Why participatory grant making?

Funders are increasingly taking steps to reach, share power with and support organisations and groups who are led by and for the communities they serve. At the same, these groups are not receiving enough support to deliver their work or advocate for a fairer future. To name but a few examples:

* [Only 1.8% of grants](https://rosauk.org/publications/mapping-research/#:~:text=The%20research%20shows%20that%20in,focus%20on%20women%20and%20girls.) go to the women and girls sector.
* In 2020, [87%](https://www.ubele.org/research-and-report/impact-of-covid-19-on-bame-community-and-voluntary-organisations) of groups led by Black or racially minoritised communities didn’t have funding to last more than three months.
* 40% of groups in [LGBT Consortium’s membership](https://www.consortium.lgbt/) have an income of less than £1k a year, and 32% have no income at all.
* For Deaf and disabled people – only [10%](https://www.inclusionlondon.org.uk/wp-content/uploads/2021/07/Understanding-the-needs-of-DDPOs-in-England-HQ.pdf) of Deaf and Disabled People’s Organisations (DPOs) responding to a survey were from a region where they hadn’t seen DPOs close in the last five years.
* Looking at the equity and justice funding picture overall – according to data analysed by the [Civic Power Fund](https://fundingjustice.civicpower.org.uk/), only 5.7% of UK foundation giving went towards work tackling injustice last year and the funding is not focused on “shifting power to a specific community”.

And it’s not just about a lack of funding – it’s also about *who* is making the decisions about where funding goes. [Research](https://www.acf.org.uk/common/Uploaded%20files/Research%20and%20resources/Stronger%20foundations/ACF_DEI_Thepillarsofstrongerfoundationpractice_final.pdf) from the Association of Charitable Foundations on the Trustee Boards of Trusts and Foundations found they were 99% white, that male trustees outnumber women by two to one, that 58% of Trustees are over the age of 64, with just 3% under the age of 45.

[Over 1,300 funders globally](https://medium.com/participatory-grantmaking-community/influencing-philanthropy-how-participatory-grantmaking-gained-momentum-and-whats-next-c30a8c0d82c2) are part of the participatory grant making (PGM) community, and many more are moving towards PGM practises, where community panels make decisions on where funding should go. Bringing in lived experience from local communities and in the process helping shift the power between funder and funded.

The Two Ridings Foundation says that PGM “includes the co-design of funds and collective decision making – creates collective intelligence on what needs to be funded. It highlights what the issues are in a specific area and how to make the whole funding process more accessible.” They go on the say how this process, with communities and professional grant makers working in tandem to make decisions.

“Moving money is a complex issue! Grant making is a profession, just like Finance and HR. Participatory Grant making brings Grant makers together with Community Development practitioners – knocking down the walls and barriers community organisations regularly come up against.” – Ali Spaul, Two Ridings Foundation

The National Lottery Community Fund’s 2023 [report](https://www.tnlcommunityfund.org.uk/media/insights/documents/Scotland-PGM-Report-January-2024.pdf?mtime=20240209094421&focal=none) on PGM pilots notes how the successes included,

* Facilitating new collaboration between third sector organisations.
* Empowering communities to shape the funding process.
* Reaching new grassroots groups.
* Building the capacity of third-sector organisations.

Some of the key challenges included:

* The time and resource intensiveness of the process for us and the communities we worked with.
* The discomfort that comes with power-sharing.
* The temporary nature of empowerment.
* The logistical barriers that come with PGM, such as staff turnover, funders' eligibility criteria, grassroots groups that are not formally constituted as a charity and difficulties in engaging local people to attend events or participate on decision panels.

One of their key learnings was that “Funders should be clear about why they are adopting PGM and how it will be co-developed and implemented with communities. They should also think about how their systems may need to be adapted to facilitate PGM, rather than reinforcing barriers”.

What is the impact of participatory grant making?

Funders have been questioning how to best measure impact and share learning both in traditional grant making and PGM methods.

The Global Fund for Human Rights advocates for the communities on PGM panels to be embedded in this side as well, helping to design and define what success looks like:

“Creating spaces for ongoing learning and engagement throughout the grant-making process and beyond is essential. It [PGM] should go beyond deciding how grant money is allocated. Local communities and panel members should also play a role in defining what success looks like and be involved in measuring that process.”

Our member and a leading PGM funder, Camden Giving, have approached how they [measure the impact of PGM](https://www.thinknpc.org/blog/measuring-the-impact-of-participatory-grantmaking/). Trying to move away from measuring outcomes, to looking at the wider system they note “We can only measure and understand the longer-term systemic change we’re creating because we invest in long-term relationships with our participatory grant makers through an active alumni programme.”

They’ve moved away from staff-led grants reporting and now coordinate site trips for their participatory grant makers so that they can visit their grantees to understand whether they feel the project has been a success. That information is then used to support the training of future panels. They’ve also been really clear on *why* they are trying to measure impact:

“We’ve started measuring for lots of reasons, but the most important one has been to be able to say with confidence to new community members that we know they’re the right people to be doing this because we’ve seen it work”.

Beyond this, they go on to say, those investing in PGM need to develop ways of understanding and sharing the impact of the process as well as the grant decisions, “otherwise PGM runs the risk of being no more than a conversation.”

Further reading

Participatory Grantmakers - <https://www.participatorygrantmaking.org/mission-values>

Intro to PGM, The Fund for Global Human Rights - <https://globalhumanrights.org/commentary/fund-101-intro-to-participatory-grant-making/>

Measuring the impact of PGM, Think NPC - <https://www.thinknpc.org/blog/measuring-the-impact-of-participatory-grantmaking/>

7 Best practices of PGM, Alliance Magazine - <https://www.alliancemagazine.org/blog/7-best-practices-in-participatory-grantmaking/>

PGM, Right here - <https://www.right-here.org/participatory-grantmaking/>

PGM - Building the evidence, Centre for Evidence and Implementation - <https://www.ceiglobal.org/work-and-insights/report-participatory-grantmaking-building-evidence>

The Power of letting go, Civil Society Commission - <https://civilsocietycommission.org/essay/the-power-of-letting-go-is-participatory-grantmaking-the-future-of-philanthropy/>

Participatory grant making is key to shifting the power, Alliance magazine - <https://www.alliancemagazine.org/blog/participatory-grant-making-is-key-to-shifting-the-power/>