



DONOR FUNDING TO NETWORKS: DONOR CASE STUDY H

This case study is one of nine capturing the experience and insights from a diverse set of donors about how they fund networks. It is part of an in-depth research project undertaken by Collective Mind to help both donors and networks to improve funding to and fundraising for networks.

All case studies were developed by the respondents using a provided template and have been anonymized to allow us to share them publicly. Other research products – including nine case studies of networks and a "how to" guide for network funding and fundraising – are also available at www.collectivemindglobal.org.

Each donor case study provides insights on:

- [The donor's funding strategy](#)
- [The donor's operational approach to funding/grantee management](#)
- [The challenges and reflections of the donor](#)

DONOR H PROFILE

- **Donor location:** U.S.
- **Geographic funding scope:** Global, with some key geographical focus areas including Mali, South Sudan, Zimbabwe, Colombia, Nepal, Qatar, SE Asia, and some work in the U.S.
- **Types of networks funded:** Historically funded movements, partnerships, alliances, and coalitions
- **Types of funding provided to networks:** Mix of general operating (core) support and project (restricted) support; also indirectly support networks via in-kind support, hiring consultants, sponsoring conferences, etc.
- **Percentage of network grantees:** 10%
- **Donor's definition of networks:** A group of stakeholders (individuals or groups) that are in a relationship with each other and come together around a common purpose or goal



ORGANIZATIONAL FUNDING STRATEGY

WHY DO YOU FUND NETWORKS?

We fund networks on a case-by-case basis depending on the specific needs, challenges, and opportunities in the particular area of work. We operate as a systems-enabled organization, meaning the decision to fund networks is typically based on the analysis that a network is better placed to shift, influence, or leverage dynamics. In most cases, funding networks allows outsized reach that a single organization would otherwise not be able to have. In some instances, funding networks helps to strengthen collaboration and relationships within the system to seed longer term capacity on the particular issue. In many cases, funding networks is about elevating spaces for the agency of marginalized voices - the creation of networks that include marginalized individuals and groups in their core is often a key element of a healthy, transformed system. Historically, as a funder, we have played a role in informally/formally convening individual organizations that have ultimately grown into a network (either intentionally or unintentionally). Networks also allow us greater insight into system dynamics and to understand how funding would be best placed.

WHAT TYPES OF FUNDING DO YOU PROVIDE TO NETWORKS?

We will not fund anything related to regime change, and also avoid funding any networks or coalitions that may put the physical safety of members at risk. Our funding to networks often focuses on supporting core or connecting needs of members to come together in collaboration. The type of funding is highly flexible and dependent on the needs of the particular network and operating context. Funding to networks is typically contextualized within the context of partnership and deep relationships, which we rely on to determine what type of funding would best suit the work. We do our best to be flexible and adaptive to grantee needs (within the confines of U.S. legal and financial regulations).

HOW FLEXIBLE ARE THE FUNDS THAT YOU PROVIDE TO NETWORKS?

Again, this is highly dependent upon the type of funding that was provided. Funding structure to networks can range from any of the following: general operating (core) grants to a core network mechanism or individual network members, project (restricted) grants to a core network mechanism or individual network members, direct consultancies initiated by us, conference sponsorship, technical support, honorariums/per diems, hosting (i.e. directly paying for) physical convenings, etc.

At the furthest end of the spectrum, general operating grants are completely flexible and may be used by the specific grantee for any needs or purpose within legal restrictions (i.e. cannot be used for terrorism). General operating support grants are best placed within networks that have some sort of core operating entity that can receive the funding on behalf of the network. If general operating support is given directly to a network member, there is no requirement that it be used for network members. In instances that there is no



core entity that can receive general operating support, project grants to network members allow for the funding to be specifically allocated to network needs. This type of grant does require the grantee to report that funding is being used for pre-determined activities, though we are highly flexible to adjust the scope and budget allocation funding over the course of the grant if the network needs or context shifts.

The longest grants we give is three years, though the majority of funding is annual; an area we are actively working to improve. While these grants are typically short term, they often come within the context of long term relationships and network partnerships that we fund annually for many years.

The other types of funding mentioned above are less flexible (for instance, a consulting contract would be initiated for a specific scope of work), though this can allow us to provide financial support for specific needs often in a shorter term time frame.

WHAT CONDITIONS, IF ANY, DO YOU PLACE ON YOUR FUNDING TO NETWORKS?

We require minimal reporting against grants. In some cases, we have to require conditions on multi-year grants due to restrictions to how we receive our funding, in which case we work to make these conditions align with network goals.

HOW DO YOU SELECT THE NETWORKS THAT YOU FUND?

We look specifically for value-aligned networks/grantees who are well-placed within the particular system to influence change. All grantees, whether network or not, undergo legal and financial review. All grantees are reviewed within each portfolio by the team and managing director to ensure strategic alignment. We also review leadership and organizational structure, looking specifically for diversity, experience, etc. We do not have particular strategies/requirements in place for selecting networks, as network funding typically emerges naturally as a funding opportunity within a specific program.



ORGANIZATIONAL FUNDING MANAGEMENT

HOW DO YOU OVERSEE THE USE OF YOUR FUNDS?

Organizational finances are reviewed prior to grant approval to ensure the grantee has the capacity to manage and report on funds. We require annual reporting on all grants, which we allow to take the form of written or oral discussion across a set of key questions; in some cases, such as rapidly shifting contexts or grantees with particular challenges, we ask for bi-annual or quarterly reports. Grants staff work to stay in close conversation with grantee partners, however this is dependent on the particular type of relationship and context.

DO YOU CHANGE YOUR APPROACH AND PROCEDURES TO WORK WITH NETWORKS AS COMPARED WITH OTHER GRANTEES?

No, we do not have any formal approach or procedures in the way we work with networks compared to other grantees. The strategic choice to engage differently is taken by individual program/grant managers on a case-by-case basis, and typically is based on both a combination of contextual assessment and specific network needs.

WHAT OUTPUTS, OUTCOMES, OR IMPACTS DO YOU REQUIRE NETWORKS TO DEMONSTRATE FOR THEIR FUNDING FROM YOU?

We do not require predetermined outcomes. Rather, we are interested in the network's particular goals, how they progress towards these goals, challenges that are encountered in that process, and how they will adapt from lessons learned. Reporting questions and conversations are focused on surfacing lessons and adaptations that can be applied within the network, and may also be of value to other grantees/networks that we work with.

WHAT DO YOU SEE AS YOUR ORGANIZATION'S ROLE WITHIN THE NETWORKS YOU FUND?

This is an ongoing conversation within the organization. We wish to support networks (particularly those that have marginalized voices at their core), but also have to acknowledge that our involvement can and will change power dynamics within the network. Therefore, we play the role that the network (or grantee managing the network) asks us to play and come alongside them. For example, in some networks, the members want us at the table to have the Western donor perspective or leverage our previous experience or knowledge. Other networks we fund engage us in learning conversations but ask that we not get too involved lest we upset the pre-existing balance within the network. Some networks (pre-COVID) would simply use our office space. During COVID, we provided digital access to people who did not have internet access or technology to participate. Our role is determined by what those in the network want to accomplish.



DONOR REFLECTIONS

WHAT ARE THE TYPICAL CHALLENGES YOU ENCOUNTER IN FUNDING NETWORKS?

One of the biggest issues is the issue of governance, or put another way, the people in the network not agreeing how they will show up and work together to achieve their shared goal (including naming that shared goal). They need to decide how they will resolve disputes, how they track finances, how they decide what tactics to pursue or strategies to adopt. Most importantly, they struggle with how to distribute power. Decentralized networks often have better meaning-making abilities because information is shared and distributed through the network. That means they are able to achieve more of their goals than if power is centralized with one or more individuals. Networks often become “ego-networks” - centered on one personality that holds it together (and thus holds the power). What most successful networks have is an “eco-network” mentality where they have a distributed structure that means if one person leaves, the work of the network continues.

Within the ego/eco network problem is the issue of siloed or competitive networks. They take on the same internal function as an NGO and therefore compete with other networks for funding, hold power and knowledge to themselves, and as a result, often undermine their stated goal or purpose.

WHAT INFLUENCE DO YOU HAVE WITHIN THE NETWORK?

As a donor, we often have more influence than we would like to have. Ideally, we want the network and its members to determine the way forward that’s best for them. If they ask for advice, we are happy to provide insight, but we try to let the network determine how they would like us to engage. We engage with networks based on their ability to elevate the agency of those closest to the issue and, as network scientist Anna Mouio says, “pull many levers for change.” Any influence we have is sometimes used to ask questions about governance - how does the network want to work and be together in order to achieve their shared goal? While these conversations can seem tedious, those that succeed create a set of ground rules for themselves that can adapt as the work adapts. We always acknowledge that even from afar, we are part of the systems we are seeking to influence. Therefore, if we support a network, we cannot just be passive observers even if we want to be. Our very presence alters the ecosystem so it’s best to start conversations up front about any and all elephants in the room we can and the network members can name about our role as a donor in the space.

WHAT LESSONS HAVE YOU LEARNED FROM WORKING WITH NETWORKS?

- Governance is an often neglected aspect that is ignored at the network’s peril. Every network is different but they all must decide how they will work together towards their goal.



- Decentralized networks almost always seem to have an easier time adapting, sharing lessons, and making an impact towards their shared goal.
- There can be networks that offer support and serve as a place to find solidarity or a place where action happens and work is taken forward together or in a coordinated fashion. Sometimes networks move back and forth between the two.
- Listen to where the network wants to go and see what tools they need to get there. Oftentimes, they may not need money but connections or tools to use to move forward.
- Do not be discouraged if a network is not able to receive funds from a US entity. Pay for things like Equivalency Determination or ask the network members if they have a trusted partner who can serve as a go-between.
- Those networks that avoid competition with each other often reach their goals much quicker than they anticipated. Networks that can help spread the word about each other or assist in their respective efforts make the space big enough for everyone.

HAVE YOU INTEGRATED THESE LESSONS INTO YOUR ORGANIZATION'S STRATEGY AND/OR OPERATIONS?

- Yes, we use tools like equivalency determination to get funds to non-U.S. registered entities. We also use alternative funding methods such as utilizing contracts or other direct funding mechanisms that allow us to move funding creatively.
- We do not have a strategy based on funding networks exclusively, recognizing that they are sometimes but not always the appropriate strategic modality.
- As a small funder, we recognize that we can add value by investing in nascent and emerging networks, but that we don't have the funding to sustain them indefinitely. As such, our strategic approach to networks (and grantmaking generally) is around how to nurture and support sustainability outside of our support.
- We are working to build trust-based approaches into all of our work, which is directly tied to much of what has been discussed here.

HOW WOULD YOU CHANGE THE WAYS IN WHICH YOU FUND NETWORKS?

- Primarily, the challenges we face with funding networks are a result of IRS restrictions based on our private foundation status. The requirement to fund through 501c3 organizations or equivalent entities means that we often are pushed towards working through more formal organizations that may not best represent the needs of a network. While there are workaround solutions to this, some of which we utilize, the reality is that the structure of the system is ultimately biased towards traditional organizational models. When we do utilize more creative structures, they typically require greater time and reporting from the grantee, which creates burdens and power dynamics that we try to limit.
- Our organization is very limited in our ability to give multi-year, general operating support (which we are working to adapt), and this type of funding we expect would be much better suited to flexibility and adaptability for a network.



IN YOUR VIEW, HOW CAN DONORS BE MOST SUPPORTIVE TO NETWORKS? HOW CAN NETWORKS BE MOST RESPONSIVE TO DONORS?

- Go in knowing that you are not a passive observer and will change the dynamic; you are a part of the ecosystem of the network as soon as you engage. Be open about what role you want to play but first listen to what the network needs from you.
- As a part of the network ecosystem, be intentional about leveraging your collective networks and relationships to benefit the mission and vision of the work.
- Networks and donors alike should be, when possible, selective in identifying partners that they will be able to communicate and engage honestly with. Funders must be able to listen and trust the direction of the network they're committing funding to, and networks must be willing to communicate transparently and openly with funders to support them in doing so. The burden of this should be on the funder's side, but does require the participation and commitment of the network as well.

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