

10 PRACTICAL TIPS FOR BUILDING EQUITABLE FUNDING INTO YOUR PROGRAMME DESIGN

1 CONTEXT

In recent years, the **Working Group** on Decolonization, Equitable Partnerships and “Ontkookering” of ngo-federatie and 11.11.11 and the **Peer-to-Peer Exchange for leading officers** on decolonization of ngo-federatie has reflected extensively on equitable partnerships.

A key element of decolonization and equitable partnerships is equitable funding. According to the recent [study](#) “Rebalancing Power: An Analysis of Equitable Funding Models and Their Implications for Belgian NGOs”, **Equitable Funding** is defined as:

“a funding arrangement that simultaneously facilitates (a) a larger share and easier access to resource flows to partners in the Majority World¹ and (b) allows them to exercise their agency on how resources should be used.”

As many NGOs are **currently designing their new programmes in co-creation with their international partners**, ngo-federatie has outlined concrete tips to help embed equitable funding into programme design. The tips below integrate the strengths of the funding mechanisms highlighted in the study by HIVA.

Disclaimer: These tips are intended as a **tool for reflection on integrating equitable funding** into programme design. The tips have not been validated by DGD and should be seen as a **collection of ideas and critical questions** for inspiration, not as a definitive blueprint.

2 CONCRETE TIPS FOR EQUITABLE FUNDING IN PROGRAMME DESIGN

2.1 Have continuous honest conversations with your international partners about power

Initiating equitable partnerships begins with honest dialogue with partners in the Majority World. Their vision of equitable partnerships or equitable funding may differ from your own. Genuine dialogue requires a foundation of mutual trust and a **shared understanding of how power dynamics operate** - and of the fact that power is not equally distributed between different actors (INGO, country offices of INGO, national partners, regional partners, etc.). Building this trust and knowledge cannot be achieved in a single conversation. It is an ongoing process that must be continuously nurtured.

Want to get started on discussing power relations with your partner? Check [The Power Awareness Tool](#) developed by Partos and since 2026 being co-hosted by Ngo-federatie as well

2.2 Ask your international partners how they envision equitable funding and what this concretely would entail

Building on the above, it is not only important to reflect on what power and equitable partnerships mean for the organisation and its international partners. It is equally important to address what equitable financing entails for those involved. Financing is often highlighted as a key component of equitable partnerships and is widely recognized - across various studies - as one of their most critical dimensions.

¹ Majority World refers to the “Global South”. As this term upholds certain power imbalances, we choose to use the term Majority World.

Therefore, exchanging with partners on the practical implications of implementing equitable funding (operational implementation steps, procedures to follow, etc) will help to highlight blind spots and perceived power asymmetries.

2.3 Transparency as an essential minimum standard

When designing programmes, and especially when preparing and dividing budgets, it is important to be as transparent as possible with partners about how funds flow from the back donor to the INGO and then to partners. Transparency should be an ongoing process throughout planning, discussion, decision-making, and any later adaptations.

Sharing information reduces the risks of creating mistrust or conflict. Applying formal transparency thus helps improving data circulation, since it often circulate informally anyway.

Since NGOs are already expected to be transparent with government authorities, applying the same standard with partners is essential for equitable partnerships. Clear, open budgeting throughout the programme cycle also helps partners understand why certain priorities or activities are chosen and supports constructive, accountable collaboration.

A first step is to be transparent about the **NGOs internal reflection process** on budget allocation. Transparent budgeting also helps partners understand how accountability obligations to back donors influence financial decisions. Additional steps can include disclosing the **in-country budget breakdown** and **partner-specific allocations**, presenting the consolidated **programme-level budget across countries**, and clarifying the Belgian office budget versus partner budgets.

2.4 Share decision-making power on budgets with partners in country

There are various ways to involve partners in co-creating budgets, and the approach you choose will naturally depend on your organisation's structure and the number of hierarchy levels that exist (e.g. with/without country offices). The study highlights that trust-based processes also require clear safeguards to prevent misunderstandings or conflict. Establishing an agreed dispute-resolution mechanism in advance can therefore be a tool.

Below are several examples of how NGOs were thinking to facilitate this co-creation of budgets with their partners (based upon the P2P exchange on decolonization for leading officers).

2.4.1 Idea 1: start bottom-up with partner-led proposals (with/without expert panel)

One option is to begin by jointly identifying the results partners aim to achieve in collaboration with the Belgian NGO, ideally grounded in a shared Theory of Change. Partners can then propose the activities they consider most appropriate to reach these results and indicate the resources required. This approach can take the form of a closed call for existing partners or an open call that also identifies new actors. Rather than relying on fixed "objective criteria" (which risks creating a call-for-proposals dynamic and privileging only highly professionalised organisations) decisions can be based on transparent dialogue about how proposals align with both partner priorities and the Belgian NGO's mission. It is important to acknowledge that jointly developing assessment criteria is generally more feasible with long-standing partners than with new partners who were not part of this process.

To avoid favouring English-speaking or highly formalised organisations, consider accepting proposals or inputs in different languages or alternative formats such as audio recordings or presentation pitches. The main advantage of this approach is that it balances partner priorities with the strategic focus of the Belgian NGO, allowing for a more co-creative and context-grounded budgeting process. Drawbacks include the risk that final decision-making power still lies with the NGO, that some actors may lack the capacity to prepare proposals, and that competition between organisations could increase.

An alternative is for partner proposals to be evaluated by an **independent expert committee** that signs a conflict-of-interest policy. Based on the committee's assessment, a budget proposal is prepared; the committee is accountable to both the partners and the NGO for its recommendations.

2.4.2 Idea 2: "consortium" of NGO and partners co-deciding on budget

The NGO and its partners collaborate **from the outset of programme design**, including budget allocation: **all partners in the country meet to decide, using agreed criteria**, how funds should be distributed. This approach can also prevent INGO dominance during discussions by rotating roles during meetings. To go one step further, formalizing this collaboration through a consortia convention, that lays out the roles of the different stakeholders involved, the consortium's functioning and potential specificities is also key².

2.5 Share decision-making power on budgets with country offices and partners in a programme

The above outlined how budgets can be co-created within a single country, but NGOs operate at the programme level, so proposals from partners across different countries need to be consolidated. Several approaches were proposed for bringing these country-level plans together into a coherent programme budget.

2.5.1 Idea 1: star bottom-up with country-led proposals (with/without expert panel)

Building on the previous approach, each country would submit a proposal co-created with its local partners. Using jointly agreed objective criteria, a decision would then be made on how to allocate funds between countries. The final decision could be taken by the Belgian NGO or by an independent expert committee. It remains essential to reflect carefully on what truly counts as objective criteria.

2.6 Provide budget support for partners during programme co-creation where feasible

Although not every INGO can do this and it might be extra challenging in times of budget cuts, it is possible to allocate funds to partners to **cover the time and effort required to develop programme proposals**. Partners invest significant unpaid time and may receive no compensation if a donor ultimately declines funding. Therefore, it is important to be transparent about this risk and, where feasible, provide resources (for example from the INGO's own funds) to support proposal development or adapt the workload and the related expectations to efficiently use partners' time

2.7 Provide institutional budget for partners

Provide institutional funding³ to partner organisations to **ensure their continued viability**, recognizing that access to such funding is not equally available in every country. Additionally, it may be useful to work with partners on **strategies to increase their financial independence** from the NGO. Importantly, the extent of a partner's financial independence should not solely determine whether you engage with them, since partners contribute valuable non-financial assets - such as knowledge and technical expertise - that are essential to programme success. In that sense, co-developing specific plans for strengthening partners' capacities, included in the programme, is one way to contribute to the partners' independence.

2.8 Dedicate funds for experimentation with flexible, participatory approaches

Allocate a small percentage of funding for innovative approaches that prioritise community participation, with basic financial reporting criteria. Rather than focusing on the amount, the goal is to test flexibility within funding relations with partners and communities. The [Citi Foundation](#) provides examples of exploring small general operating support and capacity-building grants.

2.9 Gradual transfer of financial management responsibilities:

A managed transition of funding responsibilities could include:

- Allowing partners to manage a share of project budgets (e.g., 10–20%) for **contingencies and unexpected events**.

² More information on the various formats of consortia can be found in this *Traverses* publication (French): https://www.avsf.org/app/uploads/2023/12/traverses-49_avec_fiches-web.pdf

³ Institutional funding is funding for the partners to be able to exist. Thus funding of staff, organization, etc. In other words making sure overhead costs are covered.

- Collaborating with partners to identify capacity gaps in funding management and providing appropriate training.
- Build in a foreign exchange buffer and money transfer costs to protect partners from currency fluctuations and ensure they receive the full value of the agreed budget.

2.10 Reflect on internal barriers: biases, accountability and risk perception

Equitable funding requires not only new tools but also internal reflection on how organisational structures, biases, and accountability obligations influence decision-making. Many Belgian NGOs hesitate to experiment with equitable mechanisms because of concerns about risk, compliance, and losing control. During programme design, it is therefore essential to:

- explicitly map your organisation's risks and distinguish between real and perceived risks
- discuss with partners (and DGD) how risks and responsibilities can be shared
- identify biases (i.e. who ends up being categorized as "low risk" and why, do these voices weigh heavier)
- evaluate whether internal procedures (procurement, M&E, due diligence, financial audits) **unintentionally** reproduce unequal power dynamics (cfr. Make use of the Power Awareness Tool)
- when possible, share reflections and identified risks with other organizations to adopt a broader view and learn from past experiences
- consider regular reflection moments throughout the programme cycle to revisit these dynamics and adjust practices where possible (cfr. Make use of the Power Awareness Tool)