funding refugee-led organizations: a primer
INTRODUCTION

Research\(^1\) on refugee leadership and localization have shown that local *Refugee-Led Organizations (RLOs)* are excellently positioned to lead interventions on behalf of their communities because of their proximity to communities and understanding of refugee experiences\(^2\). The *Resourcing Refugee Leadership Initiative’s* experiences as an intermediary funder and coalition of local movement builders continue to corroborate this research on a daily basis; the high-impact RLOs who receive funding through RRLI are providing services to their communities in ways that are highly responsive to the needs, interests and environmental realities.\(^3\)

This growing evidence base is compelling some funders, including individual donors, foundations, and governments, to move toward financing models that can reach RLOs. To highlight a few compelling examples:

1. The Hilton Foundation has provided more than 12 million USD to RLOs directly or indirectly (through intermediaries) since beginning their Refugees Initiative in 2021. The majority of this amount, over 75%, was issued in 2022 and 2023. The Hilton Foundation has also used their respective positions of power (in several spaces) to advocate for others also to do so.

2. Open Society Foundation has given over 2 million USD to RLOs over the past two years.

3. The 2021 $10 million Larsen Lam ICONIQ Impact Award for a bold solution for refugees was awarded to RRLI (an RLO itself and an RLO funding intermediary).

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\(^1\) A summary of available research is available on the RRLI website at: [www.refugeeslead.org/evidence](http://www.refugeeslead.org/evidence). Among other pieces of research, in 2022, RRLI commissioned the *Understanding RLOs: A metasynthesis of five external impact evaluations covering programs run by Refugee-Led Organizations (RLOs)* (Essex-Lettieri). The research found that “The five evaluated RLOs play crucial roles in improving the daily lives of people who live in their communities. The evaluated RLOs are uncovering or providing sustained access to services and revealing or facilitating long-term solutions. Importantly, the report finds that RLOs are doing so with the trust and respect of their community members, including for those who experience significant and intersecting access barriers. The report also synthesizes findings from evaluations that recommend increased investment in each RLO in order to deepen impact.’

\(^2\) RRLI acknowledges that not every RLO is high-impact. Like any other institutions, RLOs are not inherently valuable because of their leaders’ identities; to suggest as such is a form of tokenizing. Many other things must also be true in order for an RLO to be impactful including that the work must be community-centered and ethical, have access to adequate funding, and financial controls must be in place. Importantly, the unique positionality of RLOs lends itself to these other factors by virtue of the leaders’ knowledge, experience and personal commitment. For the purposes of this document, we use the term “RLOs” to discuss those that meet these many criteria.

\(^3\) RRLI Year 1 Impact Report: [here](http://example.com)
These examples are promising. It means the sector is beginning to operationalize its growing number of commitments to localization and refugee leadership.

These examples are also highly instructive. In each case, these institutions had to overcome barriers to enable funding approaches that would reach RLOs; in doing so, they are a valuable source of information for others. Based on what RRLI understands about these progress points, this short paper presents:

1. Common barriers to funding RLOs and how to overcome them

2. Best practices in RLO grantmaking
COMMON BARRIERS TO FUNDING RLOs AND HOW TO OVERCOME THEM

Common barriers to financing RLOs include (1) High funding floors/grant sizes and the perception that RLOs can’t absorb larger sums, (2) The notion that financing RLOs is risky, (3) Access to and knowledge of RLOs. Below, find a summary of lessons for how donors can overcome each of these barriers.

Barrier #1: High funding floors and the perception that RLOs can’t absorb larger sums

Oftentimes -- for purposes of efficiency and administrative capacity -- donors will set funding floors that are perceived as being “too high” for RLOs. Some foundations, for example, may want to give grant sizes in amounts of 50,000 USD - 1,000,000 USD; governments sometimes issue calls for proposals with funding floors of 5,000,000 USD or higher. Many may believe that these amounts cannot be absorbed by RLOs, or are not “right-sized” and could damage RLOs. With these concerns in mind, they continue to issue to larger international NGOs who have already demonstrated their ability to manage larger sums of money. RLOs, meanwhile, often continue to receive smaller grants (of perhaps ~5 - 10k USD).

Overcoming barrier #1

1. Overcoming this barrier will require an institutional understanding that RLOs can and will absorb sums of money larger than 5 - 10k USD at a time. It has been the experience of RRLI (who issues annual Impact Growth Grants, which are between 100k -200k per year, and has issued five-year grants of up to $2,000,000 to coalition members) that organizations can effectively and safely allocate resources for their organizations and communities. In the case that an RLO does require additional support to absorb higher amounts of funding, donors should give RLOs the gifts of time to learn and financial resources to hire professional support in key areas when it’s necessary.

2. Depending on the amount and donor restrictions, overcoming this barrier may practically require the use of an intermediary. Suppose a donor wishes to transform an available budget of multi-millions into many grants for RLOs and does not have the internal administrative capacity and/or permissions to do so. In that case, it is reasonable to collaborate with one of many available values-aligned intermediary funders 4 who can package and issue funding to RLOs.

4 RRLI recognizes the need to rely on intermediaries in situations where direct funding to RLOs is not feasible. In order for intermediaries to be values-aligned, they should adopt a non-interventionist approach and refrain from interfering with or influencing the programs or activities implemented by the RLO. The RLO should retain autonomy to decide how the funding will be utilized. Values-aligned intermediaries also use the principles of equitable partnerships in order to ensure they are shifting power through the nature of their engagements.
Barrier #2: The perception that financing RLOs is risky and may result in fraud or other legal liabilities

Donors may be concerned about the safety of their investment if given to an RLO. These concerns may stem from some organizational realities (some RLOs may have fewer layers of financial controls, lack access to a bank account, be unregistered, and/or have lesser familiarity with internationally-imposed reporting requirements). These concerns may also stem from some biases rooted in racism and discrimination (such as the erroneous beliefs that RLOs don’t have the skills to manage money safely or that refugee leaders can’t be unbiased when they support their communities); such beliefs can lead a funder to have a lower risk threshold for RLOs than they do for international NGOs. Finally, some of these biases may stem from the emphasis on professionalization that devalues local knowledge and ways of working.

Overcoming barrier #2

1. Overcoming this barrier likely requires a review and revamp of due diligence approaches and operational and reporting requirements, which may be difficult for an RLO to conform to, inadvertently suggesting RLOs are high risk. By moving away from Western-centric ideals of compliance and toward more relational ways of working, it may become clearer who is and who is not a safe investment. This may include reduced reliance on monitoring and evaluation rubrics and written documentation, and increased reliance on verbal models of due diligence and reporting (e.g., use of verbal report backs and soliciting partnership references from trusted sources). This may also include more flexible ways of operating, for example, supporting RLOs to establish an MOU with a partner in order to access a bank account.
2. Another helpful approach to overcoming these risks is a **standard risk assessment**, which will identify the likelihood of a risk coming to fruition and the intensity of its impact should it come to fruition. This can shed light on whether the risks are significant. Where necessary, this process can be supported by local legal and operational expertise, which can clarify jurisdiction-specific issues and present options.

3. Finally, overcoming this barrier requires an institutional understanding that, as a group, **RLOs are no riskier an investment than any other category of institution**. Unpacking and addressing institutionalized bias is complex for any group and is best done with the support of professionals who can help a donor separate out genuine risk from one of the many possibly held biases.

4. If the process of adjusting requirements and uncovering and addressing institutional biases requires time, **funding through intermediaries can be one way to limit perceived risk** until a donor is ready for direct financing.
Barrier #3: Access to and knowledge of RLOs.

Donors may have long-standing relationships with organizations headquartered near where they operate, particularly large INGOs. These INGOs are well-known entities to the donors, with similar communication styles and widely recognized methods of demonstrating their value. Establishing funding agreements based on such relationships can foster an environment that privileges INGOs over proximate actors. In contrast to INGOs, RLOs may have a lesser connection with donor networks and lesser familiarity with communication styles donors may find “standard.” The process of building new partnerships in the light of communication and ways of working differences can be slow; this is especially frustrating in situations where the need is great.

Overcoming Barrier #3

1. In order to overcome this barrier, donors need to broaden their networks, which inadvertently privilege larger INGOs. To do so, donors should seek to attend spaces where RLOs are present. Increasingly, RLO leaders are participating in global spaces, often gathering between and amongst themselves. Ask trusted sources for information on where and when these sessions are happening, and inquire about the appropriateness of donor participation.

2. Overcoming this barrier also requires that donors challenge themselves to diversify the locations and compositions of their staffing in order to gain an organic understanding of the environments RLOs work in. This proximity provides ample opportunities for participation in community-level, national, and regional events, where rapport can be naturally built with RLOs.

3. Building rapport with RLOs can also happen by ensuring the guidelines for applying to funding opportunities are accessible, open, and transparent. This creates an equal playing field for RLOs, who are less likely to hear about opportunities in informal ways.

4. Finally, building rapport and relationships with RLO leaders requires knowledge of trauma-informed engagement and cultural intelligence. This knowledge is best gained through intentional learning opportunities provided by professionals in these topics, and conducted in the intentional context of wanting to engage with RLOs.
BEST PRACTICES IN FUNDING RLOS

Like any other institution, the work of RLOs is most likely to lead to intended impacts and outcomes when it is flexible, long-term, and significantly sized. Because many RLOs have been operating with virtually no funding, RLOs may also need financing that supports the development of operational building blocks (e.g., administrative, financial, human resources, etc.) so that they can responsibly and safely grow. The following best practices unpack the 'why' behind each of these tenets, specifically in the context of RLOs.

Issue Flexible, Core Funding

Funding without restriction enables RLOs to focus on what is most important to their communities in a cross-cutting and highly responsive way. It also helps RLOs build their infrastructure and fundraising teams, which are critical to the sustainability of their crucial community support.

Funds should be issued without emphasis on thematic areas (e.g., education, protection, livelihoods). This can be a challenge given that donors often have thematic areas of focus set by decision-making bodies with bureaucratic decision-making processes. Though it may be complex to challenge thematic foci internally, it is crucial when considering funding RLOs. RLOs often use holistic approaches that touch on the needs of the whole family, connecting services and support for children (e.g., education, language learning) with the needs of adults (e.g., income generation, child care). When encouraging RLOs to apply for funding in specific thematic areas, it may inadvertently stifle the innovation and impact born of community-derived interventions; when RLOs receive funding to grow only one aspect of an intervention, the holistic nature of RLO work is harmed, potentially lessening its efficacy.
**Issue Multi-Year Funding**

Like all institutions, longer funding runways ensure the continuity of RLO work. Because there are so few donors who are currently reaching RLOs, often a single donor is funding all or nearly all of an RLO’s work. Pulling funding before an RLO can line up its subsequent funds can effectively end an RLO’s support for its community, leaving stark holes in core services.

Multi-year funding also allows for forward-looking planning and systemic thinking. When RLOs are given the opportunity to think in three-year increments instead of six-month increments, they can plan for leadership development, movement building, fundraising, and advocacy agendas. Logically, this will lead to greater impact and sustainability.

**Issue Larger Amounts of Funding**

A common practice in RLO funding is to issue small grants (e.g., 5k - 10k USD). While these funds may be put to good use, they do not enable RLOs to sustain and grow their services, nor do they allow the RLOs to fully participate in key strategizing and decision-making moments (which require significant time and money). The result is precarious refugee-led services, and a dearth of participation of RLO leaders in crucial moments that desperately need their input.

In contrast, larger sums of money protect the presence of crucial services for refugees, while also supporting the leaders of the organizations to engage in strategizing and decision-making moments at national, regional, and global levels that impact the efficacy of their work.

Larger sums of money allow RLOs to pay for their teams, supporting quality and sustainable programming. It also enables RLO leaders to build their careers in the field of community response (over seeking income-generating opportunities intermittently elsewhere). By establishing viable career paths for RLO leaders, the sector will benefit from the knowledge born of decades of experience responding to displacement at the local level.
Use Accessible Application and Reporting Requirements

Even when funding might be technically available for RLOs, certain requirements, application materials, and similar barriers can effectively exclude RLOs from accessing grants. Accessible guidelines may include simplifying application language and removing jargon, allowing for application in any language, allowing for applications to be submitted in more than one way (in writing or verbally), simplifying requirements for eligibility, providing support for applicants as they apply, and support for accessing a bank account or registration.

These best practices may take time to put into place. As was discussed in the barriers section, the use of values-aligned intermediaries can support donors as they take the time necessary to institute relevant changes to their policies and practices.

It has been RRLI’s observation that enabling these kinds of changes often requires an acknowledgment that structural bias exists. This acknowledgment is a first step and does not suggest a complete rejection of international assistance/cooperation and does not imply personal guilt.

In order to address structural biases, we have found that launching an internal equity learning journey led by equity professionals can support the discovery and dismantling of biased perspectives and enable essential changes. Please contact RRLI if you would like some recommendations for trainers who can support your institutional reflection.

If you would like to contribute to version 2 of this document, please contact info@refugeeslead.org.