

From “Innovation for Localization” to “Local Philanthropy, Localization and Power”

A learning report on
collaboration across systems

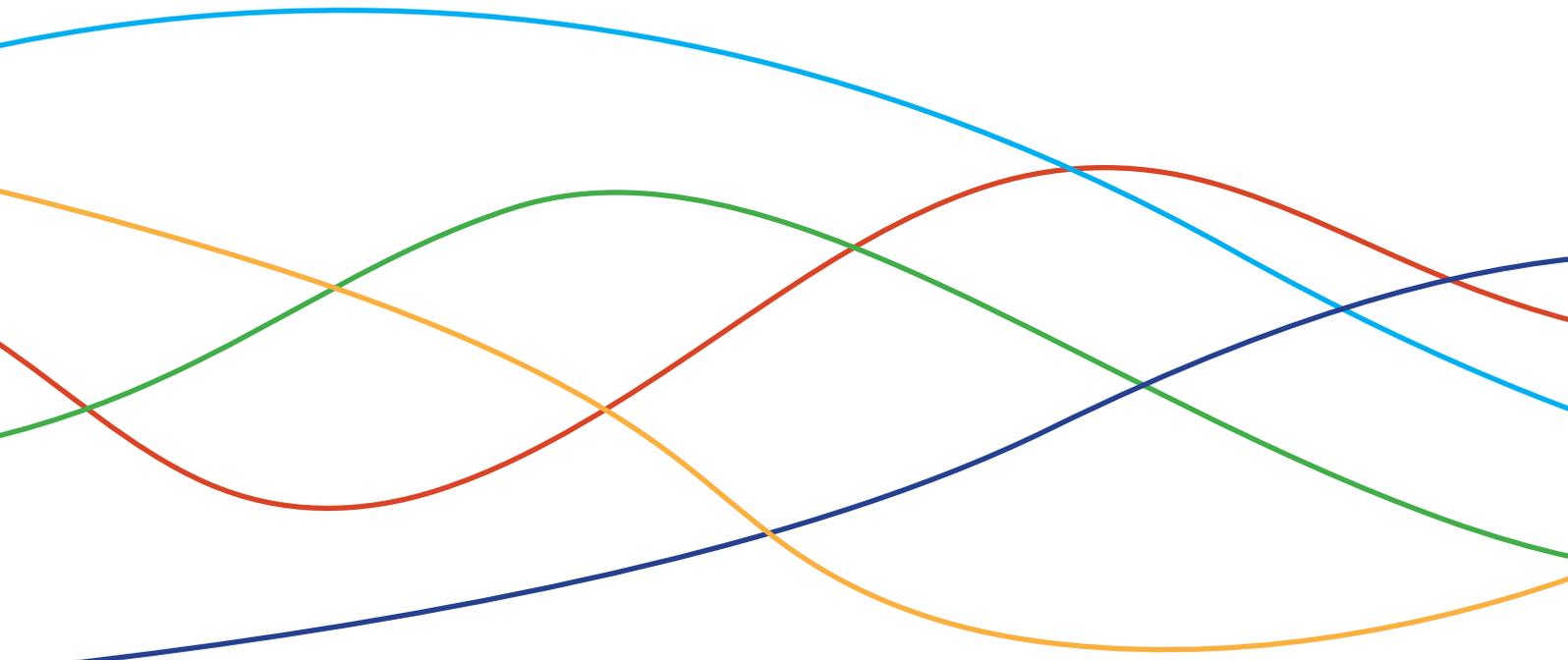
September 2022

“Large-scale problems do not require large-scale solutions; they require small-scale solutions within a large-scale framework.”

David Fleming, 2007

“Whoever funds your organization owns your organization.”

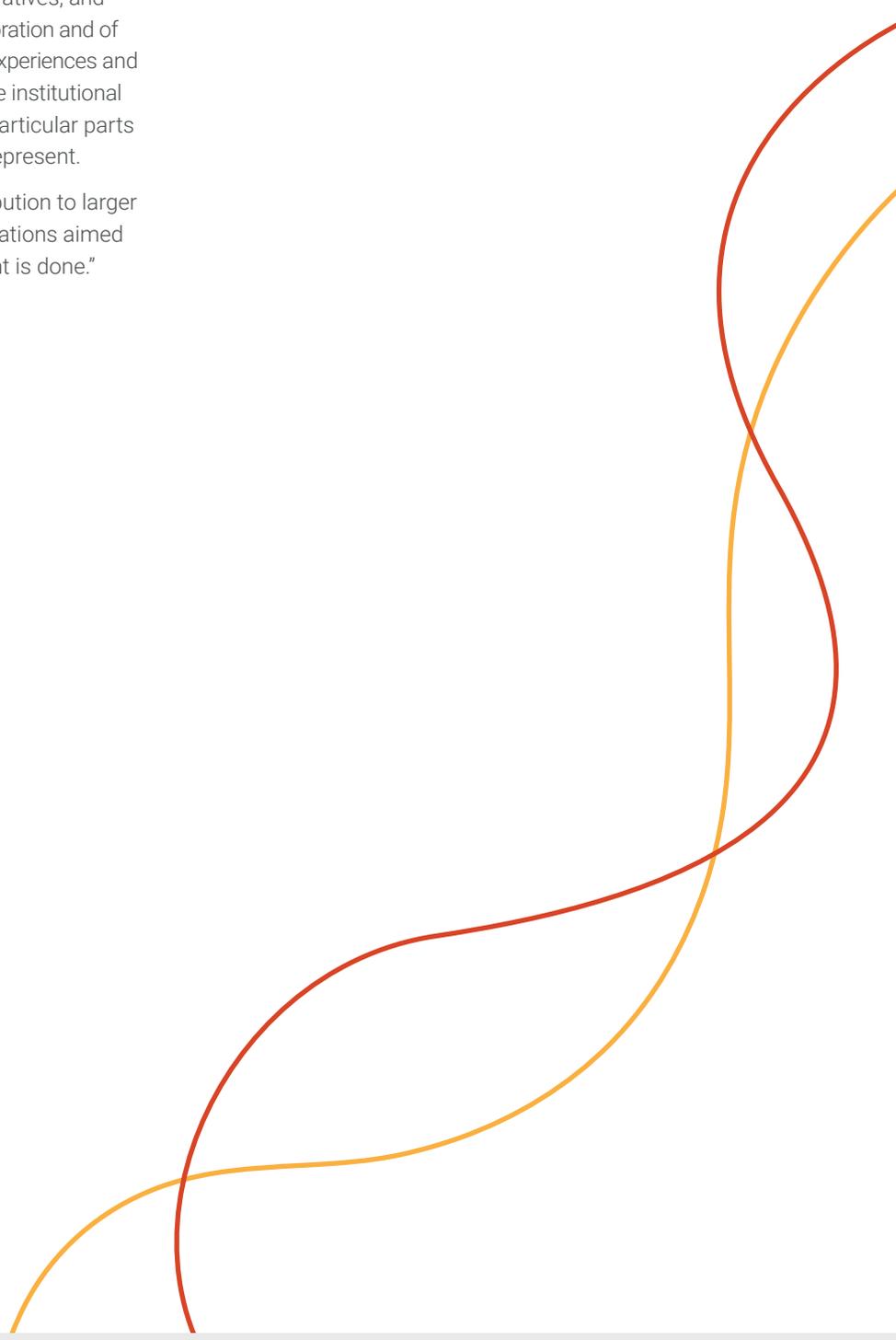
*Kim Klein, author of
“Fundraising for Change”*



Foreword

This report tells the story of an experimental project embarked upon by an “unusual alliance” of five civil society and international development actors, the purpose of which was to test the potential of new kinds of institutional arrangements, partnerships, and approaches as a strategy for advancing the localization agenda and shifting power. It was originally written as an internal learning document for those involved in the project, with the aim of surfacing some of the dynamics – both the blockers and the enablers – that can arise when diverse actors, each with their different frameworks, narratives, and assumptions, come together in the spirit of collaboration and of “weaving the new.” The report considers both the experiences and reactions of the individuals involved, as well as the institutional relationships between the different actors, and particular parts of the system – and the types of power – they represent.

It is offered here to a wider audience as a contribution to larger field-wide and systems level efforts and conversations aimed at reforming and transforming “how development is done.”



Introduction

In 2021, five organizations – Save the Children Denmark, Network for Empowered Aid Response (NEAR), West Africa Civil Society Institute (WACSI), STAR Ghana Foundation (SGF) and the Global Fund for Community Foundations (GFCF) participated in an ambitious and experimental joint project.

The aim of the project was to “test durable, locally rooted funding mechanisms” in Somalia and Ghana, with the broader purpose of contributing – by demonstration – to efforts within the international humanitarian aid and development sector to transform and localize aid.

An additional dimension of the project was the exploration of **community philanthropy** in the context of such mechanisms. Domestic resource mobilization has received little attention within the localization agenda, its focus being largely on **international** funding flows to the Global South. Here, the role of local resource mobilization as a deliberate strategy to strengthen local participation and ownership and, by doing so, to challenge traditional donor-recipient power dynamics, was a distinctive feature. In addition, implicit in the project framing was the acknowledgement that while, in certain contexts, **new** funding structures might be required, in many countries home-grown “funding mechanisms” already exist, if by another name, and the suggestion that they might also have a role to play in any reconfigured aid system.

From a systems level perspective the project presented a unique opportunity to engage in a range of different activities that combined elements of the mainstream international aid system’s need for “funding mechanisms” (exemplified by the country based pooled funds, for example), with the more emergent practice and theory of community philanthropy as a strategy for building local assets, agency and trust. In the language of systems theory, the project sought to test and implement at the intersections of **“designed”** structures (based on rules and hierarchies) and **“emergent”** ones (based on process, creativity and innovation.)

The particular configuration and diversity of project partners was also significant. Systems theory stresses the importance of the perspectives of and interplay between diverse actors in addressing complex systems, and the assumption that real change cannot be the preserve of a single organization or a single approach. While they all operate in the formal “development / civil society” space, each organization is quite distinct in terms of its focus, position, origins, structure and constituency.

For the individuals involved in the project, it represented something of a leap into the unknown. The combination of flexibility and experimentation on the one hand, and the

pressures of contractual delivery and the weight of unclear expectations on the other, contributed to moments of uncertainty and discomfort along the way. The structure of the project (in terms of duration and contractual arrangements) arguably did little to dismantle vertical power dynamics, and the inability to interact face-to-face due to COVID-19 inhibited co-creation and trust-building, particularly at the start of the project. In terms of the activities, **the imperative to deliver against fixed timelines was sometimes in tension with the need to allow processes to evolve.** And finally, geographic distances, and the lack of pre-existing relationships between various of the partners, meant that the project could easily have ended up merely as a series of transactional arrangements, a disparate composition of unconnected organizational-level activities.

But this did not happen. There was sufficient trust between individual organizations (each knew at least one other, none knew all) to get started, even if the precise direction was not quite clear, and a shared sense of the project’s larger potential significance. As partners came to know each other better through regular online meetings and were able to identify synergies and complementarities in each other’s work – both practical and strategic – relationships began to gel. In particular, the two online events organized by WACSI in April and September 2021, were extremely effective in helping to consolidate the overall logic of the project, and the enthusiastic participation of audiences from across all the project partners’ networks were further confirmation of its timeliness and relevance. At a time when it is clear that things need to be done differently, the project offered a concrete example of what “different” might look like.

About this report

The purpose of this learning report, curated by the GFCF, is to capture some of the main insights and reflections of the participating organizations and to consider the broader implications of and lessons from the project. It focuses on the experiences of those involved and the larger question of how unorthodox configurations of actors and new and different kinds of partnerships might contribute towards transformative change within the international aid system.

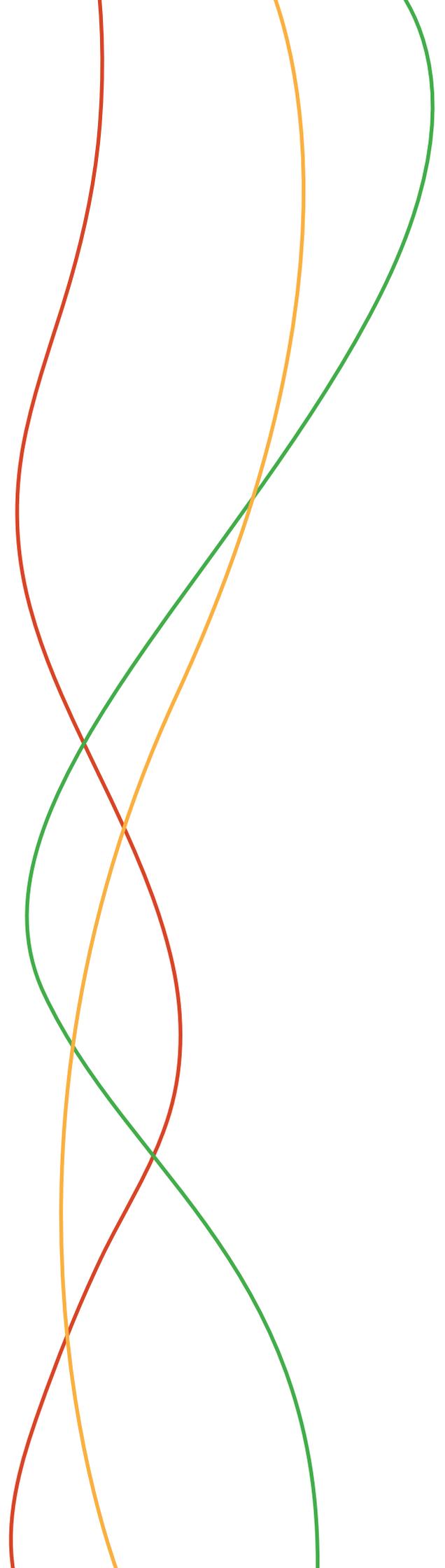
The report is in addition to the formal project reports. It draws on interviews with key project staff, project documentation and some of the literature on systems change. Its initial purpose is to inform internal reflection and exchange among and between project partners, both in terms of future action on the ground and possible dissemination and influencing strategies.

The report is in four parts. **Part 1** describes the broader context for international aid and development in which the project took place and introduces a systems lens as a way to consider change. **Part 2** provides an overview of the project and addresses the specific question of language. **Part 3** focuses on the experiences of individual project partners in the process. **Part 4** describes broader issues that emerged out of the project, their implication for systems-level work and for broader dissemination.

Part 1



New ways of
deciding and doing



a) Time to #ShiftThePower

The international aid system is in urgent need of reform. In 2016, international donors and aid providers committed to the Grand Bargain, an agreement aimed at getting more money into the hands of local people and at ensuring a more efficient and effective response to emergencies around the world. One of the specific commitments made was that, by 2020, at least 25% of funding would go directly to local and national actors. However, change has been slow, and old ways of working have often continued to prevail. In June 2020, for example, of US \$6.5 million raised in donor aid for the COVID-19 pandemic, only 0.07% (\$1.7 million) had reached local or national organizations directly.

More recently, movements such as #AidToo and #CharitySoWhite have increased pressure on donors and INGOs to rethink their roles and to shift and share power with organizations and communities in the Global South. In 2020, the COVID-19 pandemic and the #BlackLivesMatter movement further fuelled calls to “decolonize” aid, re-energizing long-standing critiques of the structural power imbalances within the aid system and re-affirming the essential role of trusted and credible local civil society actors.

While the dominant system has been challenged to transform the ways in which it works, alternative ways of deciding and doing have also been emerging – often outside the mainstream development system. These are grounded in participation, horizontal accountability, mutuality and solidarity, and are shaped by local context and opportunities, and the belief that development can and must be done differently. A 2011 report by the Ford Foundation charted the rise of a “new democratic movement in philanthropy,” pointing to the flourishing of community foundations, women’s funds, human rights funds and other grassroots grantmakers. “Such funds,” the report notes, “play important interstitial roles in society, harness the power of small grants, build constituencies among people who are oppressed and marginalized, and negotiate the territory between such marginalized groups and governments.”¹ In addition, by mobilizing local resources and encouraging communities to co-own and co-invest in their own development, these organizations are not only seeking to reduce their dependence on international funders and increase their legitimacy among local stakeholders, but they are also deliberately seeking to reconfigure their overall position in

relation to the communities they serve, both in terms of power and accountability.

Although there is a growing evidence base for the emerging theory and practice of what can be broadly described as “community philanthropy,” and funders are starting to pay attention,² it nonetheless continues to be largely overlooked by the dominant system, where the “transaction of resources” continues to overshadow any real “transformation of power.” More recently, NEAR and the [#ShiftThePower movement](#) have sought to increase the visibility and collective voice of southern actors advocating for increased flows of resources, as well as to draw attention to the existing infrastructure of trusted and rooted local actors with the capacity to leverage different kinds of resources and to disburse and direct funds effectively to local eco-systems of grassroots and civil society actors.

b) A systems approach to change

Systems thinking “means understanding the web of interrelations that create complex problems and rethinking assumptions about how change happens.”³ In the context of international development, it requires the ability to locate high level, policy-type matters (and flows of millions of dollars) alongside hyper-local actions and behaviour changes (in Ghana, the community member giving 10 cedi for the first time, for example) and to appreciate the essential connection between them.

As Burns and Wolsey note, change is highly context-specific, often emanating from tiny local interactions that can have a big impact over time because, cumulatively, they shift the dynamics of the wider system (which may be highly resistant to externally imposed change). Effective change agents, therefore, need to operate at the most local level of interactions, and to investigate, acknowledge and support the local-level diversity that produces small-scale change.⁴

Systems theory also emphasises the importance of diverse perspectives and disciplines in being able to see the system as a whole (rather than individual components in isolation). In the context of international aid, therefore, this indicates the importance of strong and equitable relationships between actors (partners rather than implementers) located across the entire system, based on a shared sense of purpose – rather than contracts – who are able to value and leverage each other’s respective assets.

The Two Loop Model is a model of change that describes non-linear, emergent process within the context of complex systems. In their paper, *Using Emergence to Take Social*

1 Knight, B. (2011). *Supporting Democratic Philanthropy: Lessons from Ford Foundation programs*, New York: Ford Foundation.

2 These include the Dutch government (<https://globalfundcommunityfoundations.org/?s=giving+for+change>) and the European Union (<https://globalfundcommunityfoundations.org/?s=european+union>).

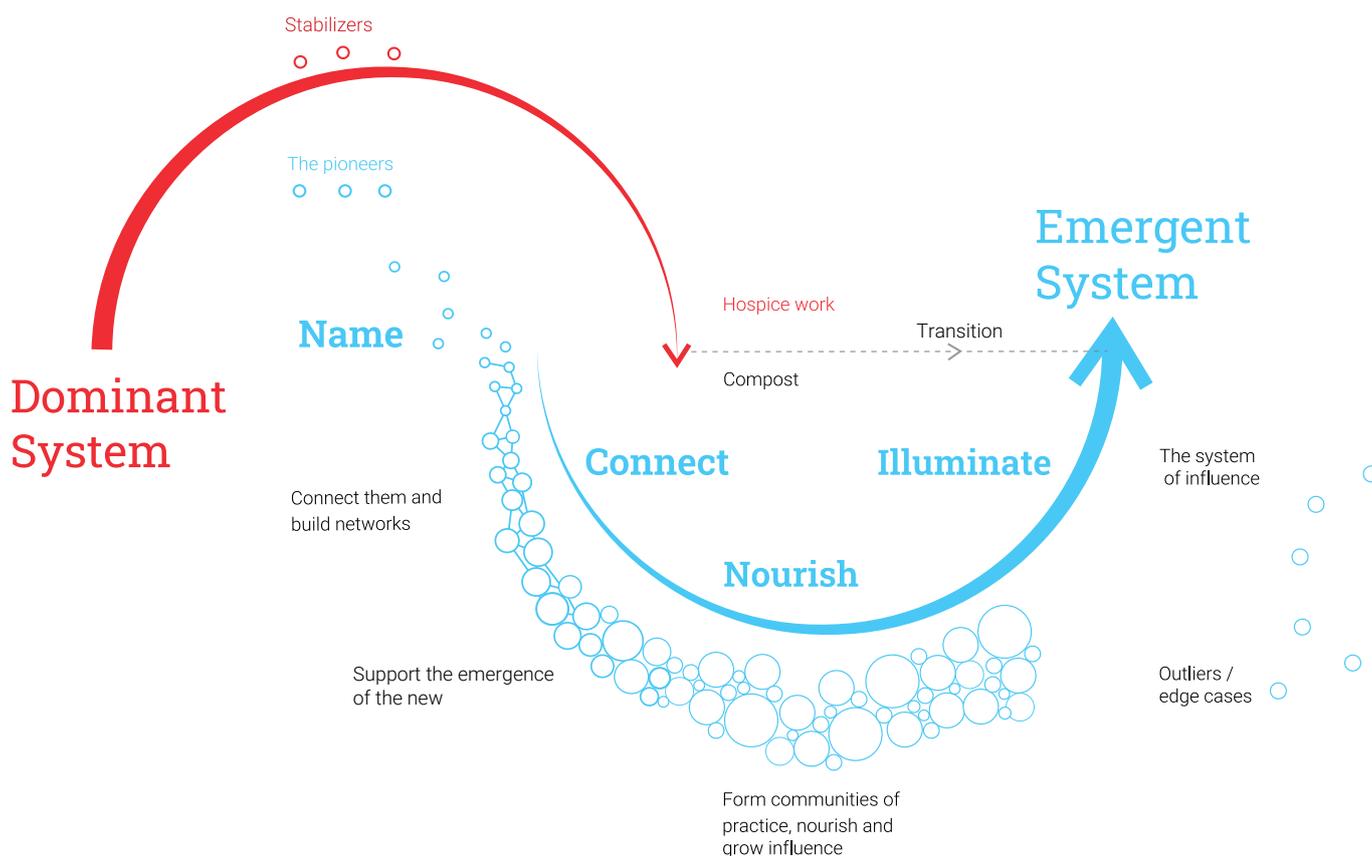
3 https://ssir.org/articles/entry/three_keys_to_unlocking_systems_level_change#

4 Burns, D. & Worsley, S. (2015). Rugby, UK, Practical Action Publishing

Innovation to Scale,⁵ Wheatley and Freize argue that all living systems (including those designed by humans) are constantly evolving, and that transformation is a combination of growth and decay. "As one system culminates and starts to collapse," they note, "isolated alternatives slowly begin to arise and give way to the new."

While the two-loop model can be usefully applied at the organizational level, it also offers a way in which to consider some of the current shifts in the entire aid system. "International development aid," as it is understood today, originated from the Marshall Plan for post war recovery and reconstruction in Europe, with President Truman asserting that aid to poorer nations was an important part of US foreign policy. Over subsequent decades, it became engrained as the dominant paradigm, held up by significant resources, powerful structures and a weight of highly invested actors. Recent shocks to the system, however, have meant that the hairline cracks which have long been there, are starting to expand and to affect its foundations. For some, (although by no means

all) the perception of permanence has started to give way to a recognition of decline and of the need for fundamental transformation. However, transformation from within a dominant system can be hard, fraught with anxiety around potential loss and with few incentives and little room to innovate and test alternatives.

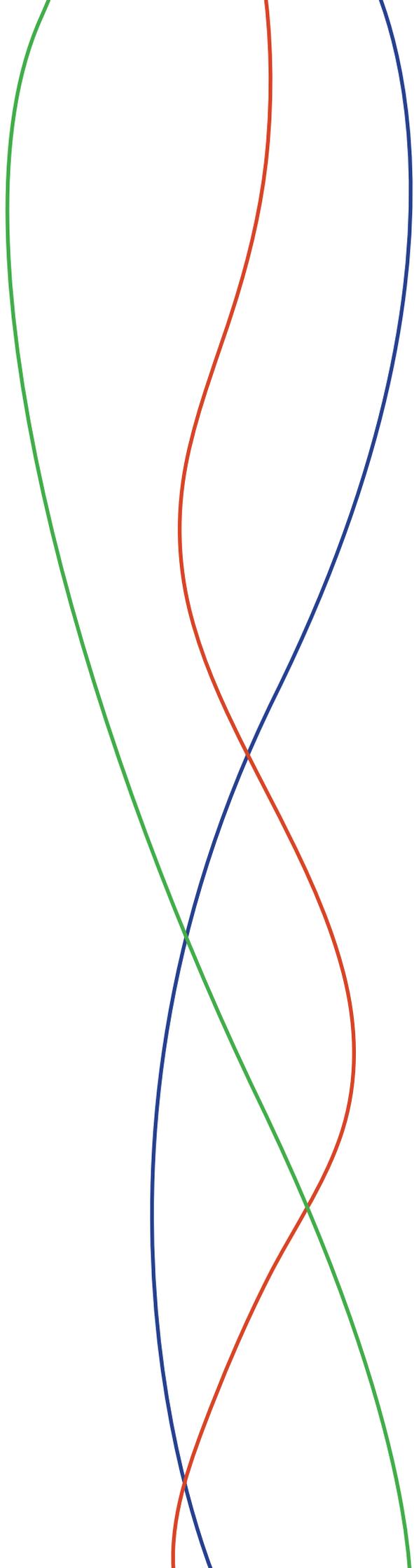


⁵ <https://margaretwheatley.com/articles/emergence.html>

Part 2



Framing the project



a) About the project

The aim of the project, as described in the formal documentation was: **To field test a durable and sustainable national / locally rooted mechanism which can release funding to local actors efficiently, transparently and flexibly in West Africa and Somalia.** In practical terms, specific responsibilities were allocated along the following lines:

- NEAR would lead a process in Somalia to create a new national grantmaking fund;
- SGF would engage in a grantmaking pilot in Ghana, aimed at targeting grants to grassroots groups and exploring strategies for growing local philanthropy;
- WACSI would conduct a broader landscape study aimed at mapping indigenous foundations and local philanthropies, and at catalysing broader regional debate around the politics and practices of international development actors; WACSI would also support SGF in documenting key learnings from the project;
- The GFCF would provide support with project framing and activities in West Africa and would seek to advocate and influence among other donors and INGOs for this kind of approach, convene the project partners, and produce a final learning report.
- SCD would provide funding, access to its network and space for regular learning sessions.

For each partner, the entry point from which they approached the project was different as the table below seeks to describe.

The timing of the project was short. Grant funds were released to the GFCF (and then to WACSI and SGF) in March 2021, with an initial end date in May. This was extended twice more and the project eventually ended in December 2021.

Although the spirit of the project was one of co-creation and co-ownership (emergence), the nature of the donor funding (from DANIDA) also necessitated a “hierarchy of contracts” (from SCD to NEAR, from NEAR to GFCF, from GFCF to WACSI and SGF etc.) (design).

Project partner	Type of organization	Framework for engagement	Role
SCD	INGO	Localization	Flexible support for funding mechanism / hands off
NEAR	Global South network	Localization / nexus	Design and test a locally owned mechanism
GFCF	Global grassroots grantmaking / network builder (#ShiftThePower)	Community philanthropy / #ShiftThePower	Convergence of top-down / bottom-up approaches
WACSI	Regional civil society resource centre	Local civil society strengthening / local resource mobilization (#ShiftThePower)	Transformation of aid / supporting and highlighting local alternatives
SGF	National foundation	Civil society, rights claiming, local philanthropy (#ShiftThePower)	Opportunity for strategic experimentation

b) Language and systems

Language matters, and the international aid industry has long been loaded with jargon and code-words which have shaped the discourse and conditioned behaviour and meaning. Although there is a growing awareness of the ways in which language (terms such as “beneficiaries” or “the field”) can inadvertently “steer” roles and relationships and reflect and reinforce power differentials, seemingly neutral, technocratic, language can also be subject to multiple interpretations.

While the project description represented a genuine attempt to sketch out, neutrally and loosely, some basic common features of a “thing” through which external resources might be deployed as effectively and equitably as possible, as the following table suggests, how individual words are interpreted and the associations they carry inevitably vary according to where one is located – both geographically and on the spectrum of dominant and emergent systems.

Early on in the conversations with WACSI and SGF, when it was not entirely clear to the two West African organizations what they were being asked or invited to “do” and what freedoms they might have to innovate and explore, the GFCF developed an alternative framing question for the project that sought to locate “funding mechanisms” in the context of broader eco-systems and debates, and to emphasize the project’s disruptive ambitions.

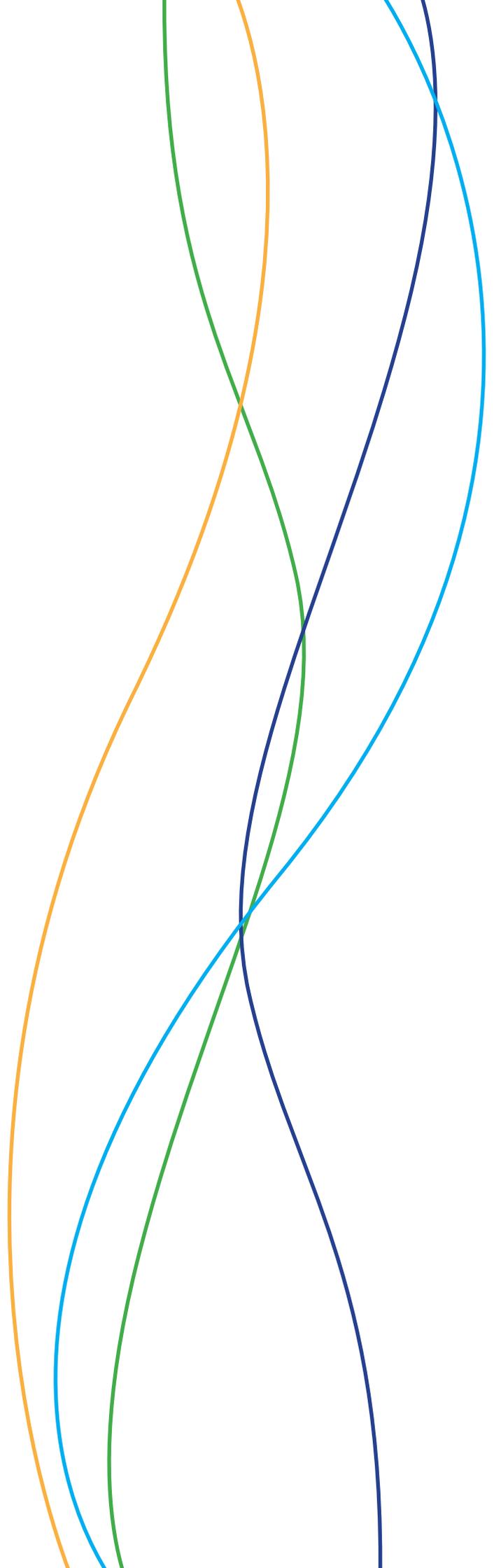
Is it possible to negotiate, construct, nurture new ways of working, new types of partnerships that could see increased flows of international (humanitarian aid and development) funding pass to and through African grantmakers / foundations (existing and future ones) and, in the process, leverage local resources, grow local constituencies and work towards “the system we want”?

	Dominant system	Emergent system
“Durable and sustainable”	Sustainable – usually associated with financial health; something that is maintained at the same level (or, ideally, that grows) year to year.	Durable – long-lasting, able to endure external shocks and to adapt to changing circumstances. Not necessarily linked to financial growth. Durability as a sign of local relevance.
“Locally rooted”	Nationals of the country occupy key position in the organization and governance (greater emphasis on “local” – which itself is a contested term – than “rooted”).	Local staff, board. Rootedness is evidenced by e.g. strength of relationships with community actors / communities, community contribution (giving), participation in decision-making etc.
“Release funding”	Grantmaking – disbursing international funding, intermediary function, emphasis on project delivery. “Hands off” approach.	Grantmaking – deliberate development tool: releasing resources at levels at which they can be absorbed for community-directed action; non-financial “accompaniment,” grassroots actors. Money as one input.
“Efficiently, transparently and flexibly”	Usually defined and determined by international actors (flexibility often problematic). Emphasis on financial reports and results against log frames. Intermediary charges a management fee.	International donors not the only ones deciding on what is efficient, transparent, flexible etc. Local stakeholders (local donors, partners, communities) need to trust the organization too. Other metrics beyond what project “bought,” such as trust, strength of networks etc.

Part 3



Reflections from
project partners



This section of the report details insights and reflections from staff from individual organizations regarding their participation in the project and how their perspectives evolved along the way.

a) STAR Ghana Foundation

For SGF, participation in the project came an opportune moment. The organization was at a crossroads, having recently transitioned, after eight years as a multi-donor pooled funding mechanism, to a fully independent national foundation and centre for active citizenship and philanthropy. In the context of the systems framework proposed earlier in the report, SGF had transitioned from the “dominant” to the more “emergent” side of the system, away from delivering against the immediate priorities of donors towards the concerns of citizens, and from being a well-resourced donor intermediary making large grants to a national foundation targeting smaller community-based actors. Inevitably, this transition had not been without its challenges, not least managing the expectations of stakeholders who were familiar with the “old” STAR Ghana programme while also determining its new position in the system.

SGF recognized that the project presented an opportunity to test different ways to engage local partners and to begin to explore alternative resource mobilization. However, it was initially a challenge to understand the overall framing of the project, to “translate” it into what it meant for them, and to understand what they, SGF, were “expected” to do. One staff member noted, “We had different versions of the concept note and lots of internal reflections. In the end we broke down the concept into very simple language so that we were clear.”

Once these initial questions about expectations and purpose were resolved, funding from the project enabled SGF to pursue its new strategic goal to work more directly and responsively with local communities (rather than through national civil society organizations, as it had done previously), and to pilot a local philanthropy approach. The flexibility of the funding was welcome and new (“We were more used to clear parameters and pre-formed projects”), enabling SGF to adopt an exploratory approach that could help deepen their understanding of the issues and identify potential partners first, rather than committing to a particular direction or set of activities from the start: “We knew that this was going to help us work out what would could do that would add value, where we would want to go, and with whom.”

Although the timing of the project was short (particularly for the sub-grants to local partners), SGF was able to test and learn a lot about how it could operate differently from before, engaging communities directly and providing both funding and real partnership. “We have used the opportunity to test working with communities at the heart of community problems. To create spaces to see with the community the power they have,

both voice and resources... To make life better from them, by engaging local authorities, volunteering, coming together as women etc., in ways that connect them around similar issues.”

A number of different approaches were explored, both in terms of the issues being addressed (gender-based violence, disability and economic development) and the strategies for local resource mobilization that SGF sought to introduce or build on (including self-help groups, community fundraising and Village Savings and Loans Associations etc.).

Of particular relevance to this report – given the project’s origins in humanitarian aid and localization – is SGF’s involvement in the creation of a new multi-stakeholder fund in northern Ghana to address the problem of annual flooding. Working in partnership with grantee partner, the TAMA Foundation, SGF convened over 200 stakeholders in the five regions of northern Ghana to develop a strategy and potential mechanism for addressing this perennial issue. It was also able to engage the National Disaster Management Organization, a public body, to develop a Roadmap for Sustainable Flood Response. Part of the long-term plan includes the creation of a permanent fund that can disburse resources quickly and flexibly in response to future floods and any other community needs as they arise. The fund, which will be based on contributions from the community (business, churches, individuals) will be facilitated by SGF and governed by a management committee of 15 or so community members (i.e., separate from but connected to government). Next steps include developing a transparent mechanism so that donors to the fund will easily be able to track their donations and hence maintain trust in the process.

Reflecting on the overall experience, SGF staff noted their own initial questions and doubts at the start of the project: “When we first started to discuss the idea of local philanthropy with community members, I was expecting some hesitation. In fact, I had issues myself: what would this mean in the overall context of international aid?” Not only had they been surprised by community members willingness to give but the logic of local philanthropy, not as a substitute for external aid but as something else altogether, was much clearer too.

“Community philanthropy is a way to meet practical needs... but then also to work towards systemic issues that are often the real barriers. It is a way to build a constituency for social change, for people to come together to make decisions.”

“For active citizenship to thrive, citizens need to be aware of issues and contribute towards them. Around the floods, for example, people normally experienced a sense of helplessness.”

b) West Africa Civil Society Institute (WACSI)

WACSI's involvement in the project stemmed from an initial exchange with the GFCF in September 2020, after the NEAR Network had invited the GFCF to explore a potential collaboration. An established and well-respected regional civil society actor in West Africa, WACSI had also begun to play an active role in the #ShiftThePower movement, particularly surrounding the planning to and hosting of the [Pathways to Power Symposium](#) in London in 2019. WACSI is also one of the convenors of the [RINGO](#) (Re-imagining the INGO) systems change project and, like SGF, is a partner in the [Giving for Change](#) programme (funded by the Dutch Ministry of Foreign Affairs).

At the Symposium, one of the concrete actions towards achieving lasting, systems-level change proposed by participants was to model new ways of deciding and doing through innovative partnerships and coalitions among "unlikely" allies, and the project proposed by SCD and NEAR very much fitted that mould. For the two staff members delegated to lead the project (located in Ghana and Cameroon), this was their first direct involvement with the GFCF / #ShiftThePower movement.

From the start, WACSI recognized that the project provided an opportunity for it to move "from conversation to action" and to engage in a process of collaboration and co-creation that could move some of its advocacy and influencing work into a new space. It was the first time that WACSI had engaged with NEAR and with SCD (or any other INGO, for that matter).

Early on, it was agreed that WACSI would contribute to the project in two main ways. Firstly, it would support SGF in the areas of documentation of and learning from its grantmaking pilot. And secondly, it would coordinate and lead a larger regional programme of research and inquiry in West Africa, aimed at deepening and expanding a sector-wide dialogue around key topics, including global agendas such as localization, shifting power and the transformation of development aid, on the one hand, and regional ones such as the state and role of African grantmakers, African philanthropy and local resource mobilization on the other. For this second component, specific activities (which are described in more detail in a separate narrative report from WACSI) included a regional mapping of African philanthropies, foundations and grantmakers, a scoping study based on interviews with civil society and philanthropy leaders in West Africa and beyond, and individual case studies of local philanthropy models. Two public events were held too: a webinar on localization and a

three-day online conference, "Local Philanthropy, Localization and Power."

As with SGF, framing the scope of project in a way that could translate, in WACSI's case, into a clear set of research questions, presented an initial obstacle. This originated from at least two places: one was the lack of clarity as to the "donors"⁶ expectations ("What was WACSI being asked to do?"), and the second related to how to ensure a coherence between the unconnected issues that the project sought to blend: as conversations, "localization" and "African philanthropy," for example, rarely show up together. Furthermore, although the term "localization" was somewhat familiar to WACSI, its specific origins – the commitment, the progress, the configuration of alliances and workstreams etc. – were less clear. There is a good reason why southern civil society actors might feel less engaged in the localization debate. While it may be the conversation in the mainstream aid system, the term is, by definition, exclusive of local actors. As a verb, only those who are not local can "localize," and local actors become relegated to passive "objects," on the receiving end of the decisions and actions of others. Although NEAR and others have done much to galvanize southern civil society networks and voices to ensure a seat at the localization "table," the reality is that a conversation that is theoretically all about them does not feature highly in the priorities and concerns of many local civil society actors (something that was also confirmed by research).

At the same time, "African philanthropy" is itself not yet a "settled" concept. Not only is it almost entirely absent from mainstream development (including the localization agenda), it also provokes different – and often contradictory – associations, of whimsical, elite wealth and power (perhaps accompanied by a hostility to civil society) on the one hand, and of participation, self-reliance, solidarity and mutuality on the other.

In that sense, the challenge WACSI confronted was how to develop a framework around this cluster of unsettled, unrelated, loaded and even contested terms in ways that could facilitate understanding and meaning and, at the same time, ensure that significant and powerful homegrown examples could be appreciated as an essential part of any reimagining of aid.

Before the project even began considerable time was spent designing the framework, including several iterations of the concept and many Zoom discussions (both internally within WACSI and with the GFCF).

6. Although the original donor was DANIDA, due to the project's structure, WACSI and SGF both had to contend with three other "layers" of donors: GFCF, as their immediate donor, then NEAR and then SCD. This issue of project structure is discussed further later in the report.

In the end, the problem was not as overwhelming as it first seemed. As key respondents – in Africa and beyond – were identified and contacted, and the research process got underway, the WACSI team began to feel much more confident as to the timeliness and relevance of the work. “We’d wondered whether people were ready to have the conversation... I came to realise that we’d been over-worrying, and that people are there and waiting for it... People are ready to shift the narrative.” Further validation came in the form of participant attendance at the two online events organized as part of the project (a webinar in April and online conference in September). Both attracted a high turnout (100 at the webinar and a total of 420 over the three days of the conference), with audiences joining from diverse geographies (across Africa, as well as Europe, North America and Asia) and from different parts of the system (INGOs, donors, civil society organizations, domestic and international philanthropy etc.). The lively exchanges in the chat box on the first webinar in April provided clear evidence that this was a conversation whose time had come, that open conversations needed to be had, and that people were ready to have them.

Comments included:

“Where is [the] place of a community member on this [localization] agenda? Whose agenda is this?”

“Localization also isn’t something that came from partner communities. It came from the northern institutions. So, in that regard, as it doesn’t really reflect partner capabilities, the term itself is null and void.”

“Let us be proactive in changing, defining and shaping this agenda. Let us mobilize local diverse resources. Let’s explore alternative funding to our work right from the community level to our middle class, to investments etc. When we have external funding, it is a good time not to be comfortable, so that we also change the aid architecture.”

For WACSI, the first webinar affirmed the importance of both a more open discussion among civil society actors in the Global South (“We need to understand on our own what we mean by local or localization”), and of strengthening and mobilizing movements and collective voice so that conversations about power and reform can happen in more equitable ways. (“There is safety in numbers. As individual organizations they can become a little scared.”) Reflecting on both events, WACSI staff shared that “We have a mass of powerful people behind us to push this forward. They didn’t just show interest: they stepped forward,” and “The highlight of the project was the conference. But we need to find ways for other INGOs to follow SCD and play a part in making the localization agenda really happen. We need to think about our strategies: what would it take to get

other INGOs, for example, to attend these kinds of events and to listen?”

c) NEAR Network / Somalia (Bulsho) Fund

The origins of the entire project lay in a pre-existing relationship between NEAR and SCD that drew together SCD’s readiness to invest in new and innovative approaches that would accelerate localization, and NEAR’s interest in piloting the direct implementation of an alternative local funding mechanism. Specifically, NEAR sought to facilitate and help incubate a new local fund in Somalia that would be able to provide flexible and unrestricted grants to communities, both for short-term disaster relief and for longer-term development work.

Local ownership of the fund was always going to be of central importance: this was not going to be a conventional single-purpose country-based pooled fund, whose main stakeholders were international funders and INGOs. That said, as the project got underway, the project team’s focus shifted even further away from what had been originally envisioned (a more straightforward, more mechanistic, “institution-building” route), towards a deeper and more extensive process of community consultation. “We came in saying we’ll have a funding mechanism and we ended up saying we will have a strong community process that will deliver sustainable value.” In the same way that SGF is a unique institution, shaped by its specific circumstances and context, a successful fund in Somalia would have to be grounded in the specific context and to work for ordinary Somalis. A simple blueprint for institution-building might have created a funding conduit but not necessarily a long-term, embedded and legitimate institution.

Also, as with SGF, it became quickly apparent that what would be critical to the fund’s success would be the engagement and participation of community members from the start, as well as an appreciation of what already existed in terms of structures and practices. Both would be essential cornerstones in the fund’s design.

“We realized that the most important question was how do you build a mechanism that works for the people you intend to help? How do we build a new social contract for the communities? Localization is not relevant if local actors don’t actually serve local communities. These communities are as only helpless as we make them out to be. The reality is that community reliance systems and safety nets exist, and we need to start there. Through that process, we realized that there are the ‘mechanics’ and then the ‘spirit’ of the proposed structure, and that these are different. The mechanics – of financial management, governance, monitoring and evaluation etc. – can be brought in later.”

The project provided an additional opportunity to gain exposure to the global field and practice of community

philanthropy and even for the new fund to become part of it. Designing the new can be a lonely experience – particularly when it goes against the grain of the conventional system, and solidarity and exchange with peers who are also engaged in their own “lonely journey” is critical, both in terms of some of the technical aspects of the work and the disruptive politics and bold aspirations that underpin it. (And that exchange goes both ways: during the course of the project the NEAR team developed a term, “rapid in-kind procurement” and by doing so, highlighted the need for language to evolve to reflect practice. Say a community partner, which is not in a position to receive a grant – perhaps because it is unregistered – identifies an urgent need. Rather than exclude that partner as “non-compliant” [according to the conventions of the mainstream aid system], the fund responds to the partner’s need by purchasing the items directly, but only on the basis of the partner’s specific request. Other members of the GFCF network also do the same, but the practice has never had a name: neither a grant nor a conventional “distribution of goods” (which can imply that the recipient is passive in the transaction); the term “rapid in-kind procurement” fills an important language gap. Furthermore, the practice is a good example of innovation, and of how leaner systems, centred in local market realities can help by-pass – and potentially transform – burdensome procurement processes.)

For NEAR, getting to know SGF and WACSI – and others involved in the same kind of work – was an important dimension of the project. Not only was it possible to compare concrete processes and to participate in larger conversations (particularly around local philanthropy, of which the Somalia Fund will be part), but it helped to validate their patient and process-driven approach (particularly as funders started to inquire whether they might be able to “use” the fund as a delivery mechanism) and to build confidence in the importance of local resources, however small, in creating a dynamic of “co-investment” versus “donor-led.”

d) Save the Children Denmark (SCD)

SCD is committed to advancing the localization agenda, both in how it operates itself and how others in the wider SCD confederation – and INGOs more broadly – can be influenced to do so too. The basic premise of the project was to test and demonstrate to others that different ways of working are both possible and necessary, and to deliberately frame such innovations in ways that are not simply instrumental but that begin to address wider issues of equity and power.

For SCD, the project presented the opportunity to “walk the talk” and, by providing unrestricted funding, to do something “drastically different” in concrete ways that could help advance the localization agenda. One particular and structural barrier to progress has been the characterization of “risk” in the mainstream aid system, and the myth that local partners “lack capacity.” These assumptions have helped maintain the status quo and justified why so little money continues to go directly to southern partners. And, in the same way, they have also contributed to a situation in which INGOs end up being an extension of back donors, passing on their onerous and inappropriate compliance requirements to local partners.

In that sense, for SCD the project was a way to challenge themselves to be better partners and to debunk some of the myths around the effectiveness and efficiency of locally owned funding mechanisms. And, longer-term, to begin to explore what role a global organization like SCD will need to look like both to be effective and for local partners to want to work with it.

At the start of the project SCD already had an established relationship with NEAR; the creation of a local fund in Somalia also fitted well within the broader humanitarian aid / localization space. However, the West Africa dimension of the project was less clear from the start, the relationship with the GFCF, WACSI and SGF – and community philanthropy and #ShiftThePower – all new. As the project evolved, however, the value of the linkages and experiences between West Africa and Somalia became much clearer.

For SCD, the project was not without risks and uncertainties. Providing funding and space for the other partners to test and iterate “in their space rather than ours” was important but it was also a test of SCD’s ability to let go. Internally, this was a high-profile project with many expectations and the lack of direct connection with on-the-ground activities also meant it was sometimes hard to be on top of what was going on and to be able to share back with and advocate to other colleagues etc. Staff changes within SCD during the project period also inhibited continued engagement in the project from an organizational perspective, particularly when it came to building relationships and understanding with the three newer partners. However, overall, there was a shared sense from those involved of the potential importance of the project, even

if opportunities were missed to bring other colleagues along in the process.

The participation of a member of the SCD team in a panel at the online conference, “Local Philanthropy, Localization and Power” provided an important and concrete point of convergence and validation, both in terms of the internal logic of the project) and in the power of “weaving” between different and disconnected spaces and networks. It also served as a powerful public statement about the importance and value of different kinds of collaboration.

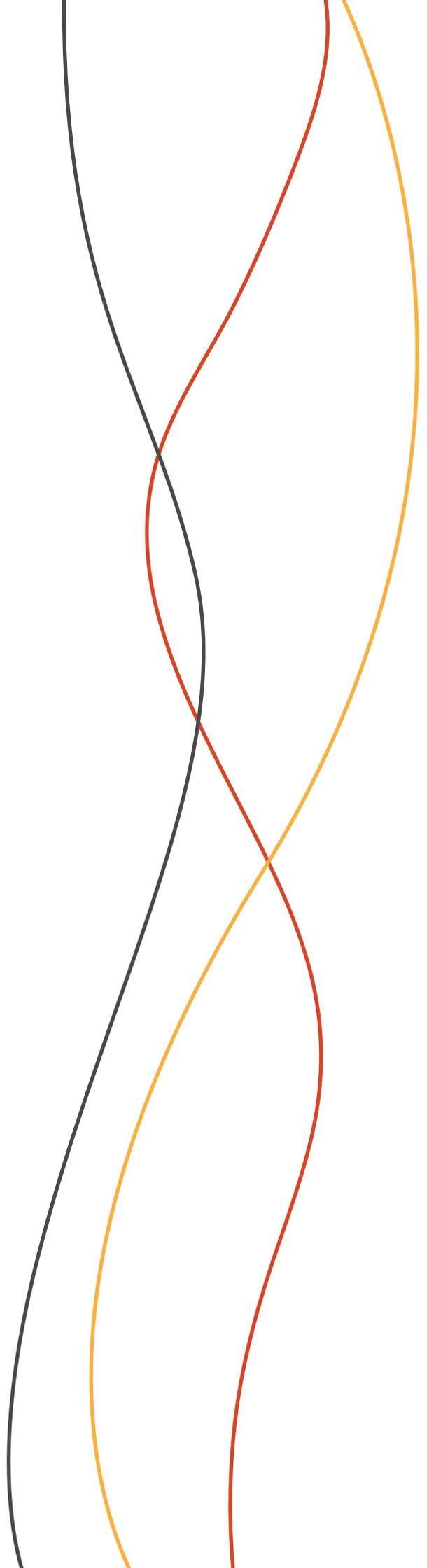
For SCD, the project raised or fed into a series of larger internal questions and reflections, including:

- How to tell this story, to capture and convey some of the key learnings from the project to others in ways that can be well understood?
- How to demonstrate the value of core support?
- How to use SCD’s particular position in the ecosystem – with access to other SC offices, INGOs, DANIDA etc. – to bring examples of and open new conversations around alternative approaches?
- How to ensure that these kinds of innovative approaches can be transformational (and touch on issues of DEI, decolonization, equity, power etc.) rather than transactional?
- What role is SCD best placed to play, whether in terms of technical support, influencing? What value can it add?
- As the discourse shifts from “localization” to “local leadership,” what insights from this project can be applied?

Part 4



Reflections on and
key learnings from the
project as a whole



Demonstrating an eco-system approach

A key premise of the project was that, for the localization agenda to produce a lasting transformation of power – rather than just of resources – it needs to be grounded in local realities and shaped by local leadership and real experiences on the ground. Although not articulated explicitly as such up front, it also presented the opportunity to demonstrate an eco-system approach by bringing together diverse actors, each with their own strengths, constituencies and positions within the system, to operate individually and collectively in the context of a shared framework. Flexible funding allowed for real co-creation and innovation to take place at the community level in Somalia and Ghana, and for activities and outcomes to emerge in organic and open-ended ways.

For those involved, there was an overall agreement that, what could have ended up feeling like a “scattering” of disparate bits and pieces had ended up proving to be greater than the sum of its parts: at the local level, grant funding helped to catalyze longer-term processes based on community ownership and self-direction which will continue to evolve over time. And for the organizations involved, it enabled the formation of new relationships and the identification of new allies outside normal frames of reference, geographies, silos and systems. In addition, by serving as co-convenors of the conference, the partners were able to make an important public statement about the project itself and the importance and value of diverse partnerships.

Redefining capacity

One of the objectives of the project – particularly on the part of SCD – was to challenge myths around the supposed “capacity” of southern actors. In the dominant system, capacity is normally defined in terms of an organization’s ability to conform to contractual and compliance requirements. Underpinning it is the assumption of vertical accountability (to back donors, governments, and the tax-paying public in a donor country) as the **only** form of accountability.

The [#ShiftThePower manifesto](#) calls for a shift away from “capacity as defined by external actors and requirements,” towards a system in which capacity equates to relevance, rootedness and constituency, and which places a value not just on money but on other kinds of infinite assets such as networks, knowledge and trust. In the context of the project, although funding played a catalytic role in helping to make things happen, much of its success came down to the additional, intangible assets that project partners brought to the table. 500 people joined conversations about localization, philanthropy and power because project partners were able to leverage their respective networks and because of the position

of trust and credibility an organization like WACSI commands. Communities were ready to consider contributing their own resources because they recognized themselves as participants in the processes led by NEAR and SGF in Somalia and Ghana respectively. These are all also important, if different kinds of, indicators of an organization’s “capacity” (i.e. as legitimate and credible) and, more importantly, their means of verification is through peers and community stakeholders.

Community philanthropy as horizontal accountability – and a reorganizing of power

Organized community philanthropy, which has its origins in long-held practices of mutual aid and solidarity, offers another way to measure capacity, legitimacy and ownership, and to demonstrate a more horizontal form of accountability. By tapping into and building on local resources which are pooled together to build and sustain a strong community, community philanthropy uses money and trust as key measures. In the context of the project, both both SGF and the Somalia (subsequently named the Bulsho) Fund were able to advance and begin to demonstrate what a community philanthropy approach might look like (size of contributions, types of issues) and to explore what any mechanism would need to look like to enable local donors to track their contributions and maintain their trust.

In terms of contributions, individual amounts in community philanthropy may be small but, if different measures of “value” were to be allocated to different kinds of resources (e.g. “money plus trust”), they would be accorded a greater weight. Community contributions have other attributes too: trust has already been mentioned but others include expression of collective action, claiming of rights, dissent, mutuality etc. In writing about community philanthropy in the context of financing the SDGs, Jonathan Glennie emphasizes its intrinsic value over other forms of external finance.⁷ By drawing from and being spent on a particular community, community philanthropy “suffers much less from the typical problems associated with other types of development finance e.g. lack of local knowledge and leadership, accountability to faraway decision-makers, patronizing attitudes, short time horizons, project approaches limited by thematic narrowness and inflexibility and fostering of dependency.” Not only does such an approach build social capital and “horizontal” power, but, where the community level resource mobilization occurs in the framework of national structures (such as SGF and the Somalia Fund) it can also create opportunities for vertical engagement with policy makers, funders and decision-makers.

⁷ <https://globalfundcommunityfoundations.org/resources/from-billions-to-millions-how-community-philanthropy-is-helping-to-finance-the-sdgs/>

Creative adaptation over blueprints

The project highlighted the value of investing in processes at the local level, and of moving at the speed of trust. The theory here is that more ownership is likely to lead to more impact and the assumption that building ownership takes time.

However, the dominant system still tends towards a preference for projects that demonstrate the potential to be replicated elsewhere and to be scaled up. And yet, as the project demonstrated, without attention to context that local actors can provide, replication remains fraught with risk. In exploring the processes of scaling up, Andrews, Pritchett and Woolcock posit that transposing what works in one location to another is mere “isomorphic mimicry” and commonly fails because the specific contextual and cultural factors that made it work in the first case may be absent in the second.⁸ In that sense, the project reinforced both value of learning and sharing between contexts and the importance of embedding creative capability within organizations to enable them to be able to adjust and innovate in response to new knowledge, changing circumstances etc. rather than being bound by rigid structures.

Power – an inhibiting factor and a force for change

A broad objective of the project was to work towards a system in which power and resources are held and distributed in more equitable ways. In the context of the project itself, the inclusion of different organizations located in different parts of the system represented a deliberate attempt to move towards more of a co-creation type of approach which would also strengthen co-ownership.

Each of the project partners has a certain amount of power (both soft, in the form of influence and hard, in that they have resources to grant to others), particularly in the part of the system in which they operate. Longer-term, if the project is to contribute to and influence larger conversations around localization and transforming aid, and if it is to be understood by others as more than a division of funding across various disconnected activities (with potentially diminishing returns), then it will be important to develop and disseminate a shared and compelling narrative, and to leverage the collective power of the partners to do so.

At the same time, while it enabled certain freedoms and room for creativity, the project took place very much within the framework of the dominant system. The structure of the arrangements between partners were based on a one-way line of accountability which inevitably did little to dismantle conventional power dynamics and perhaps contributed to re-building barriers that, for example, activities such as the conference had started to dismantle. The point here is that

such dynamics, which are not associated with individual behaviours but rather the rules in which the project took place, only serve to reinforce the idea that the aid system is only about money and upward accountability to external donors and to run the risk of those same power imbalances being reproduced at the community level. In the same way, it also curbs the ability to imagine a future alternative system that is based on movement generosity, the mobilization and recognition of multiple kinds of resources, solidarity, trust, connections and a sense of shared purpose. This is an important part of the project’s story: how to redesign the boat while we are still sailing in it? What could have been done differently, better, within the constraints of the existing system?

Rewriting the risk narrative

Much of the conversation surrounding why the Grand Bargain targets have not been achieved revolve around the understanding, justification and allowance for risk in the process of transforming the aid system. The discourse has barely scratched the surface, which could explain the inertia experienced from both the demand and supply side in moving forward to achieve the targets. Donors and INGOs are held back by the question of how risky it is to transfer funds directly to local actors or even communities. The persistence of this question has in turn created a complex where local actors overcompensate in their efforts to be deemed “less risky” and in the process created a gap between their work and the true needs of the communities they serve. In the course of the project, all partners discovered that at the very least, asking challenging questions about what the “actual” vs “perceived” risk was at the start of a process to ree this narrative. It was important to reiterate that a “higher risk appetite” should not come at the risk of “loss of funds or value” and that both ideals could be pursued at the same time.

⁸ Andrews, A., Pritchett, L. and Woolcock, M. (2017) Building state capacity: Evidence, analysis, action, Oxford: Oxford University Press

Annex 1: Knowledge resources produced under the project

Case studies

- [The case of Resource Link Foundation, Ghana](#)
- [Like-minded Liberians collaborate to respond to educational needs-YUCDA](#)
- [The story of We Can Clean Up Our Town Foundation](#)
- [History made in Sierra Leone as Sierra Leoneans raised over \\$100,000 to combat rape.](#)

Webinar

- YouTube: [Localization Agenda: Questioning the intermediary donor system](#)
- Blog 1: [Pathways to effectively operationalise the localization agenda](#)
- Blog 2: [The localization agenda: How successful is it?](#)

Online conference: Local Philanthropy, Localization and Power: Communities Driving Their Own Development

Day 1: [Southern CSOs' perspectives on localization, domestic resources mobilisation and Shift the Power.](#)

Day 2: [Innovative community philanthropy and giving practices: cases from Ghana, Liberia, Somalia and Sierra Leone](#)

Day 3: [Unblocking the challenges and finding new pathways to promote African philanthropy within the aid system.](#)

The GFCF works to strengthen, harness and demonstrate the value of community philanthropy as an essential element of community-led development and as a strategy for shifting power. Through small grants, technical support, peer exchange and evidence-based learning, the GFCF helps to strengthen community philanthropy institutions around the world, so that they can fulfill their potential as vehicles for locally-led development, and as part of the larger global infrastructure for progressive social change.

A company limited by guarantee.
Registered in Northern Ireland No.
NI073343

Registered charity number 110135

Section 21 Company (South Africa):
2010/000806/08

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Community Foundations. All rights
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Global Fund for Community Foundations

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