



Better Funding Practice

Responding to Urgent Needs and *Local Realities*





Better Funding Practices: *Responding to Urgent Needs and Local Realities*

Better Funding believes communities know best when it comes to addressing local issues. However, traditional funding models often prioritise **funder-defined priorities** over the actual needs of communities, leaving grassroots organisations struggling to secure support for their most pressing challenges.

Funding that ***responds to urgent needs and local realities is essential to effective philanthropy.*** When funders align their support with what partners identify as most critical, resources flow to where they can have the greatest impact. This approach recognises ***that those closest to the work understand it best.***

For funders, responsive funding is not just an ethical imperative, it is also a strategic one. Investments that address genuine priorities lead to stronger outcomes, more resilient organisations, and ***greater impact in communities.***



Why does *responsive funding* matter?

Responsive funding acknowledges that *partner organisations and the communities they serve are best positioned to identify their own priorities*. It also recognises that addressing local priorities often requires investing not only in programmes and organisations, but also in the relationships, networks, and collective processes through which communities organise, learn, and act together.

When funders *support urgent, locally-defined needs*, it can lead to:



Greater relevance, ensuring resources address real challenges rather than assumed ones.



Increased effectiveness, as organisations can direct funding where it will have the most impact.



Stronger ownership, with communities leading their own development rather than implementing external agendas.



Faster adaptation, allowing organisations to respond to emerging crises and shifting circumstances.

Traditional funding practices often inadvertently create barriers to responsive support. When support is *funder-driven* and funders define narrow thematic areas or specific interventions before engaging with partners, they risk funding work that does not align with local priorities.

By choosing to fund new programmes or visible projects over the “*unsexy*” budget line items, such as core operational costs, staff salaries and staff training, they are failing to support the costs that organisations need the most to sustain and strengthen their work.

Ultimately, responsive funding signals that funders see partners not as implementers of their own priorities, but as *experts in their own field*.



How to *fund urgent needs and local realities?*

Here are some key practices that can help funders become more responsive:

01. Ensure your processes are accessible for small organisations

Many funders develop application processes that depend on organisations having a dedicated team of experienced grant writers. This prohibits local community-based organisations from successfully winning grants and accessing funds. Adapting *application processes and compliance expectations* ensures that smaller, local organisations are able to access the support they *critically need*.

02. Ask partners what they need most



Begin funding conversations with open questions such as “*What is your most urgent priority?*” and “*What would make the biggest difference to your work right now?*”. This simple shift places partner knowledge and experience at the centre of decision-making.

03. Fund what is hardest to fund

Many organisations struggle to secure support for essential but less visible needs, such as **staff wellbeing, leadership transitions, emergency reserves, or simply keeping the lights on**. Consciously seek out and support these gaps.



04. Embrace unrestricted funding

Unrestricted grants give partners the freedom to **allocate resources according to their own assessment of priorities**. This approach trusts organisations to make wise decisions about their own work and contexts.



05. Stay connected to local realities

Funders operating at a distance from the communities they aim to support may lack the nuanced understanding needed to assess what is truly urgent. Invest time in understanding the contexts where your partners work, through **regular conversations** that go beyond project updates and site visits **focused on listening rather than monitoring**. Without meaningful engagement, funding decisions can reflect assumptions rather than realities.



06. Build in flexibility from the start

Funding tied to detailed project plans and fixed budgets assumes that partners can predict exactly what will be needed months or even years in advance. In reality, circumstances change - new challenges emerge, opportunities arise, and communities' priorities evolve over time.

Design funding agreements that **anticipate change**, such as allowing budget reallocations without burdensome approval processes and building contingency funds into grants. **Establish clear, simple processes for adapting plans when circumstances change.**



07. Respond to emerging crises

When partners face unexpected challenges - natural disasters, political upheaval, economic shocks, or health emergencies - **be prepared to respond quickly**. This might mean releasing emergency funds, accelerating disbursements, or pausing reporting requirements.

08. Fund the health of the whole organisation

Organisations cannot deliver strong programmes without **strong foundations**. Consider how your funding supports critical aspects such as fair staff compensation, effective administrative and operational infrastructure, staff training and leadership development.

09. Fund the relationships that make change possible

Many of the challenges funders seek to address require organisations to **work together, share knowledge, build relationships, and coordinate efforts across communities and sectors**. Yet the activities that make this possible are often overlooked or excluded from funding budgets.

Recognise that collaboration requires **time and resources**. Consider supporting costs such as convenings, community consultations, facilitation, travel, coordination, and participation in networks and coalitions.

10. Regularly solicit feedback to continuously improve



Regularly examine whether your funding priorities **reflect genuine community needs or inherited assumptions**. Seek feedback from partners and be willing to adapt your approach based on what you learn.

What Does This Look Like *in Practice*?

GoPhilanthropic Foundation was a US-based foundation that provided grants to small, grassroots organisations working on human rights, health, and education across Latin America, Asia, and Africa from 2011 until 2025. The foundation approached its funding partnerships with a recognition that partner organisations were the experts in their communities and best positioned to identify local priorities and solutions. Rather than prescribing interventions, GoPhilanthropic sought to **listen, learn, and respond to what partners identified as most important.**

One of the first questions partners were asked was: “**What are your hardest-to-fund budget line items?**” For some, it was staff salaries and core operational costs. For others, it was staff training or new programmes that were important to their communities but difficult to fund through traditional grantmaking. Often, this included costs as simple as electricity bills needed to keep facilities operating.

Recognising that organisations need more than project funding to thrive, GoPhilanthropic also provided ***flexible support for organisational strengthening through dedicated learning grants.*** Partners could use these funds according to their own priorities, whether for training, language classes, facilitated strategic planning, team retreats, leadership programmes, or other investments that would strengthen their organisation and advance their mission.

Flexibility was also central to the foundation's approach. Funding agreements recognised that needs and circumstances evolve over time, and partners were encouraged to reallocate budgets when necessary to respond to changing realities. Open communication channels allowed organisations to discuss emerging needs and adapt plans without burdensome approval processes. This included recognising local realities that did not always fit neatly within conventional compliance systems, particularly in remote or rural communities where formal documentation for everyday expenses was not always available.

The foundation also recognised that organisations regularly face unexpected challenges that require immediate support. During the COVID-19 pandemic, GoPhilanthropic **established a rapid response fund to help partners respond to urgent needs.** Based on feedback from partners, the fund remained in place beyond the pandemic, as organisations continued to navigate natural disasters, political instability, economic disruptions, and other emergencies. To support timely responses, the foundation developed processes that enabled emergency funds to be approved and disbursed within 48 hours.

Beyond supporting individual organisations, GoPhilanthropic invested in opportunities for **collective learning, collaboration, and wellbeing.** Regional learning networks created spaces for partners to share experiences, strengthen relationships, exchange knowledge, and address common challenges together. The foundation also supported participation in sector convenings, peer learning opportunities, and wellbeing initiatives, recognising that strong organisations and healthy leaders are essential to long-term community impact.

By centring partner knowledge, remaining responsive to changing circumstances, investing in organisational health, and supporting collaboration across organisations, GoPhilanthropic sought to align its funding with the realities that partners faced on the ground.



Final Thoughts

Funding that responds to urgent needs and local realities requires a fundamental shift in ***how funders relate to their partners*** and view the partnership. It requires ***humility***, for funders to acknowledge that those closest to the work understand it best, and ***flexibility***, to accept that plans will change and priorities will evolve.

This approach does not mean funders abandon all strategy. It means entering relationships with ***genuine curiosity*** about what partners need, designing funding structures that can adapt to changing circumstances, and trusting organisations to make sound decisions about their own work.

When funding aligns with genuine priorities, the impact extends beyond individual grants. It strengthens the entire ecosystem of community-based organisations, builds ***more equitable relationships*** between funders and partners, and ultimately delivers better outcomes for the communities we all aim to serve.



We would love to hear from you:

As a funder, how do you ensure your funding responds to partners' most urgent needs?

As a community-based organisation, what would help funders better understand your local realities and needs?

Share your experiences: what approaches have worked, and what barriers remain?

Let's learn together and strengthen the field.