rudolf Steiner, they have developed a process for distributing funds called shared gifting. Leveraging the knowledge of their community (which includes borrowers, investors, donors and grantees), RSF requests nominations of non-profits in a specific field, and calls for proposals; a staff group then determines the participants of the shared gifting circle. RSF facilitates a meeting where the participants share their proposals and their needs. At the end of the day, the participants make grants to each other. Finally, they are encouraged to reflect on the process, and given another opportunity to gift funds between the organizations.

### **Edge Fund**

At the Edge Fund, we've taken note of many of the advantages and pitfalls of the approaches described above. There are two main reasons why we feel that

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donor power should be devolved. First, communities themselves are most likely to make the decisions that work for them. Second, they have the right to make those decisions. A just and equal world is not possible if other people make decisions about our lives. From the beginning we wanted the fund to involve people from different backgrounds. We were cautious about having decision-making panels, because of the concerns raised earlier, and wanted decisions to be made by a wider group. We felt that bringing different people together who may not ordinarily cross paths could help to forge new relationships and create opportunities to learn from each other.

Many smaller, start-up and local campaigns find it hard to deal with the requirements of being a charity and often work that creates real change is not charitable. Rather than registering as a charity, we therefore registered as a cooperative, which means our funding is not restricted to charitable work, and the structure is more fitting with our values. All our members are invited to take part in the shortlisting and scoring of applications, mostly from home via email; they then meet with applicants to make the final allocations together. Applicants don't have to take part but we encourage them to do so as we feel this is important in breaking down power dynamics between funder and grantee.

One of our major challenges has been ensuring that our membership is inclusive of all the different communities in the UK and that they can all participate fully. We found that people from more privileged backgrounds were more able to take part, so we are looking at the barriers to participation and have introduced a new process where members who share identities with applicants and communities have the first say and give guidance to the membership. While this brings us closer to having a more formal panel, we felt we needed to do this to ensure all voices were heard. We will need to keep an eye on who takes part and for how long. We will also need to ensure that participating is not too burdensome. We'll continue to cover costs of participation where we can. We're committed to learning and evolving and have started a review process, seeking feedback from applicants, members and grantees.

We're also keen to collaborate with other funders, particularly those who support activism and other work that cannot be funded with charitable funds. If you're interested in collaborating, contact [edgefund@riseup.net](mailto:edgefund@riseup.net). 