

PWYP Joint Fundraising and Re-granting Policy Review

Lessons learned and
recommendations

April 2020



PUBLISH WHAT
YOU PAY



Introduction

This report documents lessons on the implementation of the Publish What You Pay (PWYP) joint fundraising and re-granting policy (“policy” hereafter) between 2016 and 2019 (the “review period”).

The policy was established by PWYP in 2016 following requests from its Global Council (GC) and Board, as well as discussions with key donors to regulate conduit funding arrangements, whereby donors contributed funding for cross-country work to the PWYP Secretariat, which it re-granted to member coalitions. The Secretariat had previously played this conduit funding role on an ad hoc, informal basis. In collaboration with Board and GC members, it developed a policy to communicate clearly to its donors, members and staff how it intended to go about re-granting, and key criteria it would consider in re-granting core funding or in acting as a conduit funding re-granter. Given the strong links with fundraising, the policy was expanded to include provisions on how PWYP would go about joint fundraising with national PWYP coalitions or members. This included both joint fundraising between the Secretariat and members, with funding channelled via the Secretariat, as well as the Secretariat’s technical support to members’ direct fundraising from donors (with no funding transiting via the Secretariat).

Since the policy’s establishment, the PWYP Secretariat has participated in various joint fundraising processes and given out at least 71 grants to members during the review period, with a total value of more than £2 million. Challenges and lessons have been learned in the process, but have not been systematically or comprehensively considered, hence the decision to commission this review from an independent consultant. Beyond informing revisions to the policy, it is hoped that the review will provide useful insights for PWYP’s wider fundraising strategy, as the Secretariat and the movement begin implementation of the new five-year strategy, Vision 2025. This review also provides pointers on how the Secretariat can leverage joint fundraising and collaborative work with members to strengthen members’ capacity and the overall readiness of the movement to tackle the ambitions enshrined in Vision 2025.

Findings in the report cover key trends, benefits and risks, drivers, and strengths and weaknesses of PWYP’s joint fundraising and re-granting policy. These are followed by recommendations that touch on strategic and implementation considerations. A methodological paper explaining how this review was conducted and a light-touch literature review are provided in separate annexes.



Findings

1. TRENDS IN PWYP'S FUNDRAISING AND RE-GRANTING

PWYP¹ has made extraordinary progress in consolidating its financial position and diversifying its funding base. Interviews with donors suggest that PWYP holds a unique position in the extractive governance ecosystem and its donors value its work. An analysis of PWYP's third-party re-granting shows that the value of re-grants given out by PWYP has increased significantly over the review period. Over time, there has been a steady decrease of the average value of grants going to organisations in the "global north", and an increase of average grant value to organisations in Africa. The increase in the value of grants and the diversity of jurisdictions may increase the compliance and delivery risks of re-grants.

2. REPORTED BENEFITS AND RISKS OF JOINT FUNDRAISING AND RE-GRANTING

Interviews with respondents suggest that important benefits have materialised from joint fundraising and re-granting to date, while critical risks have not arisen. Among key benefits are increased access to funding for members, and stronger proposals and plans. Among risks, there is no evidence of competition for resources, of disincentives to coalitions' own fundraising or the occurrence of major programmatic, financial or reputational risks. Overall, no respondent suggested a shift from PWYP's role in pursuing joint fundraising with, and re-granting to, members.

3. DRIVERS OF JOINT FUNDRAISING

At a high level, there is evidence of strategic thinking and clear processes in making decisions about whether to pursue joint fundraising. The Secretariat's priority in the phase under review has been to grow and diversify PWYP's donor base. In doing so, it has considered strategic alignment, as well as its own capacity, which has been assessed in dynamic terms, with donor grants seen as opportunities for growth. However, when it comes to decisions to partner with members, there needs to be more clarity on how to interpret criteria laid out in the policy, as well as processes and systems for verifying how those criteria have been assessed.

Building strategic donor partnerships

The Secretariat has been intentional in the pursuit of joint fundraising, driven by the need to resource the strategy, hedging against future fluctuations of spending and funding. In doing so, it has struck a balance between its own and donors' country and thematic preferences. One staff member noted that it could have been more forceful in negotiating country scope with one donor. But the outcomes of another donor grant suggest that the Secretariat successfully advocated for its country priorities to be included in the scope of funding, going beyond the limits set out by the donor in the call for applications. Going forward, the Secretariat can leverage the credibility and trust gradually built with donors and its stronger financial position to negotiate the scope of donor funding (or, where needed, adapt the scope, in the case of grant renewals).

The Secretariat's programmatic capacity and grant administrative burden

There is some consideration of the Secretariat's programmatic capacity and administrative burden in decisions to pursue fundraising opportunities. Where large grants were pursued, they were used

¹ For ease, PWYP is used to refer to the PWYP Secretariat.



as opportunities to build up the Secretariat's capacity to implement them. Two smaller donor grants (of around £100k) were perceived by some staff as unduly burdensome, given the relatively small amounts of funding and heavy financial and operational requirements. It is unclear how much this could have been anticipated. However, these instances suggest the need for greater attention to assessing the administrative burden on the Secretariat as a whole and on individual staff.

Strategic alignment

Alignment with PWYP's global strategy is among the most important factors considered in decisions to jointly fundraise, as evidenced by staff responses and a review of the scope of grants pursued. However, support to member-led fundraising² presents grey areas that may call for greater clarity on i) whether the Secretariat should support member-led fundraising when this is not perfectly aligned with its global strategy and ii) the Secretariat's level of involvement in implementation of resulting projects. The more the Secretariat is involved in supporting member-led fundraising, the more donors expect it to also oversee implementation.

PWYP members' eligibility criteria for joint fundraising

Staff are able to articulate thoughtfully and strategically what factors drive the choice of member partners and trade-offs. Inevitably, relevance to a donor or core country focus is a key driver. Other member eligibility criteria are considered differently by different staff members and decisions are heavily contextualised. Criteria contained in the policy are seen as important, but staff suggest more clarity is needed on how to interpret them, as well as systems and processes for verification. One member argued for some degree of flexibility to enable dynamic interpretation of the criteria, while identifying explicitly where members fall short of criteria and providing adequate capacity-building responses.

4. DRIVERS OF CORE FUNDS RE-GRANTING

Core funds have been largely used to support coalition core functions in line with the policy, though a shift to supporting substantive thematic work is underway in practice. Overall, this review suggests that staff make thoughtful decisions about re-grants of core funds, but the criteria of the policy are interpreted differently, in light of different underlying strategies. When using core funds to sustain coalitions through funding gaps, decisions are driven by evidence of past impact and potential to deliver more impact with additional funding. When using core funds to re-engage coalitions, criteria for adherence to PWYP's Operating Principles and evidence of active engagement with the campaign are de facto de-prioritised.

5. STRENGTHS AND WEAKNESSES OF JOINT FUNDRAISING AND RE-GRANTING APPROACH AND PROCESSES

Strategy and policies

PWYP has developed a suite of documents (funding strategy and joint fundraising and re-granting policy) that together drive its approach to fundraising. These documents contain important principles, with some areas that can be updated to reflect lessons learned so far. The funding strategy could be more intentional in establishing priorities (including for joint fundraising) to resource key areas of the Vision 2025 strategy that need additional resourcing. This would involve

² Member-led fundraising indicates instances of fundraising pursued by members with technical assistance from the Secretariat, with all funding going directly to members (i.e. the Secretariat does not receive, manage or re-grant any funds).



identifying elements of the strategy that need funding, considering which donors can address those gaps and targeting them.

Awareness and use of the Joint Fundraising and Re-Granting policy

While awareness and knowledge of the policy within the Secretariat is good, one staff member suggested that translating its provisions into more practical and precise checklists would increase its use in day-to-day work. Among PWYP members, current levels of knowledge may be low, which probably prevents members from understanding and benefiting from support mechanisms outlined in the document.

Initiating joint fundraising and donor outreach

While the vast majority of joint fundraising is initiated by the Secretariat, there are reports of members reaching out to staff for advice on fundraising and proposal development. An analysis of key fundraising opportunities initiated by the Secretariat suggests that its approach has been proactive and staff collaborated strategically in engaging donors over time to create inroads that led to successful fundraising.

Proposal development planning and implementation

When compiling complex, multi-country proposals requiring input from different staff, departments and members, PWYP can better plan around proposal and budget development and due diligence. This includes anticipating and assigning tasks across staff from different departments and members. Members report that the quality of consultation is mixed, depending on proposals and time available, but appreciate the huge load that the Secretariat takes on in submitting proposals. On balance, members interviewed noted that there have been improvements in consultation and co-design of recent proposals.

Collaboration after submission

Feedback on collaboration after approval of donor grants varied depending on donor grants discussed. One member shared a strong desire for more proactive efforts to involve members in discussing joint strategies, and understanding donor requirements and evolving expectations. In general, recent donor grants come with joint communication, learning and sharing approaches that members regard as key to building a common understanding of progress and fostering shared learning.

Core grant decisions and documentation

Core grant decisions are made by relevant staff members and their manager during work-plan processes, by assessing alignment with strategic priorities. However, there is no system to document these decisions, and due diligence does not seem to take place. These gaps require attention going forward.



Recommendations

On strengthening strategy and policies that drive fundraising, re-granting and due diligence:

- **Systematically prioritise the Secretariat's involvement in any form of fundraising** (its own, joint with members and support to member-led fundraising) in light of strategic priorities and expected burden. This can be done through a combination of the following strategies:
 - ! **Focus fundraising on underfunded aspects of the global strategy**, by identifying themes of Vision 2025 that are underfunded, mapping donors interested in those themes and focusing fundraising efforts on those.
 - ! **Align any form of fundraising with the global strategy and plans**, ensuring that the Secretariat's own and joint fundraising continue to be driven by the operational plan, as per current practice, and support to member-led fundraising is at a minimum aligned with Vision 2025.
 - ! **Assess ex ante re-granting and the implementation burden for all fundraising modalities.** While this has been done for its own and joint fundraising, the Secretariat should discuss upfront with members and donors the level of support expected in the implementation of member-led projects that it helps fundraise for. The Secretariat can then factor these expectations into its own calculations about whether, and to what extent, it can provide the requested support.
 - ! **Revise the minimum threshold for fundraising to £100k.** Noting that select restricted donor grants ranging from £50k to £100k have been quite burdensome to manage, it is recommended that PWYP increases from £50k to £100k the minimum threshold for funding it will pursue. In keeping with current practice, any donor grant below that threshold would continue to be assessed for cost-benefit.
- **Revise the joint fundraising and re-granting policy** to reflect the proposed conceptual revisions of the Secretariat's roles in fundraising (i.e. distinguishing joint fundraising from support to member-led fundraising), lessons from this report and evolutions in PWYP's practice.
- **Develop a risk-driven, manageable approach to due diligence.** It is recommended that due diligence is driven by risk, accounting for size of grants (due diligence could be simplified or discarded for small grants) and existing relationships (due diligence on existing grantees could be conducted every two to three years and not for each new grant). The due diligence process should be simple and manageable.

On strengthening implementation of strategic and operational processes for fundraising, re-granting and due diligence:



- **Increase member awareness of joint fundraising and re-granting policy provisions**, including by sharing the revised policy by email, at PWYP meetings or through ongoing staff interaction with members.
- **Develop and disseminate internally an organisational DARCI³ accountability grid** to define unambiguously roles and responsibilities of key postholders, including who is primarily responsible for processes such as the decision to pursue funding, proposal development, donor grant management, due diligence, and planning and budgeting, as well as who needs to be consulted or informed, and who approves decisions.
- **Consider establishing internal coordination mechanisms that ensure regular, joined-up decision making**, with participation of key postholders and departments (e.g. senior management, programme, finance, fundraising). Options include:
 - a fundraising committee, to direct and regularly review fundraising progress
 - regular donor grant reviews, to assess progress and issues in implementing major restricted donor grants
 - an annual planning and budgeting committee, to make decisions about budget allocations, including re-granting of funds.
- **Develop practical checklists or templates to support staff decision-making and improve documentation.** Different tools could be developed to support staff decisions on joint fundraising, support to member-led fundraising and core funds re-granting. Emphasis should be placed on assessing members against eligibility criteria and explicitly identifying risks and risk-management responses.
- **Maintain current levels of disclosure of donor grants and third-party re-grants in annual reports** and, as a low priority, consider options to increase information on the scope of re-grants (e.g. a brief description of the scope and objectives of each re-grant could be added to annual reports).
- **Fill critical staffing gaps**, with priority going to a fundraising manager⁴. It is also important that someone is designated to coordinate grant management and due diligence. Depending on workload trade-offs, this could be an existing member of the finance team or a new grants officer to be recruited (noting that the Secretariat's recent human resources review considered explicitly the possibility of this hire).

³ For more information, see: <https://www.impactbnd.com/blog/what-is-the-darci-accountability-grid>

⁴ This position was successfully recruited in April 2020 as this review was being finalised.



Annex A: Methodology

This annex outlines sources of information, analytical approach and limitations for the joint fundraising and re-granting review.

1. Sources of information

Information for the review was collected through an internal document review and interviews with key stakeholders. A light-touch literature review was also conducted.

Internal document review: This was targeted and included key strategies and policies that detail how PWYP approaches joint fundraising and re-granting, as well as documents that provide useful context to the scope of the report. Annual reports provided useful data and information on the scope and scale of donor grants and re-grants. These were complemented with more granular data provided by PWYP's finance team (from the contracts register). No grant-specific documentation was reviewed.

Literature review: To provide context to this report, a number of external resources were reviewed on aspects relevant to the scope of the report. In general, there is little information publicly available on how networks approach re-granting arrangements and deal with the pros and cons that come with this approach. Some transferable lessons were gleaned from the practice of grant-making organisations, including funders. Overall, the scope of the literature review was very narrow.

Interviews: Interviews were conducted with key audiences and beneficiaries of the policy, primarily those who had first-hand experience of its formulation and implementation. An initial list and target of 20 respondents was identified by the PWYP Secretariat, based on stakeholders likely to generate the most useful insights for the review. Proposed interviewees were chosen to provide diversity in the sample, in terms of geographic spread, sub-grant value (high and low), linguistic diversity, grant outcomes (positive, less positive) and baseline capacity of coalitions. As the interviews progressed, additional respondents were identified on the basis of insights uncovered during earlier interviews.

Ultimately, 18 individuals were interviewed as follows:

- Seven PWYP staff members, including three from the senior management team and four regional coordinators
- Six PWYP national coalitions or members, of which four were national coalition coordinators and two directors at member organisations
- Five PWYP donors.

Some of these individuals were also interviewed because of perspectives they could provide from past or alternative roles. One interviewee had been a member of staff during the review period, while three respondents were current or former members of PWYP's Global Council. Efforts were made to reach two more PWYP members and two more donors, but these were unsuccessful.

Annex B provides the full list of respondents. Table 1 provides a summary of key respondent data, with breakdown by type, gender and regional balance. Overall, the sample was sufficiently balanced and representative for a review of this nature.



Table 1 – Breakdown of interviewees by type, gender and region

	Number	Percentage
Respondent type		
Member of staff	7	39%
Member organisation or coalition	6	33%
Donor	5	28%
Gender		
Male	10	56%
Female	8	44%
Region		
Africa	5	28%
Central Asia and the Caucasus	2	11%
Europe	6	33%
Middle East and North Africa	2	11%
North America	3	17%
Total	18	

2. Approach to data collection

The data collection and analytical process were guided by a set of research questions developed by the PWYP Secretariat and detailed in the Terms of Reference for this assignment (Box 1).

Box 1 – Questions from the review’s Terms of Reference

- What have been the successes and what have been the challenges of PWYP’s joint-fundraising and re-granting decisions and processes to date?
- What have been the experiences of PWYP coalitions and members in the past three years of being sub-grantees of PWYP? How can these inform the revised policy?
- What has been the experience of donors whose funds have been sub-granted by the Secretariat, and how can communication and coordination be improved between them?
- Under what circumstances can/should PWYP engage in joint fundraising with national coalitions/members from 2020 to 2025?
- What criteria should PWYP use to re-grant its unrestricted (core) funds in the coming five years (with reference to Vision 2025)? E.g. strategic opportunity, seed funding to unfunded coalitions or blended funds to leverage other donor support.
- At what threshold should PWYP funds be sub-granted to multiple coalition members (as opposed to a single sub-grantee), to prevent bottlenecks and address absorption capacity issues?
- What are the current and future expectations of PWYP members and donors of PWYP’s sub-granting role?
- What are the advantages and what are the risks of PWYP acting as a re-granter to the network? How can the risks be mitigated?
- What are the current processes to identify and assess organisational capacity and how can these be improved?



These questions and an inception meeting with the Secretariat's senior management team provided key insights, questions, dilemmas and concerns to probe through additional data collection. This informed the document review and the literature review, which in turn informed the scope of primary data collection, via the development of generic interview guides.

Interview questions were framed broadly and probed different angles with different respondents, depending on their ability to provide insights into different aspects of this review. As a result, not all questions were asked across respondents and the framing of questions was adjusted to the perspectives and positioning of the respondent. Some questions for staff members and PWYP member organisations were semi-structured in an attempt to generate quantitative data for analysis. Three meetings were held with the Director of Member Engagement throughout the data collection to fill information gaps or to obtain feedback on emerging questions. The bulk of the data collection took place in February 2020.

3. Analytical approach and limitations

Mixed methods: The data collection and analytical approach included both qualitative and quantitative elements. Qualitative analysis was predominant as it was deemed most useful to provide relevant context to any findings and recommendations. As such, most of the questions in the interview instruments were open-ended and the approach to discussion was iterative.

This said, quantitative analysis was used to provide comparative trends where this yielded interesting insights. This involved two types of approach:

- Analysis of existing financial and grant data made available by PWYP (e.g. from annual reports and the contract register). The data presented some gaps and limitations. For instance, contract register data was patchy for the earlier years under review and more solid for recent years. Disclaimers and notes on the use of this data are added in the report. Overall, gaps in data are unlikely to have impacted significantly on the trends and insights emerging from the quantitative analysis.
- Tabulation and analysis of data from interviews, specifically from a number of closed-ended questions, as well as open-ended questions that could be tabulated. This type of analysis was conducted only where data could be obtained across relevant respondents and where quantitative analysis added relevant insights.

Triangulation of data and objectivity: Best attempts were made to triangulate data from different sources (such as documents and interviews) and from different interviews that brought complementary or alternative perspectives (e.g. PWYP staff, coalitions and member organisations or donors knowledgeable about the same grant).

This said, not all data could be triangulated. There were questions, countries or grants for which information could only be obtained from one respondent, or from multiple respondents from the same group. Accordingly, the report tries to differentiate views reported by select respondents from "evidence", i.e. views that triangulate across a sufficient number of sources to be considered objective.

To reduce room for amplifying subjective views, Latour's approach to objectivity was applied. This consists in allowing an evaluand, in this case the PWYP Secretariat, to "object to what is said about



them” as a way of strengthening the pertinence of findings and to inform the development of sound and accurate recommendations. Concretely, this involved the following:

- Seeking feedback on the draft report and findings from the Secretariat to obtain general reactions and to discuss some questions that emerged from the review.
- Drawing on this feedback to introduce revisions to findings where appropriate and develop a set of pertinent recommendations.

Anonymity: Interviews were conducted in conditions of full anonymity to encourage respondents to be candid. As such, respondent feedback in the report is provided using the following generic groups: PWYP staff, PWYP member(s)/coalition(s), PWYP donor(s).

Gender-disaggregated analysis: Disaggregating analysis by gender was considered, but not carried out, given the small sample size across and within groups, and the seeming lack of variance in perspectives across gender groups.



Annex B: Respondents

#	Interviewee name	Main role	Secondary role (if applicable)	Type
1	Caroline Macleod	Director of Finance and Operations		Staff
2	Demba Seydi	Regional Coordinator, Francophone West Africa		Staff
3	Elisa Peter	Executive Director		Staff
4	Emil Omarov	Regional Coordinator, Eurasia		Staff
5	Nelly Busingye	Regional Coordinator, East and Southern Africa		Staff
6	Pierre Saade	Regional Coordinator, Middle East and North Africa (MENA)	Former donor	Staff
7	Stephanie Rochford	Director of Member Engagement		Staff
8	Camilo Nhancale	CSO, Platform for Natural Resources and the Extractive Industry	Former member of PWYP's Global Council	Member/Coalition
9	Diana El Kaissy	Executive Director at the Lebanese Oil and Gas Initiative	Former member of staff	Member/Coalition
10	Emily Nickerson	Director, Publish What You Pay Canada		Member/Coalition



11	Kalia Moldogazieva	Director, Human Development Center “Tree of Life”		Member/Coalition
12	Miles Litvinoff	National coordinator, PWYP UK	Member of Global Council	Member/Coalition
13	Peter Egbule	National Coordinator, Publish What You Pay Nigeria		Member/Coalition
14	Andrew Clarke	Principal at Luminate		Donor
15	Ibrahim Bangura	Economic Governance Officer at Open Society Initiative for West Africa (OSIWA)		Donor
16	Joseph Asunka	Program Officer in Global Development and Population at the William and Flora Hewlett Foundation		Donor
17	Joseph Williams	Senior Officer/Advocacy Manager at the Natural Resource Governance Institute (NRGI)	Member of Global Council	Donor
18	Sarah Pray	Director, Advocacy for Economic Governance Program and Economic Justice Program at Open Society Foundations		Donor



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