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Participatory Grantmaking

Building the Evidence

For Paul Ramsay Foundation



Centre for
Evidence and
Implementation

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About CEI

The [Centre for Evidence and Implementation \(CEI\)](#) is a global, not-for-profit evidence intermediary dedicated to using the best evidence in practice and policy to improve the lives of children, families, and communities facing adversity. Established in Australia in late 2015, CEI is a multi-disciplinary team across five offices in Singapore, Melbourne, Sydney, London and Oslo. We work with our clients, including policymakers, governments, practitioners, program providers, organisation leaders, philanthropists, and funders in four key areas of work:

- Understand the evidence base
- Develop methods and processes to put the evidence into practice
- Trial, test, and evaluate policies and programs to drive more effective decisions and deliver better outcomes
- Build cultures for evidence use

About Paul Ramsay Foundation

The Paul Ramsay Foundation's purpose is to help end cycles of disadvantage in Australia by enabling equitable opportunity for people and communities to thrive. More information about the Foundation is [online](#).

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Foreword

Inspiring better philanthropy

Jack Heath, CEO, Philanthropy Australia

Philanthropy Australia welcomes this report about participatory grantmaking. The principles behind participatory grantmaking are sound and align with Philanthropy Australia's vision to inspire not only more but better philanthropy as we work towards a generous and inclusive Australia.

This informative and methodical report offers useful and practical insights and showcases relevant global and international examples, while also setting out the limitations and potential gaps. In doing so, this work significantly advances the sector's knowledge about this emerging area for global and Australian philanthropy and will support donors to pursue this practice with more informed objectives and greater confidence.

The core principle of participatory grantmaking is compelling: that philanthropic decision-making should centre on community needs. It also recognises the value and importance of listening to a diversity of voices. This fundamentally relies on bringing into decision-making the perspectives of those with lived experience and lived expertise.

This report is relevant for all types of funders – those operating at different scales, focused on different issues and with various decision-making structures. It is also appropriate for not-for-profits as it points to new and re-balanced ways of working with funders. Conversations about power and the need to be open to new voices are continuing themes in this work – and ones that will be fundamental to how philanthropy must transform in the years ahead.

At Philanthropy Australia's 2022 Conference, Centre for Evidence and Implementation (CEI) introduced and tested the early findings of this work. Their session particularly explored the barriers that funders were reporting – and what they heard in this session is included here.

I sincerely commend this report. It gives a set of practical questions to take forward – from building the evidence base to the call to share learning. I also want to acknowledge Paul Ramsay Foundation commissioning CEI to undertake this study. In emerging areas of philanthropic practice, insights like these will help us to accelerate solutions.

The team at Philanthropy Australia looks forward to helping disseminate this work and to seeing how its recommendations take shape in sector practice.

Foreword

A contribution to evolving the field

Jo Taylor, CEO of Siddle Family Foundation, former Chief Capability Officer and General Manager at Paul Ramsay Foundation

Dr Renee Lim, Director of Program Development at Pam McLean Centre, former Health Grants Advisor at Paul Ramsay Foundation*

The notion of philanthropy is not new. It has been embedded in social history for centuries as a personal act of charity or religious obligation. An individual act of grace not guided by evidence, standards, or best practices.

When philanthropy has the power to create meaningful and lasting change in our communities, it comes with an obligation to build our understanding of the positive and negative aspects of the differing ideologies and methodologies for distributing funding. While there are many dedicated and passionate philanthropists in Australia, we have not always utilised the knowledge available to make informed decisions about *how* to invest our resources effectively – sustainably supporting our grantees and funding partners to create maximum impact.

As a result of this historical perspective, philanthropy lacks the quality of research and evidence-based practice established in other sectors. It is a nascent field, and in our haste to be more consequential, we have tended to adopt research methodologies directly from other domains without due interrogation as to whether they are fit for purpose in philanthropy. We are yet to fully explore the appropriate tools and frameworks relevant to the measurement and evaluation of philanthropic practice. This review of the evidence of PGM from the Centre for Evidence and Implementation makes a ground-breaking contribution to building the field of philanthropy.

The promising participatory grantmaking practices within the Village Capital program were the catalyst for the Paul Ramsay Foundation to commit to developing similar work. The Village Capital program is remarkable within our field in that it has tracked its impact over 10 years and identified the key elements that contribute to its success – consistently indicating that entrepreneurial peers within the program make better investment decisions than traditional venture capitalists. Could we at Paul Ramsay Foundation adapt the program to work in more traditional philanthropy? What would it take and how would we know if it was successful?

We adapted the underpinning Village Capital principles and its VIRAL criteria (a proprietary methodology examining Venture Investment Readiness and Awareness Levels) to devise and deliver the Peer-to-Peer program. However, it was the commitment, courage and creativity from the Peer-to-Peer participants and the openness of the Paul Ramsay Foundation that enabled its outcomes. Participants' insightful and honest feedback steered our design and iteration of the program through the COVID-19 experience. As philanthropic practitioners, we learnt many lessons about our craft. It is heartening to see those lessons reflected in this systematic review. We hope philanthropists and other funders will use this practical information to integrate participatory grantmaking practice within their funding programs.

It is important to acknowledge the leadership of the Directors of the Paul Ramsay Foundation. They created the conditions for us to experiment with a different distribution

model AND concurrently fund research and evaluation of the methodology. The Directors consistently encouraged the senior leadership team to evaluate our own philanthropic practice, to identify areas where we could improve and make the necessary changes to help us realise our philanthropic goals more effectively.

We must all be active learners within our burgeoning field; transparent about the approaches we take and sharing our experiences and knowledge with others. Together, philanthropists and funding partners can engender a culture of continuous improvement within the field of philanthropy and ultimately create the greatest possible impact in our communities with the resources we steward.

*Co-authors Jo Taylor and Dr Renee Lim were involved in the set-up, design, and delivery of the Peer-to-Peer program at the Paul Ramsay Foundation. The Peer-to-Peer program was a participatory grantmaking program that sparked the idea for the current report to investigate the evidence around this approach. The program and the evaluation findings are described in this report.

Executive Summary

This report explores the state of evidence in participatory grantmaking (PGM). It investigates the benefits and challenges of PGM and provides recommendations for the sector on advancing practice and understanding in this emerging area.

The inherent power imbalance between funders¹ and grantees has gained attention in the philanthropic sector. Numerous trust-based approaches have emerged that seek to devolve power to organisations, communities, and/or sectors intended to benefit from funding. Participatory grantmaking (PGM) is one such approach that involves non-grantmakers in decision-making processes. PGM is thought to enable better outcomes by involving individuals and organisations that are closer to communities in funding decision-making.

As PGM emerges as a method for philanthropic practice, there is benefit in exploring whether it achieves its desired outcomes and whether it has advantages over traditional grantmaking approaches. This report by the Centre for Evidence and Implementation (CEI) aims to contribute to the field by synthesising available evidence on PGM to support grantmakers in making better decisions about the design and delivery of PGM programs.

¹ For the purposes of this report, we use the terms “grantmakers”, “donors”, “philanthropic institutions”, and “funders” interchangeably to refer to organisations that distribute funding.

The report’s objectives are (1) to synthesise evidence on whether PGM achieves its intended outcomes and to explore its benefits and challenges compared with traditional grantmaking, and (2) to make recommendations to build the evidence base to better answer these questions.

It aims to shed light on whether and how PGM works, with a view to advancing sector practice and highlighting areas for further research. It is grounded in a review of literature and uses case studies to illustrate key insights with a particular, in-depth focus on the Peer-to-Peer Program funded in Australia by the Paul Ramsay Foundation.

Definition

Adapted from Gibson (2018)

Participatory grantmaking is the involvement of non-grantmakers in decision-making about funding intended for their sectors or communities.

CEI conducted a review to investigate the scope of evidence available by searching through databases, funders’ websites, and expert-directed sources. The study found that PGM is still a nascent field of research, and there is limited available evidence on how it is practiced and still less on whether it “works” (and under what circumstances).

The research reveals that there is no “one way” to enable participation by grantees in decision-making. Approaches range from low-consultation models to ones in which grantees drive allocation decisions. Moreover, the design of these approaches – who is involved, how,

and in what decisions across what remits – varies significantly across institutions. Each approach has strengths and weaknesses depending on the context.

The study includes an in-depth case study of the Paul Ramsay Foundation Peer-to-Peer program (P2P program, see box 1 below). CEI conducted an evaluation of the P2P program in 2020-21. That evaluation provided rich insights on how a PGM approach can support in achieving community outcomes and supporting collaboration and capacity-building for grantees. Throughout this report, the P2P program will be used as a detailed case study of a PGM initiative in action, serving as a reference point that brings to life many of the theories in the literature.

While there is very little high-quality research available on PGM, the research that exists can give funders confidence that PGM holds promise and is worthy of further investment. The preliminary evidence offers grantmakers insight on the benefits and challenges of PGM, which can in turn inform potential strategies to implement PGM. While the evidence base does not support or disprove the claim that PGM is more effective than other ways of distributing funds or more likely to deliver innovative solutions², the preliminary evidence suggests that PGM is a promising approach that may enable:

1. **Relationship building:** PGM may be an approach for grantmakers to strengthen relationships with the communities and/or grantees they work with, and even between these communities/grantees themselves. Tapping into pre-existing networks to engage in PGM provides an accessible starting point, but grantmakers should consider the potential selection bias of doing so and ways to mitigate that.

² A Husted et al. (2021) landscape study of foundations found that these were the top benefits ascribed to the approach.


2. **Networking and collaboration opportunities:** PGM may offer increased networking and collaboration opportunities for non-grantmakers through activities embedded in the programmatic design. Grantmakers that are interested in helping non-grantmakers strengthen their networks may potentially help open doors to further collaborative efforts through engaging them in PGM approaches.
3. **Knowledge about grantmaking, as well as capability-building:** PGM may offer non-grantmakers a chance to learn about grantmaking firsthand. Guidance and training should be provided to build capacity and knowledge of non-grantmakers.
4. **Flexibility and innovation:** Engaging in PGM may help grantmakers adopt more flexibility in responding to changing needs and support increased innovation for different models or ways of working.
5. **Transparency:** Grantmakers may also enable and showcase greater transparency through PGM approaches, but this may be limited to cases when grantmakers implement transparent practices and processes.

The approach is not without its challenges:

1. **Time and capacity needed to build relationships and implement processes:** Shifting to PGM approaches may take time and resources to build trust and ensure accessibility.
2. **Difficulty in ensuring diversity and representativeness of participation:** Grantmakers should consider what representation of the target community looks like, how to ensure accessibility, and how to create a safe environment for participation.
3. **Inherent bias in the decision-making process:** PGM does not eliminate bias in the decision-making process; it shifts biases from grantors to grantees. Biases can manifest themselves in PGM and may partially be addressed through shifts in design.

To advance the field of PGM practice and evidence-based grantmaking methods, we include recommendations for grantmakers to build the evidence by trialling and evaluating their PGM practices and sharing these learnings in the public domain. In general, philanthropic practice is an under-attended area in the research literature and there is strong potential to advance better giving through improved evidence. The example of PGM is illustrative: it is an area with significant interest among funders but, as this review shows, limited existing knowledge of what works.

We therefore recommend that grantmakers pilot, trial, and evaluate PGM approaches. We strongly urge grantmakers to share their learnings publicly so that the sector can accelerate better practice. As PGM continues to gain traction in mainstream philanthropy, we expect stronger evidence of what works in PGM, when, for whom, and under what conditions, to emerge.



Box 1: The Peer-to-Peer Program – introduction and rationale

Paul Ramsay Foundation (PRF) is dedicated to breaking the cycle of disadvantage in Australia through initiatives and partnerships with the social services sector that are “as bold as the challenges we confront” (Paul Ramsay Foundation, 2022). As a significant funder wanting to maximise the value and impact of annual giving, the Foundation piloted a AUD 1 million funding provided to the sector bridging problem solving methods with peer-review and decision-making.

The result was the Peer-to-Peer (P2P) program, a model for collaborative decision-making around grant allocation – modelled and adapted from an approach used by Village Capital – that focuses on increasing the capacity of organisations to develop high-quality projects through collaboration and democratisation of the project funding process. Peer-to-peer grantmaking approaches are a form of participatory grantmaking (Hauger, 2022).

The P2P pilot project represented a shift in the way PRF has made decisions about funding projects previously – from internal and board-level approvals to one where funding was allocated under certain defined criteria to a group of ten organisations. These organisations undertook problem identification and prioritisation using the Solve It Complex Problem-Solving Framework, and then collectively made decisions on how the funding was to be allocated among them.

This was a choice built on the premise that the agencies involved in delivering programs and services have a better idea about what is needed in the sector – and what might be successful in breaking disadvantage – than a foundation’s board or leadership.

Introduction

Participatory grantmaking is an emerging approach that seeks to involve non-grantmakers in funding decisions. This report examines the current evidence around participatory grantmaking and provides recommendations on how to build evidence within the sector.

Participatory grantmaking has received increasing attention in the philanthropic sector and the concept has entered mainstream philanthropic discourse in recent years. A push for this approach is part of wider moves within the sector to shift philanthropy toward approaches that devolve power to communities, organisations, and individuals, build relationships with these stakeholders in the process, and to overcome systemic inequities. This is a shift from traditional welfare models to rights-based frameworks that strive for meaningful participation of communities that the work aims to serve.

Emergence of “trust-based” approaches

Approaches that seek to devolve power to communities are often aligned with “trust-based” approaches to philanthropy, which place a greater emphasis on trust compared to traditional philanthropy. Such approaches aim to redress the power imbalance between grantmakers and grantees through collaboration and learning, working to overcome systemic inequity, and building mutually accountable relationships in which grantees are accountable to grantmakers, and grantmakers to grantees.

Traditionally, grantmakers hold power in deciding where, when, to whom, and how funds are being distributed “in service of their vision for social progress” (Citigroup, 2021). There

are several major challenges with this traditional model of philanthropy that trust-based approaches aim to address:

- First, across most foundations, executives and board directors are responsible for setting funding priorities but are often not from the communities that they serve and typically lack knowledge about them. For example, a survey conducted on over 800 US-based foundations found that only 10% of CEOs and leadership positions and 27% of full-time staff positions are occupied by people of colour. Only 7% of 703 foundations that responded reported employing staff members with disabilities (Council on Foundations, 2020). Similarly, in a survey of 1,878 board members and senior staff from Australian non-profit organisations, only 15% of respondents reported that their board included at least one Aboriginal or Torres Strait Islander person. Only 17% and 28% reported that their board had at least one member who identified as LGBTQ and one member with a disability respectively (Institute of Community Directors Australia, 2019). A lack of diversity in perspective and lived experience among funders may impact their ability to understand community needs, issues, and priorities, despite good intentions. There is interest in ensuring that community needs are centred in philanthropic decision making.

“Good intentions cannot make up for disproportionate power.”
— Wrobel & Massey (2021)

- Second, organisations seeking funding must conform to funders’ selection, due diligence, and reporting requirements. Funders have a need to balance fiducial risks and legal responsibility with efficiency of processes. These processes may be time-consuming, creating workload for organisations that may not add value for the organisations themselves or potential donors. They may also over-privilege better-established institutions with development teams. Further, this may disproportionately privilege organisations that already have programs and priorities aligned with those of the funder, which may lead to less funding for organisations led by minority communities (Finchum-Mason, 2022). There is interest in approaches that reduce bureaucracy and reduce inbuilt bias in selection of grantees.
- Third, grantmakers often perform functions traditionally associated with governments (e.g., provision of social welfare services), yet they are not held accountable within their structures of governance or through external oversight mechanisms to the “larger world outside that [board] room” (Wrobel & Massey, 2021). There is interest in increasing accountability to communities.
- Finally, approaches that merge or complement technocratic knowledge and research evidence typically available to funders with community knowledge and practice are still nascent.

To address these power imbalances, some practitioners have turned to approaches that acknowledge inequities within the systems in which they operate (Finchum-Mason, 2022). The lived experiences and perspectives of communities are recognised and incorporated in these approaches (Villanueva, 2021).

“We need to open ourselves up to more critical, honest discussions about deeply rooted cultural norms and structures, including racial, gender, ethnic, and class biases. We have made impressive progress on these issues, but ... far too many are left behind because of inequality’s asphyxiating grip on the aspirations of people in every

corner of every country.” – Walker (2015), President of the Ford Foundation

There are various approaches aligned to this greater push for devolution of decision-making and trust-based approaches. Among these are approaches that urge reduction of reporting requirements, for example by offering grantees the opportunity to submit the same reporting information to multiple funders (e.g., by offering common grant application forms). There are increasing calls for unrestricted, multi-year funding. Other institutions are exploring full funding of indirect costs to “pay what it takes” (Thorp et al., 2022) — a grantmaking approach in which funders cover both programmatic and non-programmatic expenses (Eckhart-Queenan et al., 2016).

Participatory grantmaking

Participatory grantmaking (PGM) is an approach aligned with these wider themes. In contrast to traditional philanthropic approaches, PGM is purported to increase democratic and equitable decision-making in grant allocation through the involvement of communities that grantmakers aim to benefit (Husted et al., 2021). PGM, which “involves non-grantmakers in funding decision processes” has at its core the principle of ceding decision-making on resource allocation to non-grantmakers (Hauger, 2022). These may include individual community members or organisational representatives.

“Effectively moving money to where the hurt is worst – using money as a medicine – requires the funder to have deep, authentic knowledge of the issues and communities that will be putting the funding to use. Deep, authentic knowledge does not come from reading some stats, reports, or articles; it doesn’t even come from a site visit to an affected community or interviewing someone from that community. It comes from living inside the community and experiencing that issue for oneself.” - Villanueva (2021)

PGM is theorised to be effective because individuals and organisations who are closer to communities can offer insights, expertise, and lived experience that may support more effective decision-making, promotes robust conversations and mutual accountability (Evans, 2015; Villanueva, 2021). This has the potential to bring perspectives together to better merge insights from technocratic expertise, the practice expertise of organisations, and lived experience. In theory, participatory approaches can stave off groupthink by increasing diversity in the decision-making process while creating stronger connections across communities (Evans, 2015).

There is no formal definition of PGM, but several reports in this review cited a definition that was published in the GrantCraft Guide: “Participatory grantmaking cedes decision-making power about funding — including the strategy and criteria behind those decisions — to the very communities that funders aim to serve” (Gibson, 2018).

Other terms that have been used to describe PGM include participatory philanthropy, participatory decision-making, community-participatory grantmaking, and community-led grantmaking. In this report, we use the term “participatory grantmaking” (PGM) which should be interpreted as inclusive of approaches that devolve either strategy or decision-making – or both – to organisations and individuals who work in communities or on issues where grantmakers seek to have positive influence. PGM has entered mainstream philanthropic discourse in recent years. Examples include:

- Two key publications, *Participatory Grantmaking: Has Its Time Come* (Gibson, 2017) and *Deciding Together: Shifting Power and Resources Through Participatory Grantmaking* (Gibson, 2018), explore the challenges, learnings, and best practices of PGM and are widely cited.
- Recent reports from the Monitor Institute (Kasper et al., 2019) and Rockefeller Philanthropy Advisors (Berman et al., 2019) have highlighted the importance of involving non-grantmakers in funding decisions, defining it as a critical frontier for philanthropy.
- The Participatory Grantmakers Community began convening in 2020. This is a community of practice for grantmakers to access knowledge and connect with each other. The network provides an online space for a growing base of over 900 members to share learnings, ideas, and work in PGM.
- Some organisations operate solely based on PGM mechanisms. For example, decisions about strategic direction and grant allocations of the International Trans Fund are determined by trans activists (Karsay, 2020).
- PGM was a topic of discussion at the 2021 Philanthropy Australia Conference within a session, moderated by Jo Taylor (then Chief Capability Officer at Paul Ramsay Foundation), on how the approach could address power imbalances inherent in the relationship between grantmakers and grantees. Early findings of this study were shared at the 2022 Philanthropy Australia Conference.
- In 2021, six established foundations, including the Ford Foundation, W.K. Kellogg Foundation, Wayne Metropolitan Community Action Agency, Community Development Advocates of Detroit, Fred A. and Barbara M. Erb Family Foundation, and Skillman Foundation, launched the Detroit Residents First Fund, a USD 5.7 million participatory fund to support non-profit organisations in Detroit led by people of colour. Community leaders and representatives of the foundations will work collectively to determine funding allocations (Harring, 2021).
- Well-established foundations, such as the Ford Foundation and MacArthur Foundation, have researched and/or funded PGM approaches (Cardona, 2020; Gibson, 2017; Magner, 2021).
- The 2023 USD 250 million Yield Giving Open Call funded by McKenzie Scott and managed by Lever for Change will rely on a Participatory Review peer rating by other participants before a subset advances to an external evaluation panel for assessment (Lever for Change, 2023).

Evidence-informed philanthropy

There is an increasing push for the philanthropic community to better incorporate and use evidence in informing grantmaking (Fiennes, 2017; Greenhalgh & Montgomery, 2020). Evidence-informed philanthropy helps grantmakers understand which philanthropic programs are effective and how effective they are, with the objective of achieving the greatest impact. Beyond maximising impact, evidence-informed philanthropy helps grantmakers avoid “throwing good money after bad” – funding ineffective programs or, at worst, programs that may cause harm. Despite increasing awareness that funding decisions ought to be grounded in evidence, this is not standard practice (Fiennes, 2017).

Several common barriers may prevent grantmakers from applying evidence to their philanthropic practices, including difficulty in accessing relevant, high-quality data and a lack of understanding of the data available (Greenhalgh & Montgomery, 2020). Further, many philanthropies may not invest sufficiently in their own internal or analytic capabilities

and there may be insufficient external evidence available that is tailored to philanthropic investment.

The most appropriate evidence for philanthropy is not limited to evidence generated through experimental methods (Schorr & Farrow, 2011). A broader interpretation of evidence beyond experimental research is crucial to increasing knowledge within philanthropy and subsequently encouraging evidence uptake (Oliver et al., 2014). This means that grantmakers should, for example, consider learnings and findings published by their peers as valid forms of evidence.

Therefore, in this report, CEI included assessments of both research-based evidence and program findings shared by grantmakers. We synthesised evidence on research that investigates the effectiveness of PGM: whether this approach works as well or better in achieving social impact than other grantmaking approaches, which components of the approach may work, and the mechanisms by which PGM occurs.

Our approach to the desktop review

The nature and extent of evidence for PGM remains unknown. As such, the desktop review was guided by, but not limited to, the following questions:

- What PGM approaches are in practice?
- What are the outcomes of PGM? What are the challenges of implementing PGM?
- What is the effectiveness of PGM approaches as compared to other grantmaking approaches? Does PGM lead to improved outcomes as compared to other grantmaking approaches?
- Does PGM allocate resources more efficiently as compared to other grantmaking approaches?

We expected much of the evidence on PGM to be available on funders' websites rather than in academic journals and therefore adopted a pragmatic search strategy combining database searches, desktop website searches, and expert-directed sources.

We used search strings including "participatory grantmaking", "participatory decision-making", "community participatory grantmaking", "community led grantmaking", and "community philanthropy". Databases we searched included SCOPUS, Business Source Complete, The Foundation Review, and the Catalog of Nonprofit Literature. We also searched other resources focused on philanthropy, including Stanford Social Innovation Review, Centre for Effective Philanthropy, Chronicle of Philanthropy, Philanthropic Studies Index, Public Affairs Information Service International, Philanthropy Journal, Nonprofit and Voluntary Sector Quarterly, Candid, and National Centre for Family Philanthropy.

Academic research investigating PGM was sparse: the review uncovered only six papers in academic journals: in The Foundation Review, Public Health Reports, Health Promotion Practice, Innovation: The European Journal of Social Science Research, and a report published by the Evans School of Public Policy & Governance at University of Washington.

Since funding institutions typically publish reports on their PGM efforts independently, we used Google as a search tool to access these publications. We also accessed news and articles about foundations practising PGM and searched through individual foundation websites for reports of their PGM engagements. We found a small number of grantmakers that had made reports of their PGM work publicly available, but most of the grey literature

identified through desktop review reflects expert opinion rather than independent research or evaluation. Two internal CEI experts in philanthropy identified several resources, including books, articles, and reports, for this review. We were deliberately broad in our approach to inclusion of evidence in the review, given the nascent state of the field, and only excluded material if it did not substantively address PGM. Given the variability in terminology of PGM and difficulty in accessing PGM literature³, this review reflects a non-exhaustive summary of the literature.

Scope of evidence on participatory grantmaking

Prior to presenting the findings of the desktop review, it is useful to provide an overview of the scope of the evidence in PGM. The review of the available research reveals:

- There is limited robust evidence on of PGM practices with scant research investigating this approach.
- The evidence has typically not systematically evaluated the effectiveness of PGM nor its efficiency in allocating resources, instead focusing on its benefits and challenges.
- Many publications feature examples from practitioners who believe that there are inherent benefits of shifting philanthropy towards PGM, which may have the effect of overstating the benefits of this approach (Hauger, 2022).

There is value in understanding the scope of available evidence to highlight opportunities for further research. Moreover, examining the preliminary evidence is helpful for grantmakers to understand how different PGM approaches have been practiced, the potential benefits and challenges of the approach, and how to address likely challenges. This may in turn encourage thinking about how to design PGM programs that are more suited to participants' and grantmakers' needs and contexts. In the absence of robust research, case studies and lessons learned can help grantmakers to make "best bets" as they trial these innovative approaches.

The next sections provide background on PGM and different frameworks and models.

³ It may be that more grey literature on PGM exists but it was not termed a PGM approach, but rather by specific program names, and could not be included in this review.

How has participatory grantmaking been practiced?

Interest in participatory grantmaking is growing as there has been an increasing push towards democratising decision-making. This approach has been practiced in different ways.

Context for participatory grantmaking

There are several factors that are driving greater interest in PGM and other trust-based philanthropy approaches. With sectors of society increasingly demanding transparency, accountability, and diversity across public and private institutions, there has been a corresponding push within philanthropic decision-making (Berman et al., 2019; Gibson, 2018; Paterson, 2021). Several recent factors may also have amplified this interest:

- Institutional trust has been declining (Buchanan, 2019), and this decrease in trust extends to non-profit organisations (Edelman, 2023). An annual online survey conducted in Australia found that the trust in non-profit organisations decreased from 58% in 2022 to 53% in 2023 (Edelman, 2023). Low trust may result in a decrease in engagement with and donations to the non-profit sector, as trust has been cited as being crucial for individuals to support non-profit organisations (Independent Sector, 2022).

- The COVID-19 pandemic saw many grantmakers shift to unrestricted funding models and/or release grantees from contractual requirements (Finchum-Mason et al., 2020).⁴ Beyond this, the pandemic spurred calls for shared decision-making power, due to its disproportionate impact on vulnerable people (Husted et al., 2021).
- Activism and social movements also call for the inclusion of communities in decision-making processes. First invoked by South African disability rights advocates in the 1990s, “Nothing about us without us” became a clarion call for the active involvement of persons with disabilities in development of strategies and policies affecting them. The movement led to activism at global stages, including the United Nations, and resulted in the 1995 Disability Discrimination Act in the UK (Office of the United Nations High Commissioner for Human Rights, 2012). In another example, the *#ShiftThePower* movement stemmed from the 2016 Global Summit on Community Philanthropy. This advocates for systems change to shift power to communities (Hodgson, 2021).
- Unsolicited, “no-strings-attached” gifts by US-based philanthropist MacKenzie Scott amounting to nearly USD 12 billion since 2020 (Kulish & Cramer, 2022) have been a key milestone in the normalisation of a trust-based philanthropy approach and, due to their size, have sparked widespread sector discourse.

Models for participatory grantmaking

PGM is a term that encompasses a range of models. Key differences between models are the degree and nature of involvement of non-grantmakers in grantmaking processes.

Framework for participatory grantmaking

Gibson (2017) outlines a framework for PGM (The design of PGM approaches, including who is involved and how, or whether PGM is embedded across an organisation’s model or in a specific program, varies significantly across institutions.

Figure 1), in which the forms of communication and responsibilities of grantmakers and non-grantmakers are emphasised. Gibson’s framework conceptualises a spectrum of non-grantmaker involvement in grantmaking, moving from left to right: from traditional modes (wherein grantmakers make decisions and inform grantees) to joint decision-making models. The design of PGM approaches, including who is involved and how, or whether PGM is embedded across an organisation’s model or in a specific program, varies significantly across institutions.

Figure 1. Framework for participatory grantmaking (Gibson, 2017)

⁴ Consortia of donors across geographies signed pledges through Philanthropy Australia, The Council on Foundations, and other bodies.



Gibson's framework describes a range of approaches:

- **Informing (or telling/receiving):** One-way communication by which non-grantmakers receive information distributed by grantmakers. This approach does not provide opportunities for non-grantmakers to ask questions or provide feedback. Examples of this approach include Foundation websites that contain information about grants and guidelines, and panels or presentations in which foundation personnel discuss topics.
- **Consulting (or input/asking):** Consulting consists of largely one-way communication, with non-grantmakers given the opportunity to provide ideas, opinions, insights, or recommendations. There is no guarantee that the input of non-grantmakers will be incorporated into the decision-making process. Examples of this approach include conducting surveys, community meetings, and focus groups with non-grantmakers.
- **Involving (or discussing/influencing):** This approach features two-way communication that allows both parties to listen, understand, and discuss different perspectives. The discussion is usually limited to a small number of participants to allow for in-depth discussions. An example is non-grantmakers participating in working groups.
- **Deciding (or partnering/collaborating):** This approach features two-way communication during the pre-grant period (e.g., identifying problems, developing the application process), granting process (e.g., reviewing/altering the grantmaking review process, deciding funding allocation), or post-grant process (e.g., review grantees' activities, evaluations, reports). This approach leads to decisions on grantmaking determined at least in part by non-grantmakers.

Participatory grantmaking models in practice

There are also many ways of practising PGM. Evans (2015) provides one of the first typologies of PGM models in which grantee roles in decision making are emphasised:

Table 1. Models of participatory grantmaking

PGM model	Definition
Representative participation	Relevant individuals are invited to be on decision-making bodies. They can comprise part of or an entire group of decision-makers.
Open collective	All interested parties can participate in funding decisions through voting. A common example is participatory budgeting.

Closed collective	Relevant organisations are convened to allocate funding. This may be most appropriate when there is a specific domain of interest and where inclusion and exclusion criteria are clear.
Rolling collective	All grantees are involved in the process of receiving and granting funds. Grant recipients have the opportunity to be part of the allocation process either during or after their time as grantees.
Crowdfunding	Communities raise funds and decide on funding allocations.
Direct transfer	Intermediary organisations are not involved. Funding is directly transferred to communities/individuals with lived experience, with no requirements for application, monitoring, or reporting.

There is no hierarchy to these PGM framework/models. Each approach has its own advantages and disadvantages depending on the context, which may in turn influence effectiveness (Paterson, 2021). Table 2 provides an overview of different PGM programs identified in this research, mapped onto Evans's (2015) models.⁵

⁵ We mapped the PGM programs onto Evans's models, as it provides a more detailed discriminator of PGM approaches and the mechanism by which grantees work together to do PGM.

Table 2. How participatory grantmaking has been practiced

PGM model (mapped onto Evans, 2015)	Funding institution	Name of program	Who was involved	How were they involved	How was the funding institution involved
Representative participation model	Foundation North (New Zealand) (Centre for Social Impact, n.d.)	Pacific Future Makers Fund	Ten young Pacific leaders working or volunteering in areas such as health, education, politics etc., were invited to participate in the Pacific Future Makers Fund through nominations from Foundation North’s community networks.	The Pacific leaders discussed together and made recommendations to grant funds to projects that they deemed to increase impact and innovation and was mana (i.e., spiritual power/energy) enhancing.	The project team from Foundation North facilitated discussions, and the CEO made the final decision on whether to accept the Pacific leaders’ funding recommendations.
Representative participation model & open collective model	New York City Department of Health and Mental Hygiene (US) (Nieves et al., 2020)	Health in Action Project	15 community members were selected via an application process to be on a grantmaking panel (<i>representative participation model</i>). Later, members of the public were invited to vote for the panel’s preferred proposals during a Summit (<i>open collective model</i>).	The 15 panellists reviewed submitted proposals and selected 16 finalists. At the Health in Action Summit, the 16 finalists presented their projects to members of the public, who in turn voted for their nine preferred projects. The panel reconvened to discuss the presentations, reviewed the scores by the public’s voting, and selected the final nine projects that would receive funding.	The Department of Health and Hygiene provided training for panellists to prepare them for the grant reviewing process and organised the Summit. The panellists made the final decision on grant allocation.

PGM model (mapped onto Evans, 2015)	Funding institution	Name of program	Who was involved	How were they involved	How was the funding institution involved
Closed collective model	Paul Ramsay Foundation (Australia) (Abdo et al., 2021)	Peer-to-Peer Program	Ten projects were selected through a competitive application process. Project members from the ten organisations were invited to participate in the Peer-to-Peer Program.	Representatives evaluated each other's projects and participated in a collaborative workshop that enabled them to provide feedback. They then re-evaluated the projects, with the top five rated projects receiving AUD 150,000 unrestricted funding each. A second workshop was conducted where the cohort made decisions on how to allocate a further AUD 1 million in funding.	Paul Ramsay Foundation, via a facilitator, organised workshops, capacity building, and discussions over a two-year period. Paul Ramsay Foundation handed over decision-making entirely to participants of the program.
Rolling collective model	The Thankyou Charitable Trust (New Zealand) (Thankyou Charitable Trust, n.d.)	<i>Organisation's grant allocation mechanism (not program specific)</i>	Organisations that had previously received funding from the Trust via an application process.	Previous grantees are involved in grant allocation of the next round of grant recipients that are based in the same geographical location. Each funding round is restricted to a specific location.	Several trustees and previous grantees evaluated and selected the next round of grantees.
Crowdfunding	Donors Choose (US) (Donors Choose, n.d.)	<i>Organisation's grant allocation mechanism (not program specific)</i>	Teachers can request funding for their classroom by listing specific classroom projects that	Any individual can donate funds to classroom projects on an ad hoc or monthly basis. Individuals can	The organisation is involved in vetting projects that are requesting donations from

PGM model (mapped onto Evans, 2015)	Funding institution	Name of program	Who was involved	How were they involved	How was the funding institution involved
		<i>program specific</i>	they need funding for on the Donors Choose website. This can include requests for new reading materials, notebooks, and more. Any individual can donate to any listed project on the website.	choose the projects that they want to fund, or in the case of monthly donations, can allow the organisation to direct their funds to urgent projects that require funding.	teachers and listing it on their website. When a project has received its target funding, Donors Choose will purchase all items specified by teachers and ship it to them.
Direct transfer	Foundations for Social Change (Canada) (Foundations for Social Change, 2021)	New Leaf Project	Individuals experiencing recent homelessness were screened and selected to receive an unconditional, direct one-time cash transfer.	Participants received CAD 7,500 and spent the money according to individual needs.	Foundation for Social Change screened and selected the participants and distributed the money to them. The Foundation also provided a series of workshop involving the development of a personal plan and self-affirmation exercises. Some participants were selected to receive coaching to support them in developing life skills and strategies.

Box 2: Peer-to-Peer program design

Devolving grantmaking to organisations carries risks for funders. Grantmaking assumes competencies in assessing project potential and feasibility, innovation, and organisational capability to effectively implement the project, as well as awareness of the wider organisational landscape, among other characteristics.

To minimise risk within the P2P program, organisations that had already participated in a 1-day Solve It Australia Complex Problem-Solving Framework Masterclass⁶, focused on the development of a complex problem and hypothesis, were invited through an EOI process to submit a project for funding by PRF, which assessed whether they had effectively used the Framework. PRF made the final selection of projects based on the same criteria and including an element of diversity in the selection process.

Ten projects were selected among these by members of the PRF board and the Social Impact Hub. The organisations – comprising a mix of community organisations, social enterprises, foundations and non-government health and human services agencies – were invited to participate in the P2P program and collaborate in developing and improving projects that worked towards addressing disadvantage.

Even if it meant the funding outcome was determined by peers rather than PRF, this remained a competitive funding process: AUD 150,000 was available to each of five organisations with outstanding projects and AUD 150,000 was available to be shared across the cohort. The ten organisations were involved in a series of focused, intensely facilitated workshops designed to place the power and decision-making for grantmaking with the P2P cohort. After these workshops, the P2P participants chose the projects for funding.

→ Workshop 1 (October 2019)

Before beginning Workshop 1, the P2P cohort used grant evaluation criteria that included a project evaluation framework, a scale, and a rubric, adapted from Village Capital. Peer feedback on projects was then shared among the P2P cohort, enabling organisations to review their projects and make adaptations, if preferred, before participation in a two-day workshop.

The cohort then participated in a workshop facilitated by PRF that focused on project improvement. P2P organisations presented their projects and sought feedback on key project questions. They collaborated in generating strategies to assist other organisations to address project challenges and participated in ‘naysayer’ sessions that encouraged open and supportive project critique. These activities were designed to build skills in the grantmaking process and improve the quality of projects through collaboration, as well as familiarising projects with each other and developing relationships that supported them to be more invested in the assessment with more insights on their peers.

At the end of the workshop, the P2P cohort re-evaluated their peers’ projects assisted by the evaluation rating scale and rubric. Their ratings – which could be adjusted up to three days

⁶ The Solve It Australia Masterclass was led by PRF board member and former McKinsey & Company Managing Partner, Rob McLean AM with support from Social Impact Hub and Philanthropy Australia.

following the workshop – determined which of the five organisations each received a AUD 150,000 funding grant. This funding was unrestricted, enabling organisations to use the funds as they wished (e.g., towards the project, hiring staff or meeting other organisational needs). In this way, PRF funding, designed to build the capacity of the sector to address disadvantage, was entirely awarded by peers based on their own evaluation of a peer organisation’s potential for project success.

The onset of the COVID-19 pandemic affected the rollout of the P2P program, such as delays in face-to-face workshops which were eventually taken online. The AUD 150,000 to be shared across the cohort was funnelled into online capacity building activities. In line with the intention of the program to shift power from the philanthropist to the organisations that work to directly address disadvantage, these activities were selected by peers to address project and team capability gaps. Two activities were held:

- A series of group co-design workshops, facilitated by The Australian Centre for Social Innovation (TACSI), and
- Individually tailored evaluation consultations and workshops, provided by Clear Horizons.

→ **Workshop 2 (November 2020)**

PRF had allocated an additional AUD 1 million to the P2P program using an additional intensive 2-day workshop – a way of “bringing them back into a collaborative space” and “re-establishing the unit” – as the mechanism for peer grantmaking. Workshop 2 included activities designed to:

- Review project progress and updates and strengthen projects through peer feedback
- Review the project evaluation process and tools (i.e., scale and rubric) in depth to examine decision-making
- Broaden organisational exposure to due diligence in the philanthropic sector, including a Q&A with Paul Ramsay Foundation board and senior executive, and
- Announce funding and consider models for distribution.

The second workshop, in considering different models for funding distribution, explicitly shifted the grantmaking process from one focused on peer-to-peer funding within the group (although that remained a funding option for the cohort, including proportional funding to each organisation) to a consideration of peer-to-peer funding outside the group – that is, organisations external to P2P. Participants were asked to work collaboratively in not just improving projects, but in making grantmaking decisions about distributing funds to other projects and organisations dedicated to breaking the cycle of disadvantage. The organisations decided to make use of the last AUD 1 million of funding to support a community of practice for six of the ten organisations.

In summary, PGM is an approach that shifts away from traditional grantmaker-recipient dynamics and devolves power to the communities that the work aims to serve. Communities possess deep insights and lived experiences about the issues, and this knowledge may help them contribute to effective funding. There are numerous ways in which PGM can be practiced, including differing participation levels of the grantmaker versus non-grantmakers. The next section will explore what is known about PGM.

What do we know about participatory grantmaking?

While participatory grantmaking is gaining traction in philanthropy, there are limited robust examples available. Understanding the benefits and challenges of this approach, however, can build knowledge about participatory grantmaking and help grantmakers increasingly design better practices.

Our review outlines the prevalence of PGM, and benefits and challenges of the approach. Due to the limited number of robust examples available and the limitations of the research, the evidence detailed in this section should be considered preliminary, especially given the significant diversity of PGM approaches. We also highlight some gaps in the literature and suggest how grantmakers can further build the evidence in this field in the next section.

Who is practising PGM, how, and why?

The review identified a single landscape study of PGM practices that surveyed foundation executives and high-level staff from 148 large foundations, both private and community, based in the US (Husted et al., 2021). The survey contained a series of questions about:

- Whether foundations had engaged in participatory practices in the last two years;
- In which processes did they engage external stakeholders in (i.e., organisational priorities, grantmaking processes, funding decisions, post-grant evaluation); and
- The level of influence stakeholders had on decision-making (i.e., consulting, involving, deciding – in line with Gibson’s (2017) framework (see Figure 1)).

While this study is only focused on the US, it is the only known study including a survey about PGM approaches and can provide insights about how foundations give through participatory approaches:

- 83% of foundations reported directly engaging external stakeholders in at least some form of participation.
- In line with Gibson’s framework, the study found that most surveyed foundations adopted a “consulting” approach, soliciting feedback through activities such as surveys at varying points in their grantmaking process.
- 55% of foundations reported consulting grantees on the grantmaking process while approximately 25% reported consulting grantees on funding decisions.
- About 30% and 44% of foundations also consulted grantees on organisational priorities and post-grant evaluation, respectively.
- Slightly fewer foundations had adopted an “involving” approach, which refers to the incorporation of feedback through activities such as advisory committees.
- 53% involved their grantees in grantmaking processes, and about one quarter reported involving grantees in funding decisions.
- Approximately 33% and 39% reported involving grantees in organisational priorities and post-grant evaluation, respectively.
- A small number of institutions had adopted the “deciding” approach: 11% of foundations reportedly confer decision-making to their grantees for funding decisions, while fewer than 10% of foundations do the same with respect to organisational priorities, grant process, and post-grant evaluation.

The results of the landscape study showed that foundations were:

- Less likely to engage in more intensive forms of PGM when moving from the left to right of the participatory spectrum i.e., from “consulting” to “deciding” (i.e., as levels of joint decision-making increase); and
- More likely to engage non-grantmakers from their grantmaking network (e.g., grantees) as compared to other networks (e.g., non-grantees non-profits, affected community members, members of the public) (Husted et al., 2021).

The study found that the most cited reasons for foundations to engage non-grantmakers directly are the beliefs this leads to more effective grantmaking (88%) and promotes innovative solutions to challenges that the foundation seeks to address (78%). Foundations cited motivations, including diversifying the decision-making process (38%), building stakeholder capacity (41%), and shifting power from foundations to those most affected by the funding (45%), less often.

The lack of capacity to implement PGM practices was the most common challenge in engaging non-grantmakers, as cited by almost 50% of foundations. About one fifth of surveyed foundations also cited their institution's fiscal and legal responsibility over decisions and misalignment with the foundation's core strategy (Husted et al., 2021).

While the above data focused on large foundations based in the US, our review of the literature found that PGM has been practiced worldwide and has engaged a range of different communities, including youths, persons with disabilities, individuals from minority ethnic groups, and LGBTQ+ communities. The approach has also been used to target a range of different issues, including community health, safety, and economic well-being. As outlined in Table 2, grantmakers have embedded PGM into funding models or program design in many ways (please refer to the Appendix for more examples of PGM).

The next subsections outline the benefits and challenges of PGM derived from the available literature that collected data on PGM practices, including evaluations of PGM programs and PGM funds. Box 3 illustrates the evaluation methodology of the Peer-to-Peer program as an example of how PGM evaluations may be conducted to identify the benefits and challenges of the approach.

As stated in the methodology section, the evidence on PGM practices is currently limited and lacks robust, high-quality research. However, the preliminary evidence presented in the next sections serves as a starting point for grantmakers to consider the benefits and challenges of PGM in relation to the aims that they are trying to achieve, and whether it is a suitable approach to adopt.

Additional insights from the Philanthropy Australia National Conference 2022

CEI conducted a breakout session on PGM at the Philanthropy Australia National Conference on 8th September 2022. The session introduced findings from this draft report, including PGM frameworks/models and the barriers of engaging in this approach. A polling activity was incorporated within the session to gain insights from those working within the sector about the key barriers that they face when engaging in PGM.

Out of 40 participants, about 40% indicated that they had previously engaged in PGM, while 50% had not and nearly 10% were unsure whether they had. The most common form of PGM model that had been used was the **representative participation model** – 21% of 47 respondents indicated that they had involved non-grantmakers in decision-making groups.

The most common barriers to engaging in PGM cited by participants were a lack of understanding of the approach and high-level executives and boards wanting more control over decision-making.

Box 3: Evaluation methodology of the Peer-to-Peer program

The Centre for Evidence and Implementation undertook an evaluation of the P2P program using a mixed-methods approach and identified any observed and reported changes to:

- Organisational capacity, engagement, and relationships with PRF, and
- Philanthropic learning around peer evaluation and collaboration.

→ Evaluation questions

Five evaluation questions were formulated:

1. What was the impact of the P2P program on individual organisations' capacity to develop high-quality projects that address complex social issues?
2. What was the impact of the P2P program on organisations' engagement and collaboration in developing projects?
3. What was the value of the peer-to-peer process in developing high-quality projects that address complex social issues?
4. How did the P2P program impact on organisational interactions with PRF?
5. How can the P2P program be improved?

→ Data collection

Various data and information were collected using different methods over the course of P2P to inform the evaluation. Specifically, the evaluation:

- Defined the P2P model and identified core program components using data collected from workshop materials provided by the Foundation, workshop observation and interview with the P2P facilitator
- Situated the P2P model in the global context for peer grantmaking using a selected desktop review of grey literature in this area identified through a search of philanthropic websites
- Measured peer perceptions of the grantmaking process, organisational capacity and collaboration, and peer satisfaction with P2P using pre-post surveys, and
- Gained insight into peer perceptions of the P2P program as a whole (i.e., including the second workshop in November 2020) and perceived impact on projects and organisations using in-depth interview.

Conclusions were drawn from the collated data (i.e., surveys, workshop materials, observation, literature, and interviews) about the findings of the P2P program (see box 4) and to make practical recommendations for amendments to the next iteration of the program (see box 5). It is important to note that this research activity was undertaken before the second tranche of funding (AUD 1 million) was distributed, but after grantees had been informed that it would be available for distribution.

Benefits of participatory grantmaking

Several benefits of PGM were cited in the literature.

Relationship building

Within the literature, relationship building (between grantmakers and non-grantmakers, and between non-grantmakers) was cited as a likely outcome of PGM. The relationship between parties evolved as they worked together, with some reporting that it led to better relationships (Centre for Social Impact, n.d.; Lewis et al., 2022; Purposeful, n.d.).

For example, New Zealand's Foundation North had convened a group of Pacific community leaders to make recommendations about the grantmaking process and allocation of funds in the Pacific Future Makers project. While the community leaders were not familiar with the foundation at the outset, the relationship grew throughout the process. The project co-lead was quoted as saying that the process involved "high-trust" for the leaders' knowledge and collective skillset as the foundation provided guidance and a safe space but did not "take over the process" (Centre for Social Impact, n.d.). Similarly, an evaluation of a European PGM fund led by activists FundAction reported that members felt that there was trust in the group and space for different opinions to be voiced, especially if members were engaged at a deeper level (Lewis et al., 2022).

While some grantmakers worked with non-grantmakers who were previously unknown to them, others engaged non-grantmakers from pre-existing networks. Pride Foundation in the US, for example, drew upon its pool of scholarship fund participants when assembling a cohort to serve on a grants decision-making committee (Funders of LGBTQ Issues, 2012).

Having a pre-existing relationship seems to be an important consideration when grantmakers engage non-grantmakers – 71% of large US-based foundations cited existing relationships with external stakeholders as an important attribute in the selection of stakeholder participation (Husted et al., 2021). This suggests that relationship building is not only an outcome of PGM but could be a precursor for grantmakers to engage in PGM in some cases.

Relying on pre-existing networks may, however, result in a lack of diversity and representativeness of participants as there may already have been a selection bias (see next section on the challenges of PGM – *Difficulty in ensuring diversity and representativeness*). This is not to say that grantmakers should steer clear of engaging non-grantmakers from pre-existing networks, as tapping into these networks can provide an accessible starting point. Instead, grantmakers should consider their target group, and whether there could be a selection bias by engaging pre-existing networks and potential ways to mitigate it (e.g., introducing other non-grantmakers from outside these networks).

→ Key insight

PGM may be an approach for grantmakers to strengthen relationships with the communities and/or grantees they work with, and even between these communities/grantees themselves. Tapping into pre-existing networks to engage in PGM provides an accessible starting point, but grantmakers should consider the potential selection bias of doing so and ways to mitigate that.

Increased networking and collaboration opportunities

PGM may facilitate networking opportunities for non-grantmakers as their involvement may expose them to individuals and groups with whom they may otherwise not interact. This may include the opportunity to make connections between:

- Representatives of organisations working within communities e.g., grantees (The Lafayette Practice & FRIDA The Young Feminist Fund, 2015);
- Community members and organisations working in their communities e.g., panels interacting with prospective grantees (Purposeful, n.d.);
- Experts and community members e.g., researchers and members of community organisations working to address the same issues (Ramos et al., 2013); and
- Community members themselves e.g., community members who are sitting on the grant review panels (Centre for Social Impact, n.d.; Nieves et al., 2020).

Some PGM programs build in elements that offer opportunities for further networking. For example, FRIDA – the Young Feminist Fund (working globally from a base in North America) sends out grantee email announcements and creates a private Facebook group for grantees and FRIDA’s advisors once grantees have been selected. The online networks serve as a platform for grantees to share information, ask questions, and connect with one another (The Lafayette Practice & FRIDA The Young Feminist Fund, 2015).

Some PGM programs also embed collaborative elements in their design (Centre for Social Impact, n.d.; Purposeful, n.d.), which could potentially open doors to other collaborative efforts outside of the specific PGM programs. For example, The Fund for Global Human Rights and Purposeful partnered to design and pilot the Tar Kura initiative in Sierra Leone, which convened a group of ten youth panellists to define the eligibility criteria for the grant, interview, and review grant applications, make final grant allocation decisions, and provide ongoing support to grantees. The youth panellists reportedly developed strong relationships as they spent significant time together attending trainings, travelling to visit different organisations, and making funding decisions. They also built a relationship with the grantees, who reported receiving some support from the panellists. Furthermore, the grantees themselves bonded through participation in trainings, which gave them more opportunities to find space for further networking and collaboration (Purposeful, n.d.).

→ Key insight

PGM may offer increased networking and collaboration opportunities for non-grantmakers through activities embedded in the programmatic design. Grantmakers that are interested in helping non-grantmakers strengthen their networks may potentially help open doors to further collaborative efforts through engaging them in PGM approaches.

Increased knowledge about grantmaking and capability building

Increased knowledge about grantmaking and capability building is also posited to be a benefit of PGM. Non-grantmakers are typically not privy to the workings of grantmaking; involving them in decision-making processes gives them insight into factors such as how grant applications are reviewed and the criteria for evaluation. To prepare non-grantmakers for participating in the grantmaking process, some grantmakers provide additional training or guidance, including on topics relevant to the specific grants, the grant reviewing process, and evaluation criteria (Nieves et al., 2020; With and For Girls Collective, n.d.). For non-grantmakers whose role requires them to write proposals, learning about the grantmaking process and reviewing proposals may improve capabilities in this area (Miller et al., 2014; Nieves et al., 2020; Ramos et al., 2013).

Finally, some PGM approaches expose non-grantmakers to organisations that are working to improve communities (Miller et al., 2014; Nieves et al., 2020). The Health in Action project by the New York City Department of Health and Mental Hygiene, for instance, invited East Harlem residents to a summit where they could vote on projects seeking to improve neighbourhood community health. The inclusion of residents through voting allowed them to learn more about organisations in their community (Nieves et al., 2020). Through guidance, training, and participation in grantmaking, PGM approaches may offer learning opportunities and build capacity for individuals, organisations, and communities.

→ Key insight

PGM offers non-grantmakers a chance to learn about grantmaking firsthand. Guidance and training should be provided to build capacity and knowledge of non-grantmakers

Supporting flexibility and innovation

PGM approaches may enable greater flexibility in grantmaking that may support innovation. A comparative analysis of eight participatory grantmaking funds, including the Disability Rights Fund and HIV Young Leaders Fund, found that the organisations cited the capacity to be flexible and dynamic as a benefit of PGM. About half reported reassessing their funding priorities at least once a year while a quarter of funds reported reassessing as necessary, suggesting that peer-led funding structures offer room for flexibility to respond to changing needs (The Lafayette Practice, 2014). Furthermore, PGM practices may also support flexibility in terms of engaging non-grantmakers, such as working with non-grantmakers to adapt processes to ensure meaningful participation (Purposeful, n.d.).

PGM has also been posited to support greater innovation in the grantmaking process. For example, this approach may increase user-driven innovation where non-grantmakers (the “end users”) who possess the expertise and lived experience are included in the process to bring about “new possibilities” that would not be found in more traditional, grantmaker-led systems for innovation (Hauger, 2022). Organisations that engage in PGM have reported that they constantly iterate their PGM model and/or ways of working (The Lafayette Practice, 2015; The Lafayette Practice & FRIDA The Young Feminist Fund, 2015). For example, the US-based Disability Rights Fund uses a model wherein disability rights representatives make decisions about funding. The fund was perceived to be innovative as

it created multiple areas of funding to address the diversity of the applications it receives and the knowledge base of its reviewers. This was cited as a “key evolution that leverages the full breadth of the field and applicants’ contributions” (The Lafayette Practice, 2014).

→ **Key insight**

Engaging in PGM may help grantmakers adopt more flexibility in responding to changing needs and support increased innovation for different models or ways of working.

Supporting transparency

Aside from supporting increased flexibility and innovation, PGM approaches may facilitate transparency in the grantmaking process. Participatory grantmaking funds have reported commitment to supporting transparency for more democratic decision-making (The Lafayette Practice, 2014). Wikimedia Foundation, for example, is committed to more transparent, accountable, and visible processes. The foundation incorporates transparency through activities such as making documentation of internal decision-making publicly available. This includes documentation on grantmaking decisions, with mechanisms set in place for others to discuss or appeal decisions (The Lafayette Practice, 2015).

Participants in PGM practices have also reported believing that it enabled transparency in the grantmaking process, such as in the selection of grantees (Lewis et al., 2022; Purposeful, n.d.). For example, the Communities IMPACT Diabetes Centre in New York convened a grant review committee comprising both researchers from local academic institutions and members of community-based organisations to award grants to community groups that target social determinants of disparities related to diabetes. A process was established by which partners worked collaboratively during the grantmaking process, including developing grant review criteria, reviewing applications, conducting site visits to applicants, and selecting grantees. The partnership between the groups fostered equality in decision-making, with most committee members agreeing that the process was fair and that they were able to voice their perspectives. Community panel members revealed that they felt that they were serving their communities by making the grant application process more transparent and equitable (Ramos et al., 2013).

For PGM to enable greater transparency, grantmakers may also need to provide information such as how external input is factored into the final decision-making process. This suggests that PGM can support transparency but only when information is provided about decision-making processes.

→ **Key insight**

Grantmakers may also enable and showcase greater transparency through PGM approaches, but this may be limited to cases when grantmakers implement transparent practices and processes.

In line with the preliminary evidence on the benefits of PGM, box 4 (see below) details the outcomes of the Peer-to-Peer program that were identified in its 2020-21 evaluation.

Box 4: Outcomes from evaluation of the Peer-to-Peer program

The P2P program achieved outcomes across a range of areas.⁷ Differences in reported impact of the program among funded and non-funded organisations were not identified – but this may be due to delays in funded projects proceeding due to the COVID-19 pandemic. The evaluation corroborates many of the findings in the existing literature.

→ **Capacity to develop high quality projects addressing complex social issues**

Almost all organisations involved in the P2P believed it built their capacity to address issues of social disadvantage. Key contributors to capacity-building were the experience of the first workshop and the opportunity to be involved in training and coaching. The first workshop was perceived as being well-facilitated and created a motivating and safe space for learning, connection, and growth. The trainings were perceived as very high quality, with benefits being realised across organisations. Responses were largely enthusiastic across participant groups (funded and non-funded). Timing of the training (timed early in the program so that its lessons could be adopted) was an important factor. The evaluation's findings reinforce the benefits identified in the literature that PGM supports building capabilities.

→ **Engagement and collaboration**

Organisations valued the new relationships and wider networks they established. However, collaboration and the development of a community of practice among organisations was more limited – affected by the COVID-19 pandemic and by the high degree of heterogeneity among participants. Collaboration benefits were higher among funded organisations, for example with some organising secondments of staff between agencies, but it is difficult to ascertain if this is because they received funding or whether it is because they had more organisational commonalities to begin with. The evaluation's findings confirm the literature that identified in the literature that PGM supports collaboration.

The organisations decided to make use of the last AUD 1 million of funding to support a community of practice for six of the ten organisations. To note, the evaluation ended prior to this decision and the findings do not reflect the process of the dispersion of the final funds.

→ **Contribution to developing high quality projects**

The P2P program was seen to contribute to development of better projects because it supported better decision-making about grant funding and therefore improved the outcomes of the funding process. Organisations did not report modifying or improving significant aspects of their projects because of the P2P assessments in Workshop 1 but believed that other participants did so. The P2P facilitator noted that there were significant changes in some programs by the time the second workshop was held.

→ **Improved relationship with foundation**

The program improved organisations' philanthropic literacy and therefore potential efficacy in funding processes with PRF and other funders. It also improved grantees' awareness of PRF's priorities and perceptions and understanding of PRF as an organisation committed to innovation. It supported the creation and/or deepening of the relationship with PRF for most organisations, though not for all. The program took valuable steps toward subverting the traditional funder-

⁷ The evaluation methodology did not allow for determining whether the P2P program was more effective than other forms of grant-making in using resources effectively and efficiently, or in improving outcomes. The evaluation was formative in nature – an appropriate evaluation method for programs in the early stages of development like the P2P program – and instead focused on the collection, analysis, and synthesis of data to inform further iteration of PRF's approach to PGM and identify areas for adaptation and change.

grantee power dynamic, but it was not wholly successful in doing so. The evaluation's findings confirm the literature on relationship building being a benefit of PGM.

The evaluation found that the P2P pilot showed promise and should be continued, with this approach considered by other funders. Participants were keen that other funders take up this approach as part of a suite of approaches, while cautioning that investment costs are high. As this was a pilot program, many participants shared honest perspectives, challenges, and suggestions about potential changes to the program, which includes potential adjustments to the process, cohort, and programming (see box 5).

Challenges of participatory grantmaking

The literature indicates there may be challenges both to undertaking PGM approaches and challenges that may arise because of the nature of PGM processes themselves.

Time and capacity needed to build relationships and implement processes

Trust between grantmakers and non-grantmakers is an important factor for PGM (Gibson, 2018; Paterson, 2021) and practitioners have reported intentionally investing time and resources into building this trust (Kilmurray, 2015; Purposeful, n.d.). However, the shift in dynamics this represents may still feel foreign, creating uncertainty amongst non-grantmakers. For example, Corra Foundation (2022) in the UK reported having to strike a delicate balance in managing its role and relationships in PGM to provide the appropriate amount of support to empower non-grantmakers at the appropriate time. Similarly, Foundation North in New Zealand reported that its grantmaking panel of community members questioned its intent, searching for "hidden restrictions or barriers". The process of building trust took time, with the foundation citing that it had to earn trust by being transparent about what was possible and what was not at every stage of the process (Centre for Social Impact, n.d.).

Beyond this, implementing PGM approaches requires changes in processes (Hauger, 2022). New internal processes may be required to be set up to handle new ways of working, including to address programmatic structure, budget, staffing, need for new staff competencies, and new technological needs (Corra Foundation, 2022; Hauger, 2022). These changes can be resource intensive (Gibson, 2018). Practitioners have reported the challenges of having to navigate complex logistics around staff capacity, language, communication, and interpersonal relationships (Lewis et al., 2022; The Lafayette Practice, 2014, 2015). For instance, UHAI East African Sexual Health and Rights Initiative works in several languages to increase accessibility. This can create longer processes (e.g., translation of documents to multiple languages), the inclusion of translation in budgets, and requires translators who understand context for accurate translation (The Lafayette Practice, 2014). As PGM practices may be novel for both grantmakers and non-grantmakers alike, more time may also be needed to envision how it can be implemented well and set the necessary processes in place (Nieves et al., 2020).



→ **Key insight**

Shifting to PGM approaches takes time and resources to build trust and ensure accessibility.

Difficulty in ensuring diversity and representativeness

Communities involved in PGM include socially and economically disadvantaged populations and participants may face barriers including difficulty accessing the internet, language barriers, and time-intensive application processes (Lewis et al., 2022; Purposeful, n.d.; With and For Girls Collective, n.d.). This may subsequently affect the representativeness of the target communities who participate in PGM. Participants of some PGM programs, for instance, have reported that efforts were made to include a diverse population, but specific communities remain unrepresented or underrepresented (Corra Foundation, 2021; Gibson, 2018; Lewis et al., 2022; Nieves et al., 2020).

Marginalised communities also have inequitable access to social networks. Racial biases and lack of culturally relevant approaches can often inhibit relationship-building (Dorsey et al., 2016). This suggests that over-relying on pre-existing networks to engage in PGM may fail to capture diverse representation for grantmakers.

Practitioners seeking to trial PGM approaches may wish to consider the representativeness of the target community they are trying to engage, what challenges these communities may face in terms of access, and how to encourage greater representativeness of communities. Practitioners could engage communities that have remained traditionally unrepresented (With and For Girls Collective, n.d.) or provide stipends to compensate non-grantmakers for their time (GrantCraft, 2018), reimburse travel costs (The Lafayette Practice, 2014), or provide resources to facilitate access e.g., phones with internet access (Purposeful, n.d.). Increasing accessibility will also look different for different communities. For example, the Disability Rights Fund reimburses costs related to their grant reviewers' personal assistants or sign language interpreters. Meetings are also held in physically accessible spaces, and different formats for communication are available (e.g., Braille documents, sign language interpreters) (The Lafayette Practice, 2014).

Even with thoughtful strategies to ensure accessibility, representation may still emerge as a concern. To address this, funders can take additional steps. The Disability Rights Fund, for example, regularly rotates grantmaking and advisory groups to address "permutations of impairment, region, race, gender, age" and support equity (The Lafayette Practice, 2014). Practitioners of PGM approaches also note that it is important to create spaces and conversations that are safe for participants, with an environment of mutual respect and equitable participation (Gibson, 2018; The Lafayette Practice, 2015).



→ **Key insight**

Grantmakers should consider what representation of the target community looks like, how to ensure accessibility, and how to create a safe environment for participation.

Inherent bias in the decision-making process

PGM does not eliminate bias in the decision-making process. While it shifts biases from grantor to grantees, outcomes of PGM processes will still be affected by the biases of grantees. For example, conflicts of interest may be especially acute when PGM directly involves communities that are most affected by or are working on the issues being discussed (Gibson, 2018). This appears to be common in PGM approaches that involve a voting system when reviewing grant applications (Lewis et al., 2022; The Lafayette Practice, 2015; The Lafayette Practice & FRIDA The Young Feminist Fund, 2015). Voting on grant applications may favour applicants who are more well-connected, especially when voters belong to a community where people tend to know one another (Lewis et al., 2022; The Lafayette Practice, 2015). Voters may also be inclined to advocate for more funding to be directed towards their communities (Gibson, 2018).

Culturally marginalised groups may not receive the same opportunity to be chosen for grants through a voting system. The Lafayette Practice & FRIDA The Young Feminist Fund (2015) cite an example of a trans group in Mexico City that had been unsuccessful in receiving funding through a voting system, even though the group had submitted grant applications for multiple years. This raised questions about whether it was possible for the group to successfully receive funding through the voting system.

Practitioners have dealt with risk of bias in multiple ways, such as barring individuals from both applying for funding and participating in the grant review panel and increasing transparency by asking reviewers to declare affiliation or recuse themselves where conflicts arise (The Lafayette Practice, 2014). One exploratory research study on PGM design investigated whether using a rubric scoring or voting method would be more likely to overcome bias against small organisations. The study found that small organisations were significantly less likely to be selected in the rubric scoring condition versus the voting method – suggesting that at least in some cases voting may be appropriate for eliminating certain types of biases. However, the results of the study may also be influenced by the experimental nature of the research (Wojcik et al., 2020). Nonetheless, the study highlights the need for more understanding of the specific mechanisms of PGM designs.

→ Key insight

Biases can manifest themselves in PGM decision-making and can be partially addressed through shifts in design.

In line with the challenges reported in the literature on PGM, the 2020-21 evaluation of the Peer-to-Peer program provides a more in-depth example of some of the challenges of the program and recommendations to overcome these obstacles (see box 5).

Box 5: Challenges and recommendations from the evaluation of the Peer-to-Peer Program

The evaluation of the Peer-to-Peer Program provided insights, based on participants' feedback, that have the potential to improve program outcomes, the experience of participants, and the

sustainability of the program in the long run. These insights could be potentially useful for other grantmakers who are seeking to leverage PGM approaches to consider. These include:

→ **Process considerations**

- **Different approaches to the management of inevitable power dynamics:** There was recognition of power dynamics by PRF and steps taken to mitigate their effects, but there may be more ways to acknowledge and address a power imbalance and to empower participants. This may be addressed through design decisions about programming and process (explored below).
- **Greater transparency:** As the program was constantly evolving as it proceeded, there were some aspects that could not be fully communicated to the participants upfront. While participants understood and were willing to be open to a certain level of uncertainty and vulnerability in the process, they would have liked greater transparency, preparation, and clarity on the program, process, and expectations at the project outset and throughout the duration of the program. Communicating with greater transparency would, for example, help participants plan resources ahead of time and send the right representatives to participate.
- **Addressing opportunity costs for grantees for their involvement:** Participants found that the process was time-intensive and required a significant amount of preparation beforehand, presenting a large opportunity cost for participants. There are several ways to address these opportunity costs and support participants' ongoing involvement, such as:
 - Changes to reduce the burden on participants (e.g., reducing application length)
 - Introducing a staged process for application (e.g., shorter first application followed by a longer second application with a nominal grant for participation), and/or
 - Providing compensation commensurate to participants' involvement in the program to support sustainability, long-term engagement, and enthusiasm.
- **Process adjustments to support equity and accessibility:** Beyond addressing participants' opportunity cost, other process adjustments can be made to support equity, including:
 - **Ensuring equity for organisations not located where events are held:** Some participants travelled to participate, and experienced high costs for travel and time, especially due to the early start time of the program workshop. PRF recognised this and provided travel reimbursements. However, participants reflected that process adjustments, such as starting the program later in the day, supporting additional hotel night stays, shifting in-person events to different cities, and offering travel reimbursement would support greater inclusion.
 - **Ensuring schedules recognise participants' other schedules:** Many participants were leaders of their organisations and paused work to attend the program. They had been informed that the workshops were time-intensive and they could leave if they had matters to attend to. More scheduling considerations to allow time for participants to address urgent organisational matters would be helpful.
 - **Inclusion of Aboriginal and Torres Strait Islander organisations and representatives:** The program approach was noted as not being designed with Aboriginal and Torres Strait Islander communities in mind. Further adjustments in design would need to be made to support participation from First Nations communities.

→ **Cohort considerations**

- **Inclusion of Aboriginal and Torres Strait Islander groups:** There was no Aboriginal and Torres Strait Islander representation in P2P, which was cited as a shortcoming by participants.

- **Selecting a more homogeneous group of participants:** The participating organisations were highly diverse in terms of organisational size, sector focus, geography, business model, and maturity. This was cited as a barrier to collaboration. A cohort that is more focused would likely improve participants’ potential to collaborate. Adjustments in cohort should be considered based on program objectives – whether there is a desire to have the participants collaborate based on “common ground” or “lateral, unusual, innovative relationships”, as these would result in very different considerations. Furthermore, ensuring consistency by suggesting participation at similar levels of seniority could be valuable for ensuring that the cohort comprises a group of similarly empowered peers.
 - **Incentivising and creating future opportunities for collaboration:** Some additional factors could support organisational collaboration, such as clarifying intentions around collaboration; introducing more structured opportunities for participants to work, learn and problem-solve as a group; incentivising collaboration through additional funding; and leveraging PRF’s networks to support collaboration. These adjustments may be more effective if the cohort is more homogeneous (see point above). A cohort that is highly diverse may benefit from intentionally curating specific dialogue or experiences to cultivate peer networking.
- **Programmatic considerations**
- **More suitable, fit for purpose tools:**
 - Participants believed that the available tools used in the program, such as the framework and/or evaluation rubric for organisations to evaluate each other’s projects, were not fit for purpose.
 - Tools and approaches should be identified to support peer-to-peer evaluation or help organisations identify their targeted area of work.
 - **Consistency of tools:** The tools and approaches used in the pre-program workshop (the Solve It Australia Complex Problem-Solving Framework Masterclass) were inconsistent with that of the program workshop.
 - **Guidance on how to provide written feedback and reviews:** Participants spent significant time reviewing and providing feedback on applications and would welcome more guidance or examples of commentary to drive consistency across level of effort.

The evaluation of the P2P program considered and tested several variables, including process, cohort, and programme design, and identified potential adjustments and additional considerations that could improve future iterations of the program and help PRF achieve its aims.

To conclude this section, many grantmakers, including both large foundations and smaller organisations, have engaged in PGM practices to varying degrees. Despite limited robust evidence on PGM, the literature shares a range of benefits and challenges of utilising PGM reported by practitioners of this approach. As the design and experience of PGM practices varies significantly across programs and organisations, it is important to note that not all PGM approaches will result in the same benefits and challenges. The next section details recommendations for the sector to build the evidence base of PGM.

Building the evidence base: recommendations for the sector

There are gaps in the evidence on PGM. Trialling and evaluating participatory grantmaking is crucial for building the evidence on PGM, encouraging learning, and increasing the use of evidence within philanthropy. Sharing findings will aid grantmakers in applying PGM practices more effectively.

While there is interest in PGM as a grantmaking approach, there are limited robust examples of its use in practice. There is not strong evidence for its efficacy versus other approaches as a grant-giving method. A key finding of the synthesis exercise is that there are significant gaps in the literature around PGM.

Gaps in the literature

- The evidence does not prove or disprove that PGM is a more effective grantmaking approach in achieving program outcomes, allocates resources more efficiently, or delivers more innovative solutions as compared to traditional grantmaking approaches.

- There are few frameworks or agreed definitions for conceptualising PGM and the frameworks that do exist are not widely referred to or used.
- There are limited robust examples of PGM practices and no current evidence for the effectiveness of one model versus another; the models that exist are presented narratively, with limited available lessons about “what works” in PGM.
- We can only rely on case study and opinion to assess whether PGM achieves its central aim of devolving power to non-grantmakers.

We expect the methods used to evaluate the effectiveness of PGM to improve as the field continues to grow and more examples are published in the public domain. As such, trialling and evaluating PGM practices, and sharing those learnings can be a strong contribution to advancing the evidence base in the philanthropic sector.

Grantmakers that have adopted or are exploring PGM are primed to contribute to and advance the evidence base in the philanthropic sector, including building measurement tools around PGM outcomes and measuring them effectively.

In what follows, we highlight research priorities for funders interested in PGM.

Funders should support, and share learnings from, evaluations of participatory grantmaking, with a particular focus on:

Documenting approaches and frameworks of PGM

One of the key gaps in the literature is the lack of available definitions and agreed frameworks for conceptualising PGM and the relative paucity of available information about the model that have been trialled. This includes an understanding of the ‘core components’ of PGM or those factors that must be present (e.g., power devolution) for a grant making activity to be considered PGM, and further, as more rigorous evaluation methods are applied, demonstrated to be effective. Better documentation will help build a common language and codify various approaches in ways that support ongoing dialogue, replication, and testing.

Evaluating PGM with particular attention to:

- Whether PGM leads to improved outcomes versus other approaches
- Whether PGM utilises resources more efficiently versus other approaches
- The effectiveness of various PGM designs in achieving intended outcomes
- Whether PGM supports developing more innovative solutions to challenges⁸
- Whether PGM leads to a shift in power toward grantees and what benefits this may have
- Assessing numerous implementation variables within PGM approaches, including:
 - The way pre-vetting, selection, engagement, capacity building, and granting processes are designed
 - The composition of PGM groups (with important considerations of geography, sector, role, and identity)

⁸ The Husted et al. (2021) landscape study of foundations found that 78% believed it would promote innovative solutions to challenges the foundation seeks to address.

- Approaches supporting greater networking, skills-building, or collaboration among grantees or community members
- Approaches that reduce barriers and improve representativeness

Approximately 70% of US-based foundations that utilise PGM approaches reported that they do not evaluate their work (Husted et al., 2021). Evaluation helps grantmakers understand how they are doing, if their work is effective and how to achieve better results (Grantmakers for Effective Organisations & Council on Foundations, 2009). Trialling and evaluating PGM approaches can be conducted at a small scale, with program and evaluation teams collaborating in an iterative process.

The evaluation process and outcomes of PGM may look different to that of traditional grantmaking approaches, as PGM is “more process-oriented, iterative, and relational” (Gibson, 2018). Power imbalances may also be present in the evaluation process (Paterson, 2021). Grantmakers may need to adopt different approaches to evaluation, such as utilising a participatory evaluation approach and exploring different types of outcomes (e.g., the relationships between grantmakers and non-grantmakers, the lasting impact on the community even after the funding period, what success looks like to communities) (Gibson, 2018; Paterson, 2021). Given the “iterative and relational nature” of PGM, it may be difficult to quantify outcomes using standardised measures. Outcomes for evaluation might consist of variables such as relationships, networks, organisational capacity, and capacity building (Gibson, 2018). Even so, examples exist in the broader grant-making literature of the use of structured tools to measure outcomes, such as GlobalGiving’s use of the Organizational Performance Index to measure improvement in organizational capacity as a result of their work (Hamlin & Lake, 2018).

The cost of evaluation can be a barrier for many organisations in commissioning them. The cost of evaluation is not typically funded by grantmakers (Thorp et al., 2022). When building evidence on PGM, grantmakers should consider a funding structure that enables grantees to conduct evaluation work. For example, the “Pay-What-It-Takes” approach advocates for unrestricted funding that covers both programmatic and non-programmatic costs, including for measurement and evaluation (Thorp et al., 2022).

Trialling conditions for successful implementation of PGM

As the philanthropic sector is starting to learn more about PGM, grantmakers may consider trialling PGM to assess:

- Individual organisational capacity for this approach
- Grantee perception of PGM and readiness to trial the approach
- Implementation, to understand whether PGM programs have been implemented as intended and to support understanding of whether, how, and why programs work

These insights can inform future program designs and help grantmakers build their PGM approaches before reaching a decision to scale up.

Building the evidence on why grantmakers do not engage in PGM

Most current literature on PGM features examples from practitioners who advocate for this approach, with one identified study shedding light on why grantmakers do not engage in PGM (Husted et al., 2021). Better understanding of the barriers to engaging in PGM or the factors deterring grantmakers would help the sector to build evidence that addresses and overcomes these concerns. For example, if lack of understanding is a barrier, tools can be built to simplify what PGM is and help grantmakers understand the approach.

However, PGM may not always be the most suitable grantmaking approach in, for example, meeting the aims of a particular funding program. The challenges of PGM may outweigh the benefits in some cases, rendering the approach less appropriate than other grantmaking approaches. Building the evidence around why and when PGM is not considered a suitable approach can lead to a better sectoral understanding of when to engage in PGM and when not to.

Sharing learnings about participatory grantmaking

Grantmakers should share their learnings by publishing evaluation findings of PGM programs in the public domain. It may not always be possible to know whether specific programs will yield the desired outcomes, especially when PGM is still an emerging practice. However, grantmakers can help further the evidence base around PGM by sharing their learnings. With more insights to draw from, grantmakers need not reinvent the wheel and can instead adapt suitable current practices. There are numerous ways grantmakers can share their learnings/resources on PGM, including but not limited to:

- Publishing learnings on their websites and making the reports publicly available.
- Sharing relevant resources with communities/webpages dedicated to PGM, such as the [PGM Community of Practice](#) and the [PGM special collection by Candid](#), an information service that reports on foundations, non-profit organisations, and grants.
- Generating discourse on PGM by actively participating in and tabling PGM topics at philanthropy events and conferences.
- Similarly, grantmakers can generate media coverage and discourse by sharing their work on philanthropy platforms, including tagging onto event-related media coverage and philanthropy websites/magazines.
- Encouraging learning within the grantmaking organisation itself by communicating its work on PGM internally. This could spark further organisational interest in PGM and could inspire more staff to potentially consider PGM in organisational strategies beyond specific programs (Husted et al., 2021).

The collective insights gleaned can be potentially useful for other grantmakers who are interested in leveraging PGM.

Box 6: Building the evidence base – PGM and the Peer-to-Peer Program

Paul Ramsay Foundation has engaged in numerous activities to build the evidence base and share learnings around both PGM and the Peer-to-Peer Program:

- **Trialing and evaluating PGM:** PRF commissioned an independent external evaluation of Peer-to-Peer Program.
- **Events:** PRF hosted a Co-Design and Peer-to-Peer Program Showcase in November 2021 with an audience of philanthropic and social impact organisations, at which CEI shared findings of the evaluation and participants in and facilitators of the P2P program described their experiences.
- **Media releases:** The Peer-to-Peer Program has been highlighted in media releases on [Paul Ramsay Foundation's website](#) and through Philanthropy Australia.
- **Conferences:** Jo Taylor (then Chief Capability Officer at PRF) joined a 2021 Philanthropy Australia conference for a session on how PGM could address power imbalances inherent in the relationship between grantmakers and grantees. Early findings of the present study were also shared at the 2022 Philanthropy Australia Conference.
- **Evidence synthesis of PGM:** This report was commissioned to further the sector's understanding of the state of the current evidence around PGM.

Conclusion

Participatory grantmaking shows promise as a grantmaking approach, and more trials and further research are encouraged.

There is not a great deal of evidence on “what works” in grantmaking practice; the lens is typically trained away from the funder and into the communities and sectors where they would like to have impact. The opportunity to contribute to the sector’s understanding through this report is therefore both unusual and welcome.

The declines in public trust in institution, and the emerging awareness of the need to devolve power to communities, have spurred interest in new approaches like PGM. These have the potential to support better capital allocation in communities, with spending more aligned to what is likely to drive long-term change.

Grantmakers should consider their aims and whether PGM approaches enable them to reach these aims, being aware of the challenges that are likely to arise. Funders should trial and evaluate PGM approaches before scaling up. Evaluating implementation components can also contribute greatly to improving programmatic design (even as the program is running) and help grantmakers better refine approaches. Making learnings widely available can also encourage further trialling and innovation.

PGM is an approach that holds promise as a way of centring decision-making in communities that are most affected by social challenges. Overall, PGM should be further explored as an approach and the evidence base developed as to whether, when, and how this approach may deliver benefits for individuals and communities.

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Appendix

Examples of participatory grantmaking in practice

The Disability Rights Fund (US)

The Disability Rights Fund practices PGM by involving persons with disabilities in decision-making processes. Its grantmaking committee comprises institutional donors and global disability activists and is responsible for contributing to the fund's grantmaking strategy and funding decisions.

The Equity Program by Corra Foundation (UK)

In 2020, Corra Foundation sought to develop a PGM/community-led grantmaking fund focusing on Black, Asian, and Minority Ethnic groups that were adversely impacted by the COVID-19 pandemic. Through speaking with its network partners, the Foundation selected five communities, such as the Fife Migrant's Forum and the Mohila Ogrojatra group, to distribute GBP100,000 "in ways that are designed, decided and led by the communities" that the Foundation is working with. Corra Foundation has adopted a loose format around the Equity program to see what emerges naturally from the communities it works with and what is the best approach to support each community. The program is currently underway.

FRIDA – the Young Feminist Fund (Canada & US)

This Canada- and US-based fund was created by feminist activists, their allies, and feminist organisations. The fund utilises a PGM model in which young feminists who apply for funding will decide who receives the funding via a voting system. Applicants first submit their proposals, which are screened for eligibility led by FRIDA's Global Advisory Committee. Once applicants are determined to be eligible, they will then vote on which project should receive funding (applicants cannot vote for themselves) The Young Feminist Fund in 2015.

FundAction (Europe)

FundAction was founded by a network of activists and funders to develop and deepen PGM in Europe. Daily operations are conducted by the Facilitation Group, which rotates every two years and is selected through a community process. The community of members, which comprise of activists, is the "highest decision-making body" and decides collectively how to redistribute funds among proposed projects through an online platform. The organisation's activities were evaluated by Lewis et al. in 2022.

The Health in Action Project by the New York City Department of Health and Mental Hygiene (US)

PGM is not constrained to the philanthropic sector – it has been adopted by government agencies to increase community engagement. In 2016, the East Harlem division of the Department of Health and Mental Hygiene in New York City selected 15 community members who lived or worked in East Harlem to join as a panelist. The panelists received trainings to prepare for reviewing grant applications, and subsequently selected 16 proposals for which nine would be presented to the public. The Department sought the opinions of the public by organising a Summit in which the 16 finalists presented their proposals to the panelists and the public, with the latter invited to vote for their top nine projects. The panelists reconvened to review the presentations and votes and decided which projects to allocate funds to (USD25,000 per project). The project was evaluated by Nieves et al. in 2020.

The Other Foundation (South Africa)

The Other Foundation, for example, aims to advance human rights in African nations, with a particular focus on LGBTI issues. The foundation recruits individuals from 13 southern African countries every grant cycle to sit on the peer review panel. The peer reviewers review concept proposals and makes recommendations to the foundation's board of trustees about which proposals should proceed to the next round, with the final decision to be determined by the board. The Other Foundation has provided grants to numerous initiatives, such as communications support for remote working, providing medical support during the COVID-19 pandemic, building LGBTI community leadership, raising awareness about violence and discrimination against lesbian and transgender individuals in refugee communities, and more (The Other Foundation, n.d.).

The Pacific Future Makers by Foundation North (New Zealand)

Foundation North, based in New Zealand, sought to increase equity and well-being for Pacific communities in New Zealand, with communities leading their own solutions. The foundation invited their community networks to nominate young Pacific leaders working or volunteering in health, disability, music, and so on. Ten young leaders were invited to design and lead a small grant fund. The group of leaders made 20 recommendations to the foundation, including increase access to grant applicants and which applications to fund. The CEO of the foundation accepted all the funding recommendations and provided a further NZD12,000 for the Pacific leaders to allocate funding for. The project was evaluated by the Centre for Social Impact.

The Tar Kura Initiative (Sierra Leone) by Purposeful and the Fund for Global Human Rights

The initiative was designed with the aim to increase youth participation and leadership. Ten young panellists were recruited through an open call in Sierra Leone and received capacity building and ongoing support. The panellists were involved in defining the eligibility criteria for grant applications, led the selection process by interviewing and visiting shortlisted applicants, and made final decisions on grant allocation. The panellists also provided ongoing support to the grantees, who also received ongoing support and capacity building from Purposeful. The evaluation of the initiative was evaluated by Purposeful, in which youth co-evaluators were recruited and received training to participate as full members of the evaluation team.

With and For Girls Awards by With and For Girls Collective (Global)

The collective comprises a group of nine funders convened by Purposeful and includes Comic Relief, EMpower, FRIDA - The Young Feminist Fund, Global Fund for Children, Mama Cash, Nike Foundation, Novo Foundation, Plan International, and Stars Foundation. The collective aims to provide resources and platforms for girl-centred and girl-led organisations to drive change, including through granting award packages. These packages include flexible funding, capacity building and support, and networking and profiling opportunities to winning grassroots girl-centred and girl-led initiatives around the world. The collective engages in PGM by assembling a judging panel for the awards that is entirely composed of adolescent girls aged 13 to 18. The panellists are involved in interviewing short-listed organisations and deciding on the 20 winners of the award. The awards were evaluated by With and For Girls Collective.

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