

PWYP joint fundraising and re-granting policy

November 2017

Introduction

The Publish What You Pay (PWYP) Secretariat supports national PWYP coalitions by providing technical capacity building and coordination support; hosting communications platforms to facilitate experience sharing; producing and/or disseminating research and evidence-based content; and engaging with various stakeholders to ensure campaigns at the national, regional and international levels are aligned and mutually reinforce each other. Another role that the Secretariat plays is to support the fundraising efforts of national coalitions and, in some cases, to provide direct financial support. It is anticipated that the PWYP Secretariat's joint-fundraising and re-granting efforts contribute towards the achievement of PWYP's strategy, which is informed by consultation with all PWYP coalition members and is endorsed by the PWYP Global Council and Board.

Background

Historically, the PWYP Secretariat has re-granted funds to national PWYP coalitions from both its restricted and unrestricted funds. Following the spin-off in 2015 from its institutional host, Open Society Foundations (OSF), the PWYP Secretariat invested in strengthening its financial management and organisational capacity. As the PWYP network has grown and matured, the PWYP Global Council and board have requested that a formal joint fundraising and re-granting policy be developed and published online. This policy was adopted at the Global Council and board meeting in April 2017 and will be reviewed as necessary on a regular basis. The policy aims to provide clarity and transparency to all stakeholders about how the PWYP Secretariat undertakes fundraising and manages those funds.

How and when does the PWYP Secretariat re-grant restricted and unrestricted (core) funds?

1. **CORE FUNDING:** The PWYP Secretariat serves a set of core functions (outlined above) for which it seeks to secure funding in its own right.
 - 1.1. As part of its annual strategic planning process, the PWYP Secretariat assesses whether it is possible and appropriate to re-grant some of its core funding in order to support the

core functions of the national coalitions. This may include (but does not guarantee) support for:

- Annual General Meetings
- Coalition Strategy development, planning and evaluation meetings
- National Coordinator costs (salaries and overheads)
- A contribution towards representation, networking and training costs (e.g. travel to regional conferences, etc.)

1.2. The Secretariat builds this type of re-granting into its annual budget based on its understanding of the needs of the coalitions and the extent to which such re-granting contributes towards the achievement of the PWYP strategy¹.

1.3. Eligibility: this funding will be considered (but not guaranteed) for coalitions that meet some of the following criteria:

- meet the PWYP Membership Standard and uphold the Operating Principles (required);
- have not been able to secure funding on their own to meet their institutional needs for more than two years;
- have demonstrated consistent engagement with the Secretariat, other PWYP members and the wider PWYP campaign (e.g. through interaction with their respective Regional Coordinator, joint advocacy/support to advocacy initiatives, participation in global sign-on campaigns, contributions to the PWYP google lists etc.)
- have identified clear and measurable objectives for how they would use the funds.

1.4. Approval: approval is at the board level as part of the board's review of the PWYP Secretariat's overall annual budget

1.5. Indicative re-grant limit: in order to encourage sustainability, the indicative limit for this type of funding is up to 50% of the required budget. In exceptional circumstances, the Secretariat will consider funding a higher proportion of the budget.

¹ The PWYP strategy is informed by consultation with national coalition members and is endorsed by the PWYP Global Council and board. It defines the PWYP Secretariat's programmatic priorities and budget/ allocation of funds.

2. **JOINT FUNDRAISING:** The Secretariat is well placed to work in partnership with national coalitions on funding opportunities which involve multiple coalitions, or that coalitions may otherwise struggle to access due to their size (budget) and/or institutional arrangements (many grassroots organisations would not be eligible to seek funding from some major donors in our field). This is referred to as joint fundraising. These opportunities may be identified by the Secretariat or by the national coalition members. The Secretariat encourages coalitions to approach the Secretariat to discuss joint fundraising opportunities, particularly when coalitions have identified a specific opportunity that matches their priorities and also corresponds with the priorities identified in the PWYP strategy.
 - 2.1. The Secretariat and national coalition(s) work together in response to a call for proposals issued by a donor. The offer to work on the proposal can be made either by the Secretariat or the national coalition(s). It should be noted that there is no obligation on either party to pursue the opportunity.
 - 2.2. These joint fundraising opportunities generally take two forms as follows:
 - The Secretariat acts as a specialist resource during the fundraising and project implementation process but the grant holder is a national coalition. Costs to cover the expenses for any Secretariat staff who are expected to travel during project implementation should be included in the budget.
 - The Secretariat coordinates the proposal and project implementation with the national coalitions and also acts as the grant holder. Funds are sub-granted to the national coalitions using sub-grant contracts. A relevant proportion of the Secretariat's overhead and salary costs, as well as travel costs, are covered as per the Secretariat's funding strategy
 - 2.3. Eligibility: all PWYP coalitions that meet the Membership Standards and uphold the Operating Principles; and who are able to demonstrate adequate financial management procedures and operations as part of PWYP's due diligence process
 - 2.4. Approval: where the funding is managed by the PWYP Secretariat, approval is at the board level as part of the board's review of the PWYP Secretariat's overall annual budget. If opportunities arise during the year and the amount of new funding exceeds 10% of the approved budget, the Secretariat will prepare a revised budget and send to the board for approval. If new funding does not exceed 10% of the approved budget of the PWYP

Secretariat, the PWYP Executive Director will take the decision.

2.5. Indicative re-granting limit: taking into account the size of the funding opportunity and the absorption capacity of the PWYP national coalition(s), the amount re-granted should not exceed 100% of the annual income² of the coalition or of the organisation managing the funds on behalf of the coalition³. In exceptional circumstances, this limit can be exceeded with justification and with approval from the PWYP board's finance and fundraising sub-committee.

3. **CONDUIT FUNDING:** The Secretariat is well placed to act as a conduit for funding that has historically been granted by a major donor to multiple national PWYP coalitions via separate agreements, and where the donor prefers to have one agreement directly with the Secretariat. In this instance, there is close collaboration between the national coalition(s) (who are already grantees of the donor), the PWYP Secretariat and the donor to allocate the resources to specific coalitions for specific purposes. Funds are sub-granted by the Secretariat using the sub-grant contract. A relevant proportion of these funds remain with the Secretariat to cover the overhead costs associated with managing the sub-granting, in line with the PWYP funding strategy.

3.1. Eligibility: coalitions that meet the PWYP Membership Standards and Operating Principles; and are existing grantees of, and are specified by, the donor. Other coalitions who are not existing grantees of the donor, but who work closely on similar topics (for example the mandatory disclosures campaign), may also be proposed by the Secretariat to the donor to be included in the grant

3.2. Approval: approval of this type of re-granting is at the board level as part of the board's review of the PWYP Secretariat's overall annual budget. If opportunities arise during the year, and the proposal is successful and the amount of new funding exceeds 10% of the approved budget, the Secretariat will prepare a revised budget and send to the board for approval. If new funding does not exceed 10% of the approved budget of the PWYP Secretariat, the PWYP Executive Director will take the decision.

² Based on the previous year's audited accounts.

³ Where PWYP coalitions are not registered entities, a registered CSO member will receive the funds on behalf of the coalition.

3.3. Indicative re-granting limit: taking into account the size of the funding opportunity and the absorption capacity of the PWYP national coalition(s), the amount re-granted should not exceed 100% of the annual income⁴ of the coalition or of the organisation managing the funds on behalf of the coalition⁵. In exceptional circumstances, this limit can be exceeded with justification and approval from the PWYP board's finance, audit and fundraising sub-committee.

4. The Secretariat is not, and does not intend to become, a traditional grant maker. There is no circumstance in which the Secretariat would issue a call for proposals.

Operations

The PWYP Secretariat uses a grant contract in order to re-grant funds (whether from restricted or unrestricted sources). The contract outlines the payment schedule, reporting schedule and the reporting requirements. The contract includes in an annex the terms of reference/work plan and budget of the project being implemented.

In order to be eligible to receive funding from the Secretariat, the organisation(s) managing the funds on behalf of the coalition or the member organisation must meet PWYP's due diligence requirements (Annex 2).

Further comments

As noted above, the *principal* function of the PWYP Secretariat is not to provide direct funding to national coalitions. However, as outlined in this policy, there are circumstances in which it is possible and desirable for PWYP to undertake joint fundraising with national coalitions and to re-grant funds. With over 40 affiliated coalitions in the network, comprising over 700 member organisations, it is not feasible or desirable for the PWYP Secretariat to re-grant funds to all its members simultaneously, since the administrative burden alone would be prohibitive. The PWYP board and Global Council are aware that this situation will necessarily result in a perceived

⁴ Based on the previous year's audited accounts.

⁵ Where PWYP coalitions are not registered entities, a registered CSO member will receive the funds on behalf of the coalition.

imbalance in the types of support that the Secretariat is able to provide to members. To some extent, this is an inevitable consequence for a secretariat of a large network. Nevertheless, the board and Global Council are committed to supporting the transparent, fair and feasible re-granting of funds by the Secretariat and will review this policy on an ongoing basis to ensure that it meets those criteria.

The policy outlined here presents guidelines for how the PWYP Secretariat approaches fundraising and re-granting; each case will be assessed on its individual merits and no funding is guaranteed.

Feedback

Comments can be sent to your Global Council representative or alternatively by email to the Director of Member Engagement, Stephanie Rochford (srochford@publishwhatyoupay.org).

Accountability

As of 2017, the Secretariat is in a position to track the proportion of its budget that is re-granted to support national coalitions, either as a result of joint fundraising or because it has taken a decision to re-grant some of its core funding. The information will be published in PWYP's audited accounts.

ANNEX 1 Criteria for joint fundraising and re-granting

In all cases, the capacity of the Secretariat to oversee the management of the funds and to provide on-going support, and the extent to which the funding contributes to the achievement of the PWYP strategy, will be taken into consideration when considering financial support to PWYP coalitions. The PWYP Secretariat will also take the following into account (this is not an exhaustive list):

CORE FUNDING

- whether coalitions demonstrably uphold, or are making clear efforts to uphold, PWYP's Operating Principles and Membership Criteria
- whether a coalition has been identified by the Global Council, the Africa Steering Committee or by PWYP Secretariat programme staff as requiring support
- whether there is a clear justification of how core funds from the Secretariat will be used to leverage other funding opportunities for the coalition (for example, potential donors will be invited to the meeting which the Secretariat is funding)
- whether the coalition has clearly demonstrated impact in the previous 12 months and where that impact can be enhanced by funding from the Secretariat

JOINT FUNDRAISING

- whether coalitions demonstrably uphold, or are making clear efforts to uphold, PWYP's Operating Principles and Membership Criteria
- whether the coalition meets the eligibility criteria of the donor (e.g. country, income minimum/maximum etc)
- the focus of the call (e.g. thematic or geographical)
- the relevance to the coalition's national, or regional, strategy and Vision 20/20
- whether a successful proposal would lead to further funding opportunities
- whether the coalition and the Secretariat have the capacity to work on issues relevant to the call (programmatically) and capacity to manage the funds (institutionally)
- whether the objectives of the funding correspond with the strategy of the PWYP Secretariat

CONDUIT FUNDING

- whether coalitions demonstrably uphold, or are making clear efforts to uphold, PWYP's Operating Principles and Membership Criteria
- whether the coalition is an existing grantee of the donor
- whether the coalition is working on a similar campaign to that proposed by the donor
- whether the objectives of the funding correspond with the strategy of the PWYP Secretariat

Annex 2 PWYP due diligence requirements

The coalition or the member organisation managing the funds is required to share the following with the PWYP Secretariat:

1. Latest annual report and any other general organisational documents
2. A list current board/steering committee members including member names, position on board, location
3. A summary of the roles and experience of key staff and board members
4. An organisation chart
5. The most current strategic plan or business plan and related documents including an annual budget showing existing sources of funding
6. The latest set of audited accounts