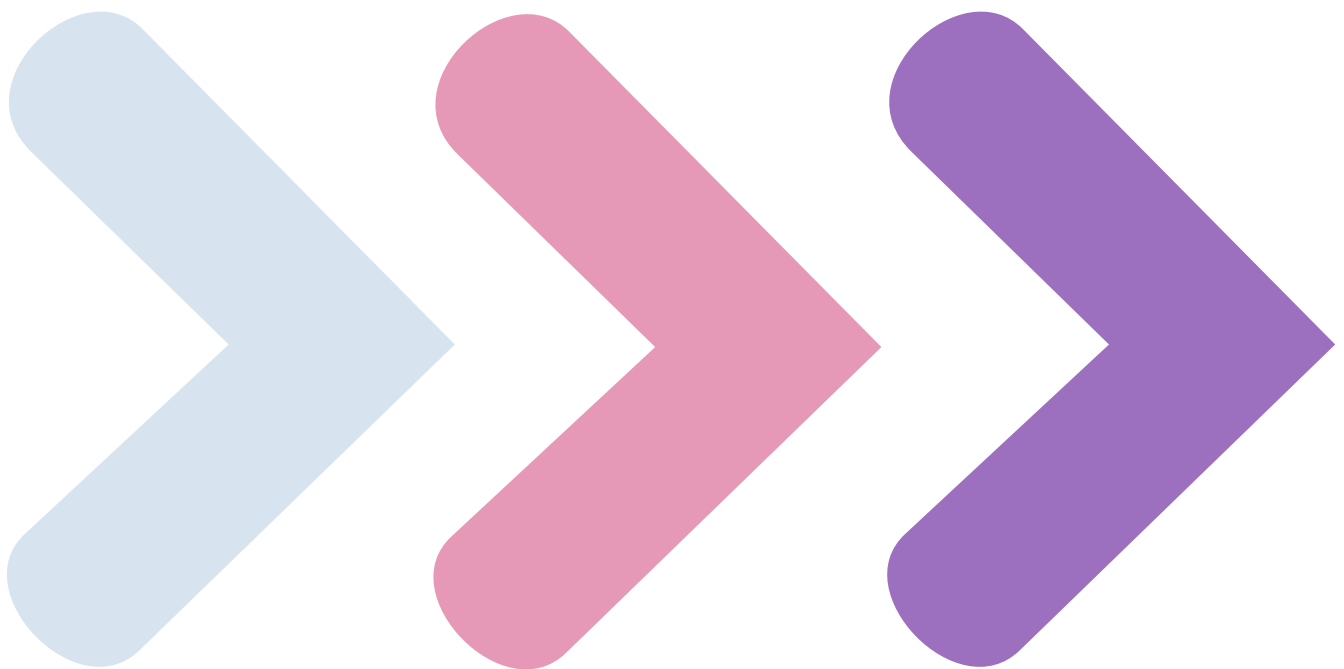# The Equity Principles and Metrics Framework

for Power-Sharing and Locally-Led Development

Charting a Path Forward at the Intersection of Innovation and Equity

Prepared By IDIA and the Equity and Innovation Spoke

The International Development Innovation Alliance (IDIA)

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RESULTS FOR DEVELOPMENT

The Equity Principles and Metrics Framework

for Power-Sharing and Locally-Led Development

Charting a Path Forward at the Intersection of Innovation and Equity

The Equity Framework in this paper provides a set of principles, individual and institutional actions, and metrics that donors, desk officers and others interested in sustainable development might adapt and adopt to drive toward greater equity and meaningful localization.

About the International Development Innovation Alliance (IDIA)

The International Development Innovation Alliance (IDIA) is an informal platform for knowledge exchange and collaboration around development innovation. Established in 2015 with a shared mission of "actively promoting and advancing innovation as a means to help achieve sustainable development." It currently comprises the following entities investing resources in the development innovation space:

This document presents a framework and insights that have been collected through a multi-disciplinary and participatory process facilitated by IDIA's Innovation and Equity Initiative. It does not represent the official policies, approaches or opinions of any single contributing agency or IDIA member, nor reflect their institutional endorsement or implementation of the approaches contained herein.

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Globally, innovators and impact leaders in the most marginalized communities are underfunded and underrepresented in aid, development, and philanthropy.

All inequitable and unjust systems are by design, and can thus be redesigned to center equity.

Dismantling the power imbalance in social change funding requires challenging the current funding status quo by giving local leaders the power to inform funding investments and to strengthen local agents' access to resources. This can be done by eliminating implicit bias, building healthy trust-based relationships, and acknowledging and trusting the expertise of local innovation leaders, all while shifting power through processes. This is how we, as a donor community, enact systemic change and fully utilize the untapped talent of diverse leaders catalyzing deep and sustainable impact in the most marginalized local communities. We acknowledge using an equity-lens approach makes sense both from a human rights perspective and business sense. Shifting power and practices to those that are closest to the issues results in more sustainable, effective innovations because locally-rooted organizations possess the crucial inputs needed for deep impact—knowledge, context, and proximity. Over seventy-five years of research suggests that greater impact is grounded in local stakeholders being in control of setting priorities and implementing programs.

This framework aims to further learning and catalyze localization, equity, inclusion and decolonization efforts, through the following:

8 Equity Principles that fall under three interrelated and self-reinforcing themes: 'fair funding', 'equitable partnerships' and 'greater agency & systems change'. These principles may be incorporated at different levels within an organization.

Sample equity metrics that illustrate how indicators might be used to measure progress toward greater accountability. The sample metrics can be adapted or adopted within an agency, innovation lab, or innovation portfolio.

Recommended institutional and individual actions to exemplify how the Equity Principles might be adopted or adapted for use by international development agencies and those who work within them.

A collection of examples of equity funds and mechanisms drawn from the innovation space which demonstrate more equitable and inclusive practices; along with the positive dividends which result from adopting specific mechanisms or processes.

Fair Funding	Equitable Partnerships	Greater Agency & Systems Change

1. Give Flexible Funding to Local or National Innovators.

Eliminate implicit bias by giving less restrictive funding that enables local organizations to test, implement, and scale high-impact innovations. Shift power by removing the barriers that a rigid and prescriptive funding program design creates, allowing innovators to determine how best to use crucial resources.

2. Drive Resources Directly to Underrepresented and Marginalized Groups.

Eliminate implicit bias by acknowledging and addressing historical disadvantages that limit marginalized or underrepresented groups from accessing resources and opportunities to participate in development efforts in local contexts. Shift power by balancing resource distributions to local leaders who represent and serve diverse marginalized groups based on gender, ethnicity, age, disability, sexuality, socioeconomic status, etc.

3. Simplify the Funding Process to be Fair and Transparent.

Eliminate implicit bias by co-creating a selection process that is efficient, seamless and less cumbersome for applicants, in consultation with innovators. Shift power by donors taking on more of the work in the grantmaking process, thus easing the burden and time cost of a lengthy application and renewal process, and by discussing risk thresholds in partnership with innovators.

Sample metrics:
- Support for traditionally marginalized groups: # / % of funding agreements allocated annually to marginalized groups in a particular context
- Level of funding for local partnerships: % of funds for local or national partners
- Gender Equality: #/% of funded projects advancing women's rights or gender equality
- Fair share of admin costs: % of partnerships with fair share of admin or indirect costs
- "Progress, Not Programs": % of funds using milestone-based awards that pay against objectives achieved to cut red tape and incentivize better outcomes

4. Build Diverse Teams for Funding Design and Decision Making across Innovation Processes.

Eliminate implicit bias and build healthy, trust-based relationships by hiring and consulting people of diverse identities (with the relevant skill sets, desire and lived experience) and those directly affected when defining problems and creating solutions in aid, development and philanthropy. Shift power by using a human-centered design approach and making local experts with contextual knowledge of challenges key decision-makers, thus allowing for a more thoughtful and informed decision-making process.

5. Be Transparent with and Accountable to Innovators.

Build healthy, trust-based relationships by setting expectations for reciprocal, open and honest communication with innovators. Shift power by encouraging innovators to present their preferred terms of engagement and hold you accountable to their expectations as well.

6. Solicit Feedback and Listen to Innovators.

Build healthy, trust-based relationships by asking for insights based on candid and reliable partner feedback. Shift power by implementing the advice that innovators provide on what can be done to improve your funding efforts and partnerships for a stronger innovation ecosystem.

Sample metrics:
- Board or Investment Committee make-up: demographic or diversity of organization's board membership
- Decision-making or design of initiatives are partner-led or co-created: % of projects
- Level of partnerships: % of projects where the main implementer is a local partner
- Partner perceptions of partnerships: % innovators who consider their partnerships with funders to be equitable

7. Center and Elevate Collaborative Local Leadership to enable Innovative and Inclusive solutions.

Acknowledge that local organizations are expert change agents and invaluable innovators of groundbreaking impact programs that enhance inclusion, relevantly address contextual problems, and empower the most marginalized groups in their communities. Shift power and the responsibilities of development efforts towards diverse local leaders by supporting communities of practice and providing them with the resources to both design and implement sustainable and inclusive solutions, and encourage collective action to build more equitable systems.

8. Advocate for Wider Systems Change to more Equitably Share Power.

Acknowledge that sustainable organizations, coalitions and platforms that create innovative and impactful solutions, are built by empowering and supporting the knowledge and capabilities of those who know how to best serve their communities. Shift power by implementing policies that institutionalize more inclusive innovation practices, and center diversity and equity in elevating local innovators on a global level to challenge existing dominant hierarchies and advocate for systems change.

Sample metrics:
- Support for survivor or traditionally marginalized groups: # / % of funding agreements allocated annually to marginalized groups in a particular context
- Level of funding for local partnerships: % of funds for local/national partners
- Gender Equality: #/% of funded projects advancing women's rights or gender equality
- Greater agency and systems change: Partner-led MEL centered on i) What's transformational, ii) Outcomes in 3-5 years, iii) Signals of progress / milestones that the partner is committing to
- Collective advocacy for equitable, locally-led and anti-racist approaches to aid: #/% of support for advocacy directed toward measurable outcomes in policy

"We're really excited about the Equity Framework and final deliverable (synthesis of learning in this report) accomplished only with the collaboration of Global Innovation Advisors and Learning Partners. Our agency is considering using the Equity Framework in planning for our new strategic cycle. We are thinking about this work in the long term, revisiting and building upon the framework. We're glad the framework is action oriented — the case studies and metrics were very helpful and nuanced on how to do this work. The challenge now is to see how to align internally to take this work forward with our agency."

— IDIA Donor Agency

Dear Colleagues,

In recent years, we, like many of our peers working in international development funding have recognised the need for greater equity in partnership and disbursement of funding to locally-led innovations. While the raison d'etre of development finance is to work towards dignity and quality of life for all, the global development systems we work within are riddled with inequity and end up perpetuating control and power that stems from the colonial era. In exploring the many shortcomings related to equitable funding, localisation and sharing power, the International Development Innovation Alliance's (IDIA) community takes the approach that "nothing can be changed until it is faced," to quote James Baldwin.

In September 2022, when Atti Worku, co-CEO of the African Visionary Fund, spoke at the IDIA year-end meeting in Brussels, she issued a clarion call to truly shift power to local changemakers. She emphasised the need to decolonise development innovation funding approaches if, collaboratively, we truly want to promote innovation as a means of achieving ambitious goals for sustainable development and getting closer to global-scale dignity and quality of life.

For Grand Challenges Canada (GCC), this call to radically embrace powershifting methodologies was foundational from the beginning. Currently, more than 60% of our funding goes to innovators in low- and middle-income countries; meaningfully engaging with and shifting more decision-making power to innovators is part of our strategy. Yet, as an organization driven by the power of evidence and data, we know it is not sufficient to just fund in lower- and middle-income countries if we are also not focusing on metrics to remove barriers from our processes. We recognise the need to constantly try to shift power through different strategic experiments in order to constantly learn what works best. This ongoing process of learning and adaptation will help us remain accountable to our stakeholders and to our commitment to continue to try to walk the talk.

At the Global Innovation Fund, flexibility in how to invest in innovation in low and mid-income countries is core to our founding and capitalization by the world's major bi-lateral donors, as is tolerance for risk, because the pioneer gap faced by high potential social and environmental innovators requires patient, risk-tolerant capital. GIF was designed to take risk and embrace flexibility, employing open innovation principles in our sourcing and engagement of investees, and in the structure and terms of grants or investments. With regional offices in Africa and Asia, and $112m currently invested across East and West Africa, South and East Asia and the Pacific, GIF's funding will impact the lives of 143 million people living on less than $5 a day by 2030. The deep commitment to and results realised by vulnerable populations is only the start as we reflect on internal processes and measures to hold ourselves accountable for specific commitments to locally-led investment and partnerships that enable innovators to effectively meet the needs they face in scaling their impact.

The IDIA Equity and Innovation Principles and Metrics Framework explores pertinent questions in our sector of how to conceptualise, practice and begin to track accountability to localization and powershifting commitments. Being in an alliance of funders, we believe that advancing this work through measurable equity principles and metrics is a natural step in our goal to shift power. Furthermore, going beyond principles to metrics is a first step in unlocking action and enabling improvement over time. Tracking progress is more likely to prompt the changes in process and strategy that ultimately shift power to innovators. Principles signal commitment, metrics yield action.

Adopting the actions and principles in this framework is useful if you or your agency seek to:
- Develop a strengths-based lens that recognizes and centres the wisdom, capabilities, power and agency of underrepresented local actors to lead systems innovation.
- Ensure greater transparency among funders to identify blind spots, missed strategic opportunities, and unconscious biases.
- Walk the talk on equity, diversity, and inclusion and powershifting
- Crave more teamwork, innovation, and creativity with a greater diversity of identities and perspectives in the organization and in innovation ecosystems
- Seek wider systems change in the field of International Development to encourage equity, partnership, and collaboration.

Within our agencies, we are currently exploring ways of incorporating and adopting this framework across strategies and portfolios to continue to track progress over time. Moreover, the lessons of this work are set to be mainstreamed within IDIA in the 2024/2025 Strategic Period.

For International Development Innovation funders, transforming dominant development innovation funding paradigms may be long-term, systems-changing work. Nevertheless, action and accountability needs to begin now and that requires advocacy and collaboration between portfolios and teams for implementation. Adopting the principles, sample metrics, and actions in this framework does not have to be done all at once. Rather, it is important to identify at least one actionable principle, metric, and/or action to commit to, and to build on it with reporting on lessons and successes. We encourage all funders to engage with the principles and metrics set out in the framework to focus what may already be considerable existing efforts. And we invite every agency to join IDIA members to take concrete and actionable steps towards more equity and accountability.

With gratitude to the working group members and partners,

Samiha Sharif, Senior Manager IDEA, Grand Challenges Canada
Jocelyn Mackie, Partner at Gilbert's LLP & former Co-CEO, Grand Challenges Canada
Kippy Joseph, Senior Adviser, Gender, Global Innovation Fund

Overview

IDIA Learning Partners and Global Innovation Advisors led the development of this Equity Principles & Metrics framework, as part of the IDIA Insight Guide series. IDIA consulted with a range of actors in African and Asian emerging markets to gather their expertise and experience to better understand what equity might look like in the innovation space.

The resulting Equity Principles & Metrics framework centers on funding for innovation and the mechanisms with which to engage innovators and partners. It provides a vision for furthering equity, rather than a recipe for achieving equity. Expanding on IDIA's previous equity efforts, the framework promotes reflective practice, rejecting a uniform 'good practice' approach and instead fostering ongoing learning through self-awareness, experiential meaning-making, and critical analysis. The framework is designed to be adaptable, encouraging donors and their teams to embrace and customize the principles to advance equity and localization in their innovation practices.

The pursuit of greater equity and localisation is an ongoing, ever-evolving practice. Therefore, this synthesis is not intended to be a definitive 'final' version or a prescriptive framework for achieving equity, but rather, it is a snapshot in time illustrating relevant principles, metrics and examples that agencies and their staff might adopt either in part or as a whole, to further equity in their innovation practice.

Development of the Framework

In developing this framework, two core learning questions were explored:
- How might funders promote greater equity and inclusion within innovation funds/portfolios and mechanisms to support innovators towards more equitable partnerships?
- How might funders shift power through the identification and adoption of equity metrics and principles?

This framework emerges from the findings of our study of equity and inclusion practices, policies and metrics employed by IDIA member groups and actors focused on innovation in international development, and from the landscape of equity metrics put forth under the Grand Bargain, Pledge for Change, and other localization and equity initiatives. In the process of our exploration, we learned that for many agencies, equality metrics are complex and difficult to act on. As one IDIA member agency put it, even though "there are several metrics and markers, the tricky thing is to combine them and receive a report (specifically on our equity and localization approaches) that is understandable."

Fair Funding

Theme 1 'Fair funding' refers to the allocation of resources in a manner that is just, transparent, and responsive to the needs of local communities and national causes. It involves making funding as direct or easily accessible as possible to local and national organizations and considering the inherent disparities and inequities present globally in society and working towards a more balanced distribution of funds. Fair funding aims to address historical disadvantages and ensure that marginalized or underrepresented groups have access to resources and opportunities, as well as limit the burden on partners/innovators. It involves actively seeking out organizations and projects that may be overlooked or face systemic barriers and providing them with the financial support they need to thrive.

Equitable Partnerships

Theme 2 'Equitable partnerships' promote collaboration, inclusivity, and power-sharing between donors and the innovators, organizations, or communities they support. This approach recognizes that funding approaches are most effective when they are driven by the people who have lived experiences and deep knowledge of the issues being addressed. Equitable partnerships involve engaging with communities as equal partners, respecting their autonomy, and valuing their expertise and perspectives. Instead of adopting a top-down approach, donors actively listen to community voices, involve them in decision-making processes, strategy development and support their leadership development. This approach helps build sustainable solutions that are rooted in the needs and aspirations of the communities being served.

Greater Agency & Systems Change

This third theme highlights the importance of empowering individuals and communities to drive change and tackle the root causes of social issues. It recognizes that donors should not just provide short-term solutions but also address the underlying systems and structures that perpetuate inequality and injustice. Greater agency refers to supporting individuals and communities to exercise their own agency, enabling them to shape their own futures and advocate for their rights. It ensures the inclusion of the people for whom the solutions are developed in the solution-making. Systems change involves working towards broader social, political, and economic transformations that create more equitable and just societies. It may involve advocating for policy changes, supporting grassroots movements, and promoting long-term strategies that challenge systemic barriers and promote lasting impact.

We hope that with this framework, agencies, donors, and desk officers at international development agencies might:

- Adopt and use the equity principles, metrics and examples to push toward more innovative models
- Iterate on the principles, adapt them and consider developing their own set of metrics to track and drive further action towards equity within their organizations
- Within their own scopes of practice, begin to adopt individual or institutional actions, and metrics in their work, or commit to principles of more equitable engagements with those they work with
- Advocate for institutional change within their organizations building on the equity principles, metrics, and examples of institutional actions included herein.

There is a need for a shift towards measuring and making sense of equity and localization practices within international development agencies in order to:

- Drive action and more accurate impact
- To understand community participation and how to leverage that
- To create supportive structures to motivate organizations to commit, self-assess and continually improve practices of equity and localisation
- To ensure accountability and transparency among organizations and their partners
- Identify positive and/or negative outliers
- To pinpoint blind spots that individuals or organisations may overlook or be unaware of when working towards equity and fairness. This might include: Unconscious bias, incomplete data, insufficient representation or systemic inequalities.

By incorporating the equity principles and metrics into funding processes and approaches, individuals and organizations can strive to create more effective, responsive, and sustainable solutions that will accelerate progress towards the SDGs and more broadly advance social justice and equity.

It's important to note that this initiative and the resulting framework is a work in progress, and while it signifies advancement and opportunities for learning, it also underscores existing challenges and emphasizes the substantial amount of work required to advance equity and localization. This paper presents a range of examples for furthering equity – from an individual or institutional perspective – there are significant challenges that still need to be addressed, some of which are outlined in Section 4.

This journey toward equity continues and feedback, examples or sample metrics are welcome. Contact the IDIA Secretariat www.idiainnovation.org/contact

Agency

The capacity to take purposeful action and pursue goals, free from the threat of violence and retribution. The three core expressions of agency are: decision-making, leadership and collective action. Also defined as having the information, power, and resources to make informed choices, assert one's voice, and realize one's rights.

Eliminating Implicit Bias

Becoming aware of and removing unconscious and unintentional prejudice—based on race, ethnicity, nationality, gender, sexuality, ability, etc—that influences judgments, decisions, and behaviors and hinders diversity, equity, and inclusion efforts.

Equitable Partnerships

'Equitable Partnerships' (Theme 2) promote collaboration, inclusivity, and power-sharing between donors and the innovators, organizations, or communities they support.

Equity

Equity refers to the concept of fairness, impartiality, and justice in the distribution of resources, opportunities, and benefits among individuals or groups, taking into account their unique circumstances and needs. It seeks to ensure that all individuals have access to the same opportunities and can participate fully in society, regardless of

their background, race, gender, socioeconomic status, abilities, or any other historically marginalized characteristic that is affected by systemic or structural obstacles. Unlike the concept of equality—which implies treating everyone exactly the same, regardless of circumstance—equity seeks to remedy past or current injustices so that a system of equal opportunity can exist. Without work towards equity, there can be no true equality in any society.

Fair Funding

'Fair funding' (Theme 1) in this framework refers to the allocation of resources in a manner that is just, transparent111, and responsive to the needs of local communities and national causes.

Funder

Individuals or organizations that provide funding to innovators. Diverse funders include innovation funds, private foundations, development agencies, bilateral and multilateral government agencies, investment organizations and more.

Funding

Monetary resources provided by a funder to an innovator for the purpose of advancing social innovation and systemic change. Diverse funding tools include traditional grants, convertible loans, venture equity investments, outcomes-based funds, social bonds, combination grants, and more.

Greater Agency and Systems Change

Greater agency (Theme 3) refers to supporting individuals and communities to exercise their own agency, enabling them to shape their own futures and advocate for their rights. It ensures the inclusion of the people for whom the solutions are developed in the solution-making. Systems change involves working towards broader social, political, and economic transformations that create more equitable and just societies. It may involve advocating for policy changes, supporting grassroots movements, and promoting long-term strategies that challenge systemic barriers and promote lasting impact.

Innovator

Individuals or organizations that develop and implement transformative programs that advance social innovation and systemic change, including nonprofits, development agencies, local governments, social enterprises, and social businesses.

Localization

Localization refers to the practice of driving direct resources to local stakeholders—community members, grassroots organizations, and local governments—in order for them to lead in the ownership, design, implementation, and evaluation of development efforts.

Although methods and tactics may vary for various funding structures and institutions, the emphasis of localization is to shift agenda-setting and decision-making power to those who understand the specific social, economic, and environmental contexts of their communities.

Local Leadership / Innovation / Organizations

Leaders, programs, or organizations that are rooted in and informed by the communities that they serve through geographic proximity, heritage, identity, and lived experience.

Partnerships

The institutional and individual relationship between a funder and an innovator, grounded by resource support, shared decision-making, and collaborative learning.

Shifting Power

Balancing the unequal power dynamic that exists between funders and innovators by further enfranchising innovators through various institutional and individual actions.

The Case
for Accountability
in Equity & Localization

The Problem

Imbalanced Funding

Globally, innovators and impact leaders in the most marginalized communities are underfunded and underrepresented in aid, development, and philanthropy.

- Only 1.2% of total international humanitarian assistance directly funded local and national actors in 2021 according to Development Initiatives' Global Humanitarian Assistance Report.
- Only 1% of gender equality funding goes to women's organizations. The problem is intersectional, as Black feminist movements receive somewhere between 0.1% and 0.35% of annual grant dollars of global foundation funding according to a report by The Association for Women's Rights in Development (AWID), 2019.
- Grants for persons with disabilities constitute just 2% of all human rights funding, according to a report by Candid and Human Rights Funders Network
- LGBTQI funding represents less than 1% of all foundation and government funding, according to Mama Cash and Astraea Lesbian Foundation for Justice, 2019.

Additionally, the majority of funding meant to benefit communities in the Middle East and North Africa, Sub-Saharan Africa, and the Caribbean is awarded to organizations based outside of those regions.

- Only 13% of US grant dollars funded local organizations between 2016-2019, according to the Council on Foundations' State of Global Giving by US Foundations
- Funding to North America is six times more likely to come in the form of core, flexible grants than in Asia and the Pacific, and 15 times more likely than in the Caribbean, according to a report by Candid and Human Rights Funders Network, 2018..

Imbalanced Power

Like most global systems, international aid, development, philanthropy, and other social change ecosystems exist at the intersection of capitalism, neocolonialism, racial injustice, gender inequality, and ableism, thus creating a power imbalance between funders and local innovators that entrenches the same socio-economic inequality that they promise to fix. Funders often have the power to set development priorities, eligibility criteria, structures, and procedures that inform funding decisions, thus unintentionally neglecting the voices of local leaders about what areas need funding in their communities.

Funding is also often done in silos, with resources allocated to certain sectors without taking into account the rich diversity of innovative movements emerging around the world. These issues create an inequitable system characterized by a challenging fundraising environment for high-impact grassroots organizations serving the most marginalized global communities.

Funding doesn't reach the most marginalized directly

| 1.2% | 1% | 0.3% | 2% | 1% |

Funding doesn't reach locals directly

13%

Funders are flexible for some more than others

Asia & Pacific
Sub-Saharan Africa
North America
Latin America
Caribbean
Middle East

Funders hold disproportionate power

Setting development priorities

Funding decisions made in silos

Exclusive eligibility criteria

Inaccessible funding structures and processes

Funding doesn't reach the most marginalized directly
- Only 1.2% of total international humanitarian assistance directly funded local and national actors in 2021 according to Development Initiatives' Global Humanitarian Assistance Report.
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Funding doesn't reach locals directly
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Funders are flexible for some more than others
- Funding to North America is six times more likely to come in the form of core, flexible grants than in Asia and the Pacific, and 15 times more likely than in the Caribbean, according to a report by Candid and Human Rights Funders Network, 2018..
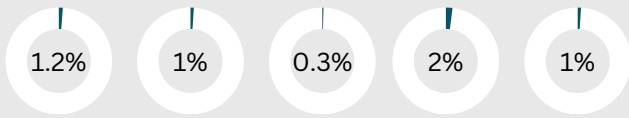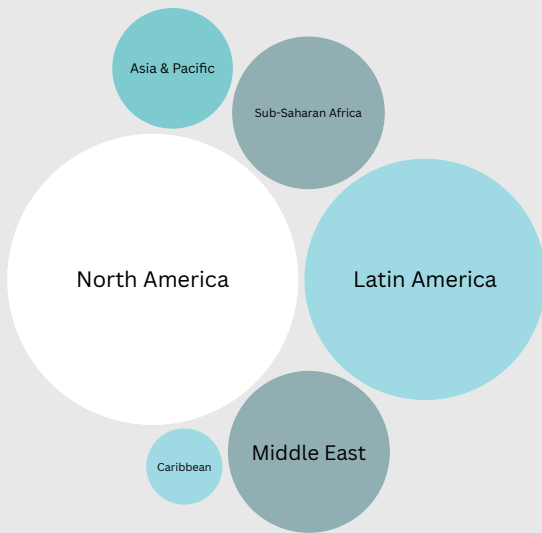
The Solution
Advancing Equity & Local Innovation

Defining Equity

Equity refers to the concept of fairness, impartiality, and justice in the distribution of resources, opportunities, and benefits among individuals or groups, taking into account their unique circumstances and needs. It seeks to ensure that all individuals have access to the same opportunities and can participate fully in society, regardless of their background, race, gender, socioeconomic status, abilities, or any other historically marginalized characteristic that is affected by systemic or structural obstacles. Unlike the concept of equality—which implies treating everyone exactly the same, regardless of circumstance—equity seeks to remedy past or current injustices so that a system of equal opportunity can exist. Without work towards equity, there can be no true equality in any society. .

Advancing Equity

All inequitable and unjust systems are by design, and can thus be redesigned to center equity. Dismantling the power imbalance in social change funding requires challenging the current funding status quo by giving local leaders the power to inform funding investments and to strengthen local agents' access to resources. This can be done by eliminating implicit bias, building healthy trust-based relationships, and acknowledging and trusting the expertise of local innovation leaders, all while shifting power through processes. This is how we, as a donor community, enact systemic change and fully utilize the untapped talent of diverse leaders catalyzing deep and sustainable impact in the most marginalized local communities. We acknowledge using an equity-lens approach makes sense both from a human rights perspective and business sense in that <u>shifting power and practices to those that are closest to the issues results in more sustainable, effective innovations.</u>

Advancing Meaningful Localization

Localization refers to the practice of driving direct resources to local stakeholders—community members, grassroots organizations, and local governments—in order for them to lead in the ownership, design, implementation, and evaluation of development efforts and make sure development efforts are contextually relevant.

Although methods and tactics may vary for various funding structures and institutions, the emphasis of localization is to shift agenda-setting and decision-making power to those who understand the specific social, economic, and environmental contexts of their communities.

Localization goes beyond geographic proximity. Some funding organizations may seem "localized" because satellite offices are geographically located within the communities they target, but in fact still implement top-down, generic, funder-imposed intervention models. Instead, funders should consider a <u>combination of the following as a localized organization</u>:

- The geographic location of their headquarters
- The leadership team and Board of Directors mostly identify as belonging to the community or region that they serve
- True decision-making power is in the hands of locally-rooted leaders and board members
- Community engagement and partnership is an integral part of the operating model.

If our aim is to maximize social impact, then our role as funders is to shift the responsibilities of development efforts toward local and national leaders and drive more resources to strengthen their capacity to empower them to design sustainable solutions grounded in indigenous knowledge.

Advancing Local Innovation

The most successful innovators understand and design for their core customer's pain points in order to maximize their returns. Comparably, locally-rooted social change organizations are invaluable innovators of groundbreaking solutions that best serve their communities because they possess the crucial inputs needed for deep impact—knowledge, context, and proximity. Over <u>seventy-five years of research</u> suggests that local actors with lived experiences in their communities have a greater impact and that effectiveness is grounded in partner stakeholders being in control of setting priorities and implementing programs.

As innovation funders, we already possess a high-risk-high-reward mindset required to embrace the trust-based principles that underpin equitable partnerships. We understand that the most disruptive innovations that can accelerate the greatest positive change, emerge on the margins and move to the mainstream. We acknowledge the importance of engaging with innovations on the margins and giving voice to those on the margins—again both from a human rights and business perspective. We already utilize an emergent range of funding tools beyond pure grants—such as loans, social bonds, and outcomes-based payments—that are inherently flexible. Therefore, innovation funders are primed to advance and advocate for greater equity in the larger social change landscape.

Principles
of Equity
& Innovation

Fair
Funding
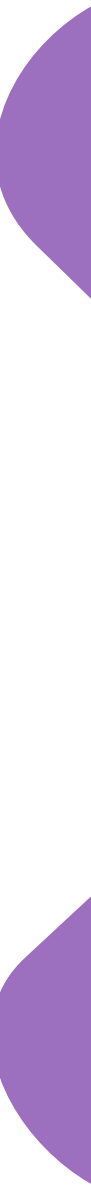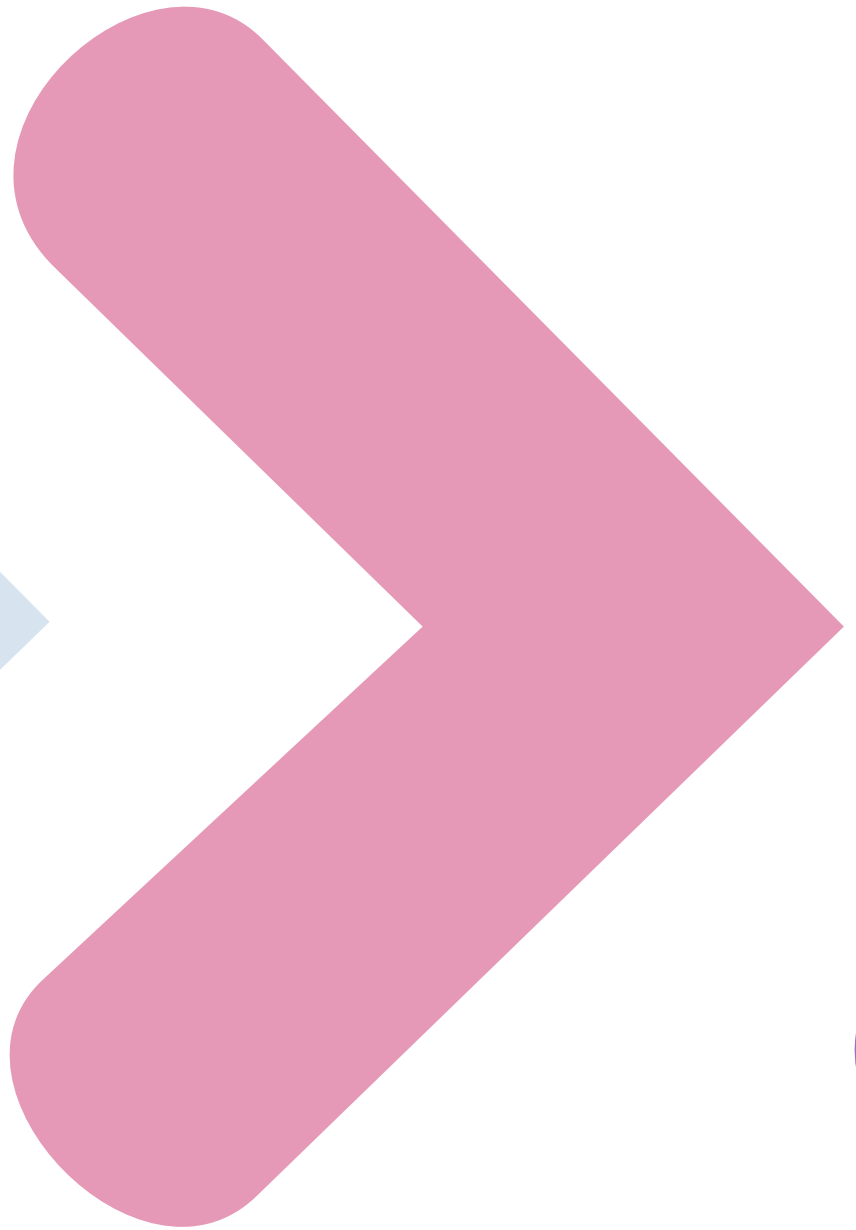
Principle 1
Give Flexible Funding to Local or National Innovators

Eliminate implicit bias by giving less restrictive funding that enables local organizations to test, implement, and scale high-impact innovations.

Shift power by removing the barriers that a rigid and prescriptive funding program design creates, allowing innovators, organizations or coalitions to determine how best to use crucial resources.

Reflective Practice - Ask:
- *How can I redesign funding mechanisms to support and strengthen local organizations?*
- *How do my organization's current funding mechanisms support or limit an innovator's ability to make an impact?*
- *How can I choose metrics that help my organization hold itself accountable to this commitment over time?*

Institutional Action Examples

- Redesign funding mechanisms and adopt alternative tools to give more flexible resources to locally-led organizations where possible. [See African Visionary Fund's multi-year, unrestricted funding approach; See Global Innovation Fund's flexible and outcomes-based payments/blended finance approaches.]
- If unable to give unrestricted funds, ask innovators what they need and how they desire to utilize resources to reach their strategic goals. Appoint experts from countries or regions to assess applications,and co-design measure of success for grantees.
- Consider expanding grant eligibility beyond numbers-based criteria like budget size and number of people served, metrics that often exclude local underfunded organizations. [See African Visionary Fund's eligibility criteria].
- Provide support to crowdfunding platforms and small/local organizations to enable those with limited resources for grant writing to fundraise for what is most important and pressing to them. [See GlobalGiving's crowdfunding platform.]

Individual Action Examples

- If unable to give unrestricted funds, ask prospective and current innovators what they need and how they desire to utilize resources to reach their strategic goals. Co-create grant agreements based on partner goals and program priorities instead of donor funding program's assumptions.
- Find opportunities to be flexible where possible and when necessary. For example, be open to extending implementation timelines based on partner challenges and constraints.

SAMPLE EQUITY METRICS

Principle 1
Give Flexible Funding to Local or National Innovators

Use 'Localization marker' to measure direct or indirect funding to local actors: [Principle 1]
- % of global funding supporting local innovators or national partners (Source: Multiple - AVFund, Pledge for Change, Start Network);
- % of funded innovation project organizations/ institutions in LMICs (Source: GIF) and/or conflict affected countries (Source: GCC)
- Met Grand Bargain 25% of humanitarian funding to local and national responders (Source: Unicef in 2020)

Partner perceptions of partnerships: [Principles 1, 5 and 6]
- # / % of innovators surveyed who consider their funding to be fair (Source: GIF and GCC, Pledge for Change)
- Collection of Innovator Satisfaction data on application process, negotiation, support during implementation, financial processes, cultural competence (Source: GCC)

Support for core/flexible funding: [Principles 1 and 3]
- % of partnership or funding agreements that incorporate core and/or flexible funding to support organizational development (Source: Ford Foundation, Pledge for Change and Start Network; Localisation in Practice 2016 also measures 'Increases in multi-year, collaborative and flexible funding')

Pay using models that promote "Progress, Not Programs." [Principle 1]
- Disburse the vast majority of reserved funding using simplified milestone-based awards that pay against the delivery of objectives achieved, which cuts red tape and incentivizes better outcomes. (Source: Unlock Aid)

Fair share of admin costs: [Principle 1 and 3]
- % of formal partnership agreements providing a fair share of admin costs or indirect costs; (Multiple sources: AVFund, Pledge for Change, Share Trust, etc.);
- % of indirect costs covered (Source: Ford Foundation covers a minimum 25% indirect costs)

Payment options: [Principle 3]
- % of funding administered through direct payment options accessible to the community.

Principle 2
Drive Resources Directly to Underrepresented and Marginalized Groups

Eliminate implicit bias by acknowledging and addressing historical disadvantages that limit marginalized or underrepresented groups from accessing resources and opportunities to participate in development efforts in local contexts.

Shift power by balancing resource distributions to local leaders who represent and serve diverse marginalized groups based on nationality, gender, ethnicity, age, religion, disability, sexuality, socioeconomic status, etc.

Reflective Practice - Ask:
- *How might I best understand who is marginalized?*
- *What means are available to level the playing field to ensure participation and access to resources by those marginalized?*

Institutional Action Examples

- Actively seek to expand your pipeline of organizations and projects that face systemic barriers by requesting demographic information during the funding application process. Create internal goals for a balanced distribution of funds to leaders who represent marginalized groups so that they may be given the necessary assistance to thrive and participate in society on an equal footing with others on their own terms. [See GCC's Gender Equality Coding System or Section 4 'Postcard, and Ford Foundation's Funder Guidance in DEI on considerations about what is universal and what is contextual in terms of marginalization and social exclusion.]
- Consider the make-up of the leadership teams and boards for those that you fund with an eye for diverse, inclusive development. Prioritize funding organizations that create space for their community members to influence priority setting, program design, implementation, and measuring and evaluating results of interventions that affect their communities. [See also Unicef's Gender Digital Literacy Fund, which puts adolescent girls at the design table to voice their interests in addressing digital literacy gaps.]

Individual Action Examples

- Actively seek to expand your pipeline of organizations and projects that face systemic barriers by doing desk research and broadening your referral networks to consult with a diverse group of proximate leaders who may introduce you to peers who represent and serve marginalized communities.

SAMPLE EQUITY METRICS

Principle 2
Drive Resources Directly to Underrepresented and Marginalized Groups

Support for survivor or traditionally marginalized groups: [Principle 2, 7 and 8]
- # / % of funding agreements allocated annually to marginalized groups in a particular context. (Source: African Transitional Justice Legacy Fund - # of survivor groups or other traditionally marginalized groups included in the government and policy spaces, also measures of systemic impact)
- % of innovation in fragile or conflict countries (Source: GIF)

Support for Gender Equality / Women: [Principle 2 and 7]
- # of women's organizations and women's networks advancing women's rights and gender equality that receive support for programming and/or institutional strengthening.
- # of individuals with enhanced awareness, knowledge or skills to promote women's participation and leadership in public life. (Sources: GAC, Departmental Results Report 2021-22; GIF tracks innovations that are gender transformative.)

Gender Equality & Leadership: [Principle 2 and 7]
- # / % of funded innovation projects led by people that identify as women (Source: GCC, GIF)
- % of businesses with at least one woman on founding team (Unicef Venture Fund), gender non-binary, gender of applicant and/or gender disaggregated reporting (GCC, GIF)

Innovations to Support Women/Girls: [Principle 2 and 7]
- # of products / services that specifically or disproportionally benefit women/girls. (Source: Unicef Venture Fund)

Principle 3
Simplify the Funding Process to be Fair and Transparent

Eliminate implicit bias by co-creating a selection process that is efficient, seamless and less cumbersome for applicants, in consultation with innovators.

Shift power by donors taking on more of the work in the grantmaking process, thus easing the burden and time cost of a lengthy application and renewal process, and by discussing risk thresholds in partnership with innovators.

Reflective Practice - Ask:
- *How might the funding process be improved to be fair, transparent and limit undue burden on innovators?*
- *Is my risk-appetite or threshold one that will enable local organizations/innovators to participate and enhance agency and impact, or do risk-averse protocols eliminate many who may be important agents for change?*

Institutional Action Examples

- Develop a fair and transparent application process, limiting the creation of funder-specific material. [See GCC's approach to incorporating gender considerations into applications and innovations.]
- Allow applicants to submit recently created annual reports and financial statements for application and renewal packages instead of creating funder-specific materials. [See The Equality Fund's Step Up Step Back process for a transparent innovator-led selection process, and 'Postcard' in Section 4.]
- Adjust the application process to be simplified and more supportive to grantees (e.g. dedicate 10% of unrestricted support to organization development), or on a larger scale, collaborate with peers to create a universal basic application system. [See AVFund's open application system designed to take less than two hours to complete.]
- Support community philanthropy by making the application and correspondence/feedback technology with innovators adaptable, customizable, and affordable. Localize the funding process in languages beyond English. [See Global Giving's financial model and objective to Make Global Giving Truly Global, 2020.]

Individual Action Examples

- If unable to redesign funding processes and systems, proactively seek applicants outside of your immediate referral network and guide them through the application and renewal process to increase their chances of success.
- Consider how you mitigate and articulate risk – in partnership with your organization and the innovator – for greater accountability and impact.

SAMPLE EQUITY METRICS

Principle 3
Simplify the Funding Process to be Fair and Transparent

Support for organizational development: [Principles 1 and 3]
- % of partnership or funding agreements that incorporate core and/or flexible funding (Source: Pledge for Change)

Fair share of admin costs: [Principles 1 and 3]
- % of formal partnership agreements providing a fair share of admin costs or indirect costs; (Multiple sources: AVFund, Pledge for Change, Share Trust, etc.)
- % of indirect costs covered (Source: Ford Foundations covers a minimum of 25% indirect costs)

> *"The ambition of this initiative was big, but we learned that this takes time, it's iterative, and there were foundational knowledge gaps that had to be filled -- identifying barriers and obstacles that had to be tackled. All being said, people learned from the sessions and thought differently based on the learning...its difficult to ignore the key learnings that came out of it because they were so strong. "*
> — Global Innovation Advisor

Equitable
Partnerships

Principle 4
Build Diverse Teams for Funding Design and Decision Making Across Innovation Processes

Eliminate implicit bias and build healthy, trust-based relationships by hiring and consulting people of diverse identities (with the relevant skill sets, desire and lived experience) and those directly affected when defining problems and creating solutions in aid, development and philanthropy.

Shift power by using a human-centered design approach and making local experts with contextual knowledge of challenges key decision-makers, thus allowing for a more thoughtful and informed decision-making process.

Reflective Practice - Ask:
- *Who is consulted or part of strategy/design, testing, implementation and decision-making processes for funding and innovation solutions (e.g. those affected, diverse group etc)?*
- *How can I eliminate implicit bias in policies (eg. gender-blind or race-blind) that reinforce an unequal innovation ecosystem, or further inequalities or hierarchies?*

Institutional Action Examples

- Form a diverse, participatory Board, or selection or advisory committee or panel that includes proximate leaders and local experts as equal decision makers. Consider the make-up of your own board and organization, but also of the boards for those that you fund – in terms of diversity, women, or gender minorities etc or diversity in senior leadership to ensure co-creation of new, localized decision-making processes. [See Black Feminist Fund's Grant Review Committee, or Ford Foundation's Funder Guidance in DEI]
- Use human-centered design approaches to ensure voices of those closest to the problem are central to funding and decision making of innovation solutions.
- Leverage partnerships internationally. Engage local funding partners to play a key role in shaping collaboration with local applicants to understand and apply successfully for funding. [See Belmont Forum's collaborative research action]

Individual Action Examples

- If unable to formalize diverse decision making processes, pitch new funding program design ideas to local team members/innovators through informal surveys and conversations. Communicate their insights to decision makers. Seek out locally-driven input or co-creation processes when integrating proven innovations into programs or scaling innovation solutions.

SAMPLE EQUITY METRICS

Principle 4
Build Diverse Teams for Funding
Design and Decision Making Across
Innovation Processes

Board or Investment Committee make-up: [Principle 4]
- Demographic or diversity of organization's board make-up (Sources: Ford Foundation, GIF)
- % of women in senior leadership (including advisory or directors' board) (Unicef Venture Fund)

Level of partnership: [Principle 4]
- % of projects where the local partner is the main implementer and carries out activities (ie. civil society, gov't, academia or private sector) (Source: Pledge for Change, ODI report)

Decision-making: [Principle 4 and 5]
- % of projects or initiatives where the design is partner-led or co-created (Source: Pledge for Change)

"Effectively and consistently measuring the level of engagement of innovators in program design and decision making is an essential component in improving funding outcomes and innovator perceptions of funding."
– Global Innovation Advisor

Principle 5
Be Transparent with and Accountable to Innovators

Build healthy, trust-based relationships by setting expectations for reciprocal, open and honest communication with innovators.

Shift power by encouraging innovators to present their preferred terms of engagement and hold you accountable to their expectations as well.

Reflective Practice - Ask:
- *Are our communications open, trust-based and truly a two-way exchange?*
- *How open to challenge, reflection and feedback from innovators are we and how do we communicate that openness to learn from those we fund?*

Institutional Action Examples

- Consider innovators as a key audience for external communications. Generate quarterly reports tailored to innovators that offer pertinent updates, and encourage a range of opportunities for communicating updates—beyond written reports—which further a innovator's mission or goals. [See Trust-based Philanthropy's How To Do A Trust-Based Grantee Meeting]
- Build organizational capacity on cultural humility/cultural competence, introspect on implicit bias. Work with innovators to develop accountability of goals with each other. [See African Transitional Justice Legacy Fund (ATJLF) Section 4 postcard, where the fund prioritizes grantee feedback to expand their impact in the system, rather than unilaterally pushing to scale up reach.]
- Couple signed grant agreements with signed equity commitments that outline how donors, also, intend to uphold a respectful and reciprocal relationship with partners. Be open to negotiation on the terms of engagement. [See Common Future's Equity Commitment]
- Transparently manage funds to publicly show how much the fund has, to invite grant requests from innovators and openly approve them. Support innovators in the transparency of their financial management to build trust among contributors and donors. [See Open Collective's Fund Service which enables customizable, transparent funding.]
- Ensure feedback or concerns from innovators are addressed in a transparent manner (related to Principle 6 and feedback processes).

Individual Action Examples

- Update innovators on any important information regarding grant terms, grant periods, renewal expectations, and more during regular check-in conversations. Share your challenges and failures with partners to encourage honest, mutual exchange and dialogue.
- Create an environment of psychological safety to enable partners to speak openly and honestly about progress, experimentation or failure which are part of innovation processes.
- Give innovators a channel to contact you by email or phone. Make time to respond to all communications, even if the response is not positive or you anticipate a difficult conversation.

SAMPLE EQUITY METRICS

Principle 5
Be Transparent with and Accountable to Innovators

Decision-making: [Principles 4 and 5]
- % of projects or initiatives where the design is partner-led or co-created (Source: Pledge for Change)

Partner perceptions of partnerships: [Principles 5 and 6]
- % of innovators surveyed who consider their partnerships with funders to be equitable (Source: GIF, GCC Collection of Innovator Satisfaction data on application process, negotiation, support during implementation, financial processes, cultural competence, Pledge for Change)

Transparent reporting/funding: [Principle 5]
- % of investments/expenses that are transparently reported from the funders and innovators. (Source: Open Collective legal and financial toolbox for grassroots organizations)

Principle 6
Solicit Feedback and Listen to Innovators

Partner perceptions of partnerships: [Principles 1, 5 and 6]
- # / % of innovators surveyed who consider their funding to be fair (Sources: Ford Foundation, GIF, Pledge for Change, GCC - Collection of Innovator Satisfaction data on application process, negotiation, support during implementation, financial processes, cultural competence)

Principle 6
Solicit Feedback and Listen to Innovators

Build healthy, trust-based relationships by asking for insights based on candid and reliable partner feedback.
Shift power by implementing the advice that innovators provide on what can be done to improve your funding efforts and partnerships for a stronger innovation ecosystem.

Reflective Practice - Ask:
- *What values do I bring as a funder to requesting feedback and what is my openness to being challenged?*
- *How do we solicit and utilise feedback from those we fund to make improvements in my agency's funding and innovation practices?*

Institutional Action Examples

- Gather confidential feedback from key stakeholders through regular formal surveys. Or form an innovator council, with diverse membership, with advisory power to inform innovation processes. Respond to feedback or concerns of innovators are addressed in a transparent manner. Share your challenges and lessons learned, and improve future program/system design based on insights.
- Given the power dynamics between funders and grantees, there is value in having an independent group/organization that is trusted by funders and partners run regular assessments of funders' practices using standardized tools to facilitate comparisons of strengths and weaknesses.
- Co-create standards for feedback, analyze innovators feedback metrics against these standards, and reward innovators that do feedback well. [See how FeedbackLabs is making feedback the norm in aid, philanthropy, nonprofits and government.]

Individual Action Examples

- Gather informal feedback from key stakeholders through regular check-in conversations. Share feedback and lessons learned with decision makers and keep stakeholders updated.

The metrics and principles co-created was done very well. It ensures that we foster collaboration on a topic that may not be palatable... We had a behavior change outcome and that isn't the easiest to measure or observe within a short period of time. There exists an opportunity to be more visible and plug into more forums where the intended recipients of this very valuable work may be found."

— IDIA Donor Agency

Greater Agency
& Systems Change
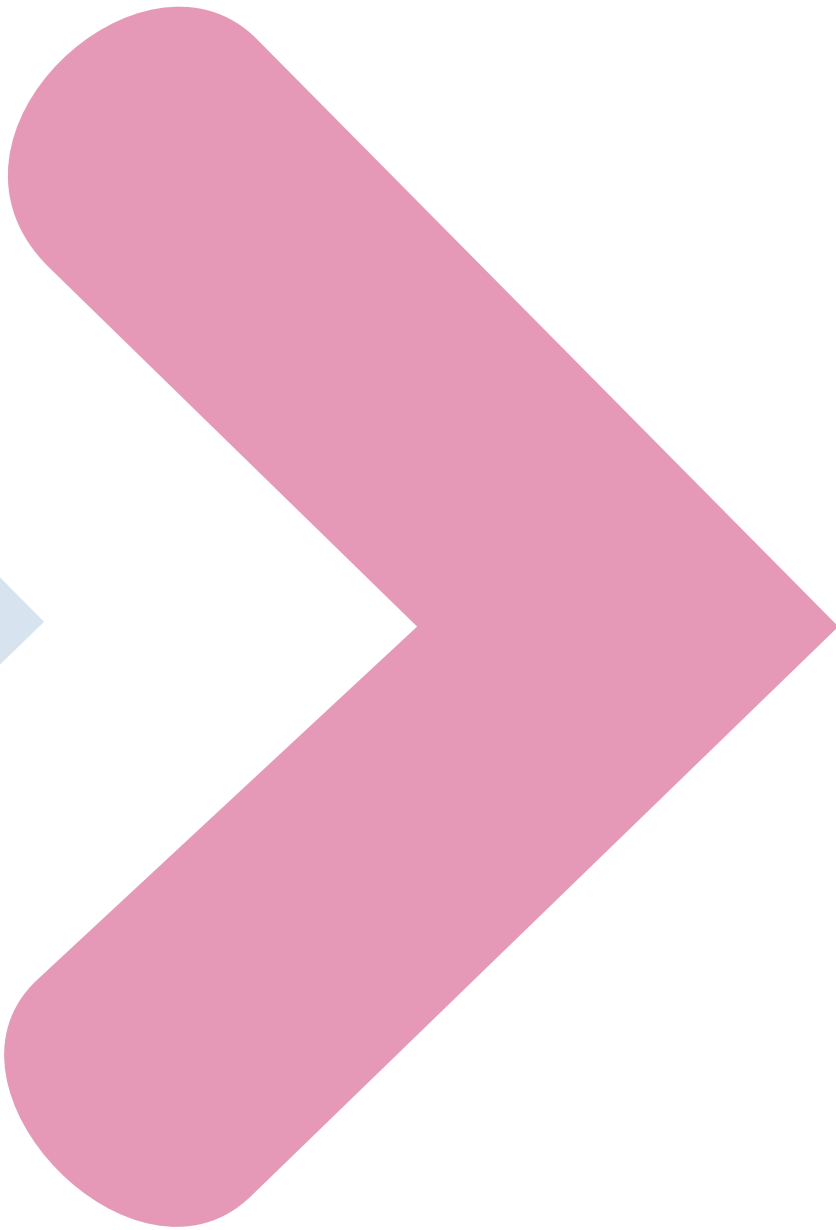
Principle 7
Center and Elevate Collaborative Local Leadership to Enable Innovative and Inclusive Solutions

Acknowledge that local organizations are expert change agents and invaluable innovators of groundbreaking impact programs that enhance inclusion, relevantly address contextual problems, and empower the most marginalized groups in their communities. asking for insights based on candid and reliable partner feedback.

Shift power and the responsibilities of development efforts towards diverse local leaders by supporting communities of practice and providing them with the resources to both design and implement sustainable and inclusive solutions, and encourage collective action to build more equitable systems.

Reflective Practice - Ask:
- *How am I/we supporting greater agency among partners, innovators or groups adversely affected?*
- *What role do I play to enable collective action toward more inclusive and sustainable innovation ecosystems?*

Institutional Action Examples

- Prioritize funding locally-led organizations, communities of practice, or indigenous or locally-led intermediaries, and opportunities for regional and global learning and exchange. If proximate organizations do not qualify for funding based on existing grantmaking criteria, redesign more inclusive criteria. [See USAID's Locally Led Development concept note]
- Employ a gender analysis, support and scoring system to ensure gender equality strategies are integrated in innovations [See GCC's Gender Portal and Gender Equality Scoring System and GIF's Gender Marker]]
- Create an enabling environment that supports a range of actors to collaborate on a shared mission or challenge for more sustainable, inclusive systems. [See Sharetrust's Local Coalition Accelerator for an approach to supporting collective action and Postcard in Section 4]

Individual Action Examples

- Elevate and enable local leadership through coaching, mentoring, networking, alternative support, and unwavering allyship.
- Identify strategies to enhance the agency of groups or populations with limited resources or decision-making power to participate in innovation ecosystems, and network grantees for shared learning and collaboration.

SAMPLE EQUITY METRICS

Principle 7
Center and Elevate Collaborative Local Leadership to Enable Innovative and Inclusive Solutions

Support for Gender Equality / Women: [Principle 2 and 7]
- # of women's organizations and women's networks advancing women's rights and gender equality that receive support for programming /institutional strengthening; # of individuals with enhanced awareness, knowledge or skills to promote women's participation/leadership in public life. (GAC, Dept Results 2021-22)
- # / % of innovations that are gender transformative (GIF)
- # / % of funded innovation projects led by people that identify as women or gender non-binary (GCC)

Innovations to Support Women/Girls: [Principle 2 and 7]
- # of products / services that specifically or disproportionally benefit women/girls. (UNICEF Venture Fund)

Support for survivor or traditionally marginalized groups: [Principle 2, 7 and 8]
- # / % of funding agreements allocated annually to marginalized groups in a particular context. (Source: African Transitional Justice Legacy Fund - # of survivor groups or other traditionally marginalized groups included in the government and policy spaces, also measures of systemic impact).
- % of innovations in fragile or conflict countries (GIF)

Greater agency and systems change: [Principles 7 and 8]
- % of innovators incorporating gender equality considerations, or % improving their Gender Equality scores or making transformative contributions (GCC)
- Partner developed Monitoring, Evaluation & Learning (MEL) with the focus not on accountability but on why and changes in the ecosystem. Metrics at 3 levels: i) What's driving transformational change? What will it look like if you are driving it? ii) Outcomes in 3-5 years, iii) Signals of progress / milestones that the partner is committing to. (Skoll Foundation)

Collective advocacy for equitable, locally led and anti-racist approaches to aid and development: [Principles 7 and 8]
- #/% support for advocacy for measurable outcomes from collective advocacy for equitable, locally led and anti-racist approaches to aid and development and other interrelated government policies (eg. trade, foreign policy) (Pledge for Change)

Principle 8
Advocate for Wider Systems Change to Shift Power to Local Actors

Acknowledge that sustainable organizations, coalitions and platforms that create innovative and impactful solutions, are built by empowering and supporting the knowledge and capabilities of those who know how to best serve their communities. Shift power by implementing policies that institutionalize more inclusive innovation practices, and center diversity and equity in elevating local innovators on a global level to challenge existing dominant hierarchies and advocate for systems change.

Reflective Practice - Ask:
- *How might I/we unlock the keys to systems change—to share power, relationships, resources— with those who have limited access or voice?*
- *How can we support advocacy to shift policies, processes and structures to be more equitable and inclusive and hold each other accountable for that?*

Institutional Action Examples

- Support collective advocacy and the implementation of internal and external policies for equitable, locally-led and anti-racist and/or gender equitable approaches to aid and development. [See GIF's Practical Impact Tool and how it incorporates gender equality in measuring impact across investments, and GAC's Women Voice and Leadership program, which seeks to support critical advocacy work for gender transformative policy and legislative change.]
- Seek to constantly find ways to support systems change happening at every level of the ecosystem without prescribing what systems change should look like based on your values, priorities, or assumptions. [See Sharetrust's Local Coalition Accelerator for an evidence-based approach to address systemic issues with local actors in a holistic way]
- Influence peers and other stakeholders to adopt universal equity principles. [See Pledge for Change].

Individual Action Examples

- Seek to understand your limitations, biases, assumptions, and blind spots, and listen to and respect the kind of change people are interested in creating in their communities.
- Recommend diverse, marginalized innovators and other systems actors for global speaking engagements and communities of practice, thought leadership opportunities, and other influential platforms to unlock and change systems.

SAMPLE EQUITY METRICS

Principle 8
Advocate for Wider Systems Change
to Shift Power to Local Actors

Greater agency and gender equality: [Principles 7 and 8]
- # of women's organizations and women's networks advancing women's rights and gender equality that receive GAC support for programming and/or institutional strengthening (Source: GAC, Departmental Results Report 2021-22)
- % of innovators incorporating gender equality considerations, or % improving their Gender Equality scores or making gender transformative contributions (GIF, GCC)

Support for survivor or traditionally marginalized groups: [Principle 2, 7 and 8]
- # / % of funding agreements allocated annually to marginalized groups in a particular context. (Source: African Transitional Justice Legacy Fund - # of survivor groups or other traditionally marginalized groups included in the government and policy spaces, also measures of systemic impact)
- % of innovations in fragile or conflict countries (GIF)

Collective advocacy for equitable, locally led and anti-racist approaches to aid and development: [Principles 7 and 8]
- Measurable outcomes from collective advocacy and the implementation of internal and external policies for equitable, locally-led and anti-racist and/or gender equitable approaches to aid and development
- Elevating local leadership - Evidence of local/national/regional actors leading advocacy initiatives, with International INGO/donors playing facilitating, convening or supporting roles. (Pledge for Change)

Sense-making in Systems: Capture Systems -Level Sensemaking: [Principle 8]
- Ensure effective partnerships and check progress against principles rather than delivering a set of activities. (Source - UNDP Strategic Innovation Team's Systems M&E Sandbox series)

Shift from project-based to strategic partnerships: [Principle 8]
- Existence of longer-term strategic partnerships that commit to building systems and processes that reflect the ambition and goals of local/national actors. (NEAR Localisation performance measurement framework)

"Our wish-to-have metric is 'Greater Agency for Youth', to learn what % of innovators/founders behind innovations are youth (or 30 and under) to understand how youth are innovating and support their contributions to positive changes in their communities.

– Grand Challenges Canada

"UNICEF analysed contributions by youth for its ' UNICEF for Climate Innovators' Fund. Climate innovators play a crucial role in driving climate adaptation and mitigation breakthroughs, and yet less than 2.4% of climate finance from key Multilateral Climate Funds goes to young innovators."

– UNICEF Learn more at <u>Innovation30 Initiative</u>

"We see survivor groups, traditionally-marginalized groups, and those never having received funds before now being included in government and policy spheres as a measure of systemic change. Funding these groups is a form of contributing to the development of new and emerging institutions / innovators into 'known names' in the system."

— African Transitional Justice Legacy Fund

Challenges
Why has it taken so long to share power?

It's important to note that this effort is still a work in progress and while it signifies advancement and opportunities for learning and action, it also underscores existing challenges and emphasizes the substantial amount of work still required to advance equity and localization. Before delving into the equity cases, we have delineated some of the challenges and reflections that emerged during the course of initiative.

Cross-cutting challenges:

Entrenched systems are insensitive to equity and inclusion, largely due to the fact that international development has historical roots in colonialism which established entrenched power hierarchies. In undertaking this research, we assumed the development sector was unilaterally in a place for readiness due to increasing commitments to equity, diversity, powershifting and localization in organisational policies. Yet, the mindset shift towards equity and localisation on paper has not yet translated into practice. Equity and localisation policies within entrenched systems of distrust and unilateral control of power and resources, do not support equity. One grantmaker noted, for example, that issues of accountability to taxpayers are based on assumptions that Global South actors are untrustworthy, which makes flexible funding a difficult proposition.

A perceived lack of incentives or clear rationale for handing over power to others.
Development funding may be aimed at economically, politically or socially influencing recipient countries, which may be at odds with self-determined local objectives. In such cases, it may be difficult for funders to shift power to an alternative way of doing things when the status quo is supported by economic or political imperatives. We learned that capturing, illustrating and communicating positive dividends resulting from equity mechanisms and metrics is an important part of advocacy for shifting or sharing power. Advancing work in equity science around metrics and understanding the impact of localization will become increasingly important for evidencing powershifting as an essential development imperative.

Despite the structural challenges of inequity, we learned that strengthening the direct access of local actors to development resources and giving local leaders greater power to inform how those resources are used are two important ways to shift power. Shifting mindsets is difficult work and takes time, but adoption of even one Equity Principle in a program/or agency is significant. The equity themes and principles are interconnected and reinforcing and can have ripple effects such as the formation of new coalitions and consortia for systems-transforming action and policy influence as seen in some of our case studies below.

A set of metrics and indicators to understand progress towards greater equity, inclusion and localization is complex, and further research is required. Members of IDIA agencies are still grappling with identifying and learning from equity metrics, and had difficulty sharing a set of distinct equity metrics that they used to guide their work beyond direct funding to "local organisations." We learned that a robust set of equity metrics meaningful to both donors and innovators can be a two-way enabler, where donors become equally accountable to the innovators they support and in doing so, contribute to greater agency of their innovators, enabling systems change.

There are risks of equity metrics becoming a tick-box exercise, but overall the pros outweigh the cons: One GIA emphasized the importance of equity metrics: "There are pros and cons to equity metrics: The pros are that metrics help with accountability and give organizations that are committed to change a clearer set of targets. Cons include the risk of metrics becoming a tick box exercises, and of metrics being too simple to capture the deep and complex changes needed. Overall, I would argue that the benefits of metrics–given the dangers of inertia or losing steam on equity efforts–outweigh the risks because we can address the risks by being aware of the limitations of metrics and looking critically at the ones being used (if and when they are widely used) through the lens of principles and values."

Fair Funding:

Current systems, structures, and processes of large institutions are complex and difficult to change. Donor procurement practices often include structures and processes that limit the flexibility and agency of innovators or grantees, which may limit impact. One bilateral funder shared an example that illustrates moving toward trust-based philanthropy:

"We are stuck with contracting. We are doing more fixed fees, and when innovators hit the milestone, we pay them more... In essence, we are saying 'this is what you are going to accomplish and we'll not look too closely."

The fixed fee and milestone-based contracting helps address bureaucracy and compliance. Where institutional change is difficult, we hope individuals might take up individual actions to become vectors for change in their institutions. Equity cases provide priorities and opportunities identified by actors in Asia and Africa and opportunities for change.

Current funding parameters make it difficult to deal with the realities and lived experiences. The Equality Fund example identified the need for "more flexible and less onerous requirements and conditions by governments and international assistance programs to facilitate the development of participatory grantmaking." For example, funds were required to be directed to organizations in countries on the OECD DAC list, despite gender inequality and violence elsewhere (e.g. Poland, Bulgaria, Croatia and Chile.) (Source: Step Up Step Back, p 22).

An aspect of equity that's difficult to capture with standardized metrics is how relationships can contribute to expanding power and greater equity." For example, GCC plays an important role in its Indigenous Innovation Initiative to translate bilateral donor requirements to the indigenous communities GCC works with. *"This work is complex and challenging to explore because to make changes, it requires everyone to be vulnerable. We know we have more work to do here but are buoyed by some positive feedback we have received from innovators who have told us our approach is honest and refreshing. Our Senior Manager of IDEA (Inclusion, Diversity, Equity and Accessibility) will be leading more thoughtful engagements with innovators in a safe and mutually beneficial way."* – Jocelyn Mackie, Former Co-CEO Grand Challenges Canada

Equitable Partnerships:

The majority of donor-grantee relationships are rooted in how grantee partners can be accountable and gain the donor's trust. We need to shift towards more equitable power structures where both donor and grantee seek to gain trust and be accountable to each other. This enables grantees to better own their strategies and programs, which enable greater opportunities for systems change. AVFund, for example, promotes agency, through unrestricted funding which gives partner organizations the freedom to innovate powerful social impact solutions.

There is an explicit bias between how funders treat US/European versus African-based organizations – we need to shift power in the grantmaking process for innovative social change to occur. "We all work in systems and have the opportunity to innovate at every level. Trust is a two-way street. There needs to be trust from those who are also receiving money. We only hear what we want to hear and local organizations don't feel comfortable sharing failures and challenges." – IDIA Meeting, Brussels Oct. 2023

Innovators and community organizations that directly tackle their community's challenges are not usually the most aligned with the funding calls. Prospective grantees are typically compelled to modify their scope or outputs to be among the qualifiers. These organizations then have to handle a lot of operational and overhead work rather than serve the real community needs and system change they were doing pre-funding. Funders need to do the hard work of searching for local innovators to collaborate and co-create solutions with, where funding can be an accelerator to their work.

"Funders directives often influence the course of action taken by the innovators, which can sometimes hinder the achievement of wider systems change and the desired inclusivity."
– Global Innovation Advisor

Funders relationships with local leaders need to be characterized by continuous consultative decision-making to ensure that the best interest of all stakeholders are being served.

Greater Agency & Systems Change:

"Locally led organizations in Africa aren't being supported equitably – they have local knowledge and the right solutions for their communities, but they're not in the spaces where decisions are being made. Currently, they are only allowed to become implementers for solutions created by others, who may have the technology, but not the local knowledge."
 – AVFund, Brussels IDIA Meeting, October 2022

One bi-lateral funder in the health space reflected on trust-based philanthropy, "Our organizations are filled with experts – there is deep expertise within our agencies. However, knowledge lies outside our agencies and selves, and it is compelling and challenging. The expertise lies outside us." **Trust-based philanthropy requires shifting our processes and mindsets. Without which, we are unlikely to achieve the system change needed.**

How do we define scale? How is it different from growth? Whose voices are heard?

*"We think about the modalities of scale and define them for others. If the partner doesn't fit the cookie cutter indicators, they don't get funded. **How do we fund those who are scaling but also fund those who are defining what scale means in the community. We** need to think how we fund excellence that doesn't necessary scale."* Brussels IDIA Meeting, October 2022.

We learned that localization requires considering whose voice from the local community is being heard, and taking an intersectional approach and considering how traditionally underrepresented voices can participate and be funded.

Process - Data Gathering:

The process used for analyzing the equity examples surfaced are outlined in our Analytic Framework and a set of quantitative and qualitative questions. Discussions were conducted with a donors within IDIA and outside, as well as partners and equity champions to explore the following:

- What equity / shifting power metrics are your institutions currently using?
- What metrics are you thinking of using?
- What suggestions would you have for equity metrics we should be contemplating?

In addition to consultations and demonstrations of equity examples, the initiative held two amplification events to gather feedback from partners. A virtual event on October 5, 2023 brought together 75+ participants from 12+ countries who provided feedback on this framework and institutional and individual actions to shift power. Following that, a similar event was held at the Grand Challenges Annual Meeting in Senegal, where both donors and innovators had the opportunity to contribute to the Equity Principles and Metrics.

Equity Funds
& Mechanisms

This section showcases equity examples of funds and mechanisms with which to engage with innovators in order to demonstrate the Equity Principles presented. The Figure below outlines a dozen of the examples surfaced, which highlight tangible avenues for advancing equity, whether at an institutional or individual level.

The examples are organized under the themes 'Fair Funding', 'Equitable Partnerships', and 'Greater Agency and Systems Change'. Examples may contribute to one or all of the themes, though we have chosen to highlight specific aspects which specifically illustrate one or more of the Equity Principles.

Fair Funding	Equitable Partnerships	Greater Agency & Systems Change

African Visionary Fund

Global Innovation Fund: Innovating for Gender Equality

UNICEF: Digital Literacy Fund

Sharetrust: Local Coalition Accelerator

USAID & GCC: Country Innovation Platform

Ashesi Venture Incubator & The Enterprise Village

GCC: Indigenous People's Innovation Initative

African Transitional Justice Legacy Fund

GCC: Gender Equality Scorecard

UNICEF: Venture Fund

GCC: Gender Equality Scorecard

African Visionary Fund

A grantmaker that funds African visionaries who are deeply rooted in the communities they serve, and who will ensure that the hopes and aspirations of those communities inform the solutions being developed.

Fair Funding

PRINCIPLE 1 – Give flexible funding to local / national innovators: AVFund provides catalytic, unrestricted, multiyear grants to ensure their grantee partners have the financial and decision-making freedom to invest in both their programming and organizational resilience.

PRINCIPLE 3 – Simplify the funding process to be fair and transparent: AVFund follows a transparent open application process clearly outlined on its website (designed to be completed in 2 hours) and publishes all eligibility requirements and selection criteria.

Equitable Partnerships

PRINCIPLE 4 – Build diverse teams for funding, design & decision-making across innovation processes: 50% of AVFund's staff are based in Africa, which helps bring power closer to the communities served.

PRINCIPLE 5 – Be Transparent with and Accountable to Innovators: A trust-based philanthropic model is employed to engender two-way trust. Rather than solely focus on how their grantee partners can gain the fund's trust, AVFund in equal measure seeks to earn their partners' trust. This creates a power structure that brings founder and grantee closer to equal footing to ensure a true partnership (acknowledging donors inherently hold disproportionate power). AVFund's partners own and fully control their strategies and programmatic activities, because the fund trusts its partners to design and implement the most impactful solutions since they are from the communities they serve.

PRINCIPLE 6 – Solicit feedback & Listen to Innovators: Annual survey conducted and acted upon.

Greater Agency & Systems Change

PRINCIPLE 7 – Center and elevate collaborative local leadership to enable innovative and inclusive solutions: *"African visionaries are best positioned to deliver impact because they are deeply rooted in the communities they serve — they understand them, know what works and what doesn't, and can collaborate with them. AVFund gives unrestricted multi-year grants because the socio-economic issues they are trying to solve on the continent are complex and multi-dimensional and require proximity and patience to see significant social impact over time and can design creative and cost-effective interventions."*

African Visionary Fund

Positive dividends and indicators from employing this approach include:

Fair Funding

AVFund's pipeline development process is inclusive and widely accessible. AVFund's new simplified Open Application System and outreach process resulted in 40% new respondents who were not previously part of AVFund's earlier network network.

Equitable Partnerships

AVFund takes seriously the practice of soliciting and acting on feedback from innovators (Principle 6). When asked which AVFund support services are most useful and pivotal to their success:
- 80% of surveyed respondents identify flexible capacity strengthening grants
- 80% of surveyed respondents identify increased visibility through invitations to platforms for speaking engagements
- 60% of surveyed respondents identify access to funder networks and introductions to funders

Greater Agency & Systems Change

Unrestricted capacity strengthening grants enable organizations to improve their internal systems without the pressures of prescriptive growth models. AVFund partners have invested their OD grants on financial management systems, program management systems, M&E and Impact Measurement Systems, staff development and training, communications and storytelling, and more.

AVFund provides support services–beyond monetary support– such as connections to new prospective funders, grant funding for organizational development and increasing partners' visibility. This allows their partners to strengthen and grow their organizations, as well as diversify funding streams for greater financial security. Stronger organizations with greater financial security are able to exercise greater agency in their strategy creation and program design, and shift to a longer-term, root-cause focus.

To learn more about AVFund's advocacy, see: How Philanthropy's Obsession with Scale Often Excludes African Innovators

THE EQUALITY FUND - Step Up Step Back

The Equality Fund, and the Step Up Step Back approach, illustrates a design mechanism which shifts from a competitive approach to one that is participatory and collaborative. Inspired by longstanding global feminist values and principles of non-competition, the approach resulted in nearly half of the prospective grantees stepping back from funding, which evolved from working with trusted leaders, years of building a feminist funding ecosystem; and expanding risk analysis frameworks.
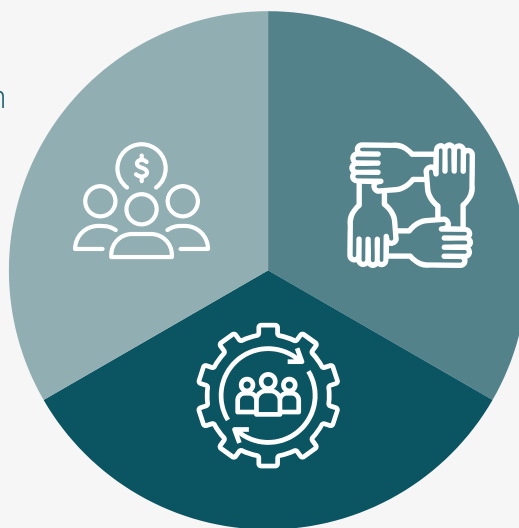
Fair Funding

PRINCIPLE 1 – Give flexible funding to local /national innovators: The Equality Fund's Step Up Step Back approach shifts the power of who receives funding from the grantmaker, to those working with women's rights organizations and movements globally. The Feminist Principles adhered to acknowledge that power imbalances exist in giving and receiving funds -- giving privileges to some while oppressing others. This approach acknowledges this imbalance and shifts the decision-making about funding to valuing those with lived experience.

PRINCIPLE 3 – Simplify the funding process to be fair and transparent: In 2020, the funding process was designed to better meet the needs of the grantee partner community. The result was a two-step process that reduced the application burden for hundreds of applicants, using a Global Advisory Panel alongside the African Women's Development Fund (AWDF). Working with a trusted program lead enabled 21 of the 44 funds to 'step back' from funding which may not have been met with as much openness without deep ties and credibility to the community.

Equitable Partnerships

PRINCIPLE 4 – Build diverse teams for funding, design & decision-making across innovation processes: Collective power in decision making resulted in outcomes that are representative of diversity in the community. Through community discussion, a set of grant criteria and priorities were determined. In terms of deciding funding priorities, taking a collective approach ultimately led to a diversity of funds receiving resources, including 10 national funds and seven funds founded less than five years ago.

Greater Agency & Systems Change

PRINCIPLE 7 – Center and elevate collaborative local leadership to enable innovative and inclusive solutions: The Step Up Step Back approach to funding and partnerships exemplifies 'greater agency', which enables movements and women's rights organizations on the ground to work toward greater gender equality. The resulting 23 funds represent emerging funds and national funds – two areas that typically receive less funding.

PRINCIPLE 8 – Advocate for wider systems change to more equitably share power: The Equality Fund's design team conducted 12 interviews with feminist funds that participated in the process. Many of the funds met and discussed the funding opportunity internally, but also with other feminist funds in the ecosystem, often in their region, before making a final decision to apply or not. A number of funds noted that the Step Up or Step Back approach was important in giving them the space to take an ecosystem lens when deciding whether or not to apply for funding: *"[The Step Up Step Back approach] allowed us to pause for a moment and reflect on whether we actually need the resources—what for, and if there is anyone else who needs it more."*

Step Up Step Back Approach

Five key learnings gleaned from this approach are summarized in 'Shifting power to catalyze movements: Our inclusive grantmaking journey'.

Fair Funding

The 'Step Up or Step Back' approach is not something that the Equality Fund, developed, but rather is inspired by longstanding global feminist values and principles of non-competition and taking a collaborative approach. The approach is innovative in contemporary funding spaces which are centered on competition, but are almost standard practice in feminist practice. The Step Up Step Back process acknowledges the imbalance between those giving and receiving of funds and shifts the decision making about funding to valuing those with lived experience – to women's rights organizations and movements globally.

It is important to recognize that there are a number of enabling factors that make the 'Step Up or Step Back' approach possible. The Equality Fund's two-step grantmaking process takes place in an ecosystem of feminist funds and movements that interact regularly and know of each other's work. More than 50 feminist funds came together and inviting them to step back required that they understand the context and recognize the ecosystem. Trust has been built and this enables a 'Step Up or Step Back' approach to funding to succeed.

Equitable Partnerships

Taking a collective approach to grantmaking ultimately led to a diversity of funds receiving resources. Collective power in the decision making of grants, resulted in outcomes that are more representative of diversity in the community. Through community discussion and identifying grant criteria and priorities, which resulted in greater diversity of grantees, including ten national funds and seven funds founded less than five years ago.

The Step Up Step Back approach to funding and partnerships exemplifies 'greater agency', which enables movements and women's rights organizations on the ground to work toward greater gender equality. The resulting 23 funds represent emerging funds and national funds – two areas that typically receive less funding. The non-competitive approach was successful due to building on existing networks, which was essential for trust and collaboration. It relied on the foundational community-building work done by women's funds over decades.

The process of collective power resulted in some tension between having to balance the individual need or regional needs with those of the entire group from around the globe. Participants were forced to balance the urgent need for resources due to political contexts, for example, with the reality that others with smaller budgets perhaps needed the resources even more urgently. This approach of using participatory decision-making processes resulted in supporting organizations and movements that needed it the most on a global scale.

The African Transitional Justice Legacy Fund

The African Transitional Justice Legacy Fund aims to support transformative and pioneering community-led interventions in transitional justice processes in Africa.

Fair Funding

PRINCIPLE 2 – Drive Resources to Underrepresented / Marginalized Groups: The ATJLF regularly examines their portfolios and seeks to directly fund intersectionally-marginalized groups underrepresented within their fund, e.g. victims groups. Within their portfolio, they track underrepresented countries, themes and persons applying for and succeeding in accessing their funds, and intentionally seek to diversify their grantee pool and the nature of organizations funded. **ATJLF does this by soliciting recommendations from within the ecosystem to identify pioneers, innovators and change-makers currently underfunded or having difficulty accessing funding, and then, intentionally seeking those underrepresented persons and organizations out.**

PRINCIPLE 3 – Simplify the Funding process to be fair and transparent: Learning from previous funding cycles, the ATJLF changed their application form completely and adapted their funding qualification requirements recognizing that many pioneering innovators they sought to reach didn't yet have the required institutional structures in place, and needed institutional support in developing them. They did this by "pivoting the focus of the application process to the idea and the potential of innovation rather than the (level of development of) institution."

Equitable Partnerships

PRINCIPLE 4 – Build Diverse Teams for Funding, Design & Decision-Making across Innovation Processes: The ATJLF co-creates funding mechanisms with the human rights ecosystem by sharing its funding strategy and ToC with diverse stakeholders including potential grantees and partners. ATJLF has invited input to the formulation of their ToC to ensure its relevance to the context where it works.

PRINCIPLE 5 - Be Transparent with and Accountable to Innovators: Rather than unilaterally pushing to scale up reach, the ATJLF prioritizes listening to grantees and what novel strategies they would rather employ to increase their impact at the community-level. This is done by supporting smaller, targeted locally-owned innovations that foster sustainability.

Greater Agency & Systems Change

PRINCIPLE 7 – Center and elevate collaborative local leadership to enable innovative and inclusive solutions: By approaching evaluation as a form of learning rather than as a "pass-fail" exercise and measuring progress as importantly as outcomes, the AJTLF measures metrics of visible forms of transformation in the system such as the number of new partnerships and collaborations both among grantees and between grantees and the ecosystem, and access to other greater/scaled funding beyond ATJLF. They support this by encouraging the formation of partnerships, networks and communities of practice to reduce the focus on competition and to support country and sub-regional-level synergies and collaboration for systems change.

The African Transitional Justice Legacy Fund

Positive dividends and indicators from employing this approach include:

Fair Funding

By intentionally focusing on reaching underserved groups and expanding reach beyond the "usual suspects," the ATJLF prioritised reaching first-time grantees who had previously been excluded from accessing funds due to intersecting factors of marginalisation. By tracking indicators such as number of first-time grantees in the funding cohort and number of traditionally-marginalised groups (e.g. victims groups, people with disabilities) accessing funding, the ATJLF was able to modify their funding mechanisms and procedures to enhance accessibility to marginalised and underserved groups. This had the effect of increasing the number of first-time grantees that received funding, as well as increasing the diversity of grantees they support to include a wider range of countries, marginalised groups, and newer entrants into the space.

Equitable Partnerships

Co-creating their funding strategy and ToC with a wide range of ecosystem actors pushed ATJLF as an organisation, to examine its approach to affecting the systems they wanted to impact and helped them make sense of how they define and evaluate "growth and transformation" from baseline to the current moment. This consultative process in developing their ToC helped to better define transitional justice at the local level and how it should be undertaken from the partner's experiences and perspectives.

Greater Agency & Systems Change

By working with learning partners to adaptively develop ways of making sense of their impact, the ATJLF tracks metrics such as:

- Number of survivor groups (or other traditionally-marginalised groups) included in government and policy spaces (which they see as a measure of systemic impact)
- Number of previously never-funded institutions/innovators now receiving scaled funding beyond the initial funding cycle. (which they see as a measure of the transformation of local institutions and a form of the "character development" of new institutions/innovators into known names in the system).

These metrics, which they capture as part of their systemic impact, have led them to support the formation of partnerships, networks and communities of practice that are built to reduce focus on competition and encourage systemic collaboration. One success story of ATJLF's support and encouragement of the formation of CoPs at country-level is that all their grantees in Mali collaborated to apply for funding as an ecosystem consortium.

Innovating for Gender Equality (GIF)

The Innovating for Gender Equality Fund identifies and supports innovations that increase the agency of women and girls by addressing control over voice, assets and body in developing communities and contexts.

Fair Funding

PRINCIPLE 1 – Give flexible funding to local /national innovators: GIF's overall portfolio tracks funding for a specific year (e.g. 86% in 2023) and average overall investments (currently at 45%).

PRINCIPLE 2 - Drive Resources to Underrepresented and Marginalized Groups: The Innovating for Gender Equality Fund seeks to drive resources to increase the agency, voice and assets of women and girls. With agency as a central focus, the fund is inclusive of a wide range of desired outcomes, such as greater participation by women in decision making, prevention of violence against women and girls, and control over educational, financial and land-based assets.

Equitable Partnerships

PRINCIPLE 4 – Build diverse teams for funding design and decision making across innovation processes: Work on this fund has accelerated strategic and coherent action on gender equality, widespread across the organization. Through inclusive collaboration with a wide-range of stakeholders, a strengthened pipeline of gender innovations, and adopting and evolving best practice.

PRINCIPLE 6 – Solicit feedback & Listen to Innovators: GIF solicits both formal and inform feedback through an annual survey with both successful and unsuccessful applicants, as well as informal feedback from applicants. External evaluations are conducted to assess the effectiveness of the fund and areas for improvement.

Greater Agency & Systems Change

PRINCIPLE 7 – Center and elevate collaborative local leadership to enable innovative and inclusive solutions: GIF explicitly and deliberately values agency in investment decisions and impact forecasts. For this fund, GIF has adapted its Practical Impact methodology to include gender equality, quantifying results in empowerment, agency and changing norms to encourage learning on how to effectively use the scarce resources devoted to gender equality.

PRINCIPLE 8 - Advocate for wider systems change to more equitably share power: Using GIF's Practical Impact methodology to quantify results of agency serves to guide investment and direct more attention and resources towards women's empowerment. By investing and funding innovations that increase the agency of women and girls, this fund seeks to contribute to the broader fields of impact investing, gender-lens investing and innovation in international development.

Innovating for Gender Equality (GIF)

Positive dividends and indicators from employing this approach include:

Fair Funding

As part of GIF's for grantmaking, the Innovating for Gender Equality Fund's decision-making process for assessing innovations involves: i) soliciting external reviews from experts, taking into account sector and geography, ii) review by GIF's internal investment committee, iii) GIF's Decision Panel which includes external panelists, with the goal to engage local experts. For this process, GIF tracks both diversity and gender. Equity Metrics used by GIF include:

- Principle 1 - Localization marker: proportion of innovations in past year where investee's primary headquarters is in a developing country (with annual targets). Funding for local/national innovators is tracked for current year (at 86% in 2023), and for overall investments (currently 45%).
- Principle 2, 7 and 8 - Gender equality and leadership: proportion of new projects led by women; proportion of new innovations that are either gender neutral, sensitive, positive or transformative, proportion of live portfolio innovations compliant with gender disaggregated reporting, gender of applicant.

Equitable Partnerships

- Principle 4 - Board or Investment Committee make-up: As part of due diligence GIF looks at diversity of boards of all innovations funded and gender diversity among staff and leadership. GIF asks questions based on diversity along protected characteristics which inform GIF due diligence.

Greater Agency & Systems Change

The Innovating for Gender Equality Fund seeks to fund innovations which showcase new ways of achieving gender equality outcomes at scale for people living in poverty. GIF is committed to supporting innovations that catalyze sustainable shifts toward gender equality, as well as ensuring that all innovations in the portfolio take into account gendered impacts. Achieving gender equality requires increased agency of women and girls at the individual, household, community and societal levels. GIF uses a Gender Equality Framework which positions all people as protagonists in their own stories and shows how improving agency is the process of increasing control over body, voice and assets.

Greater Agency & Systems Change (contd)

GIF's Metrics on agency and systems change include::
- See GIF's Gender Marker for those impacted by an innovation in terms of gender equality
- GIF's Climate Diagnostic and Marker
- Data is also collected beyond gender, in terms of disability (using Washington Group Disability Statistics), and on a case-by-case basis, for instance to track caste and religion

This fund focuses on increasing the agency of women and girls by targeting innovations that seek to change social structures or social norms. The fund also invests in innovations that target men and boys as well, who may serve as agents of change. The Bandebereho case study (meaning 'role model' in Kinyarwanda) provides an example of systems change engaging with men.

Adapted by the Rwanda Men's Resource Centre, the initiative provides an illustration of a contextually responsive intervention to engage men and transform norms around masculinity by using fatherhood as an entry-point.

GIF has adapted its Practical Impact methodology to include gender equality, quantifying results in empowerment, agency and changing norms to encourage learning across all its investments on how to effectively use the scarce resources devoted to gender equality. (Learn more about GIF's expected impact.) GIF believes that quantifying gender equality guides investment, promotes learning, and directs more attention and resources towards women's empowerment. The 'Innovating for Gender Equality' portfolio results, grounded in the contexts where the innovations are most needed to create positive social change, demonstrate multiple paths to filling the gap at the intersection of equity-focused investing and innovation for development.

Source: GIF

The Indigenous Innovation Initiative (I3)

The Indigenous Innovation Initiative (I3) is an Indigenous innovation platform with the goal of empowering First Nation, Inuit and Metis innovators and communities to identify and solve their own challenges, transform lives and drive inclusive growth and health through innovation. In addition to increasing Indigenous innovators' access to capital, I3 collaborates and co-designs with indigenous changemakers to re-conceptualize what innovation funding and implementation looks like within an Indigenous context.

Fair Funding

PRINCIPLE 2: Drive Resources Directly to Underrepresented and Marginalized Groups: I3 application and grantmaking processes intentionally aim to address systemic intersectional barriers to indigenous innovators applying for and accessing funding. They do this by collecting and adaptively responding to feedback from applicants and other indigenous ecosystem actors, as well as an advisory board called an Indigenous Innovation Council. Through this, they have adapted their approach to requests for proposals (RFP) to ensure they reach intersectionally marginalized communities within indigenous innovation ecosystems, intentionally using resilience-affirming language and strategies that reinforce indigenous principles of inclusiveness. As a result, I3 has been able to reach and provide direct funding to First Nation, Inuit and Metis women, Two Spirit, queer, trans and gender diverse innovators.

PRINCIPLE 3: Simplify the funding process to be fair and transparent: I3 provides applicants with detailed scoring criteria and created a Project Scoring Matrix, which shows how many points a particular criterion is worth and shows the pieces that must be present for a high score in each criterion. Based on feedback from applicants, the initiative also simplified the application to 6 questions including a budget and project summary, and allows applicants to upload supplementary video, audio or other files so they can fully express their idea in their medium of choice. I3 implements a rolling intake model for RFPs, so that more innovators have the chance to submit their application.

Equitable Partnerships

PRINCIPLE 4: Build diverse teams for funding, design & decision-making across innovation processes: I3 works alongside an Indigenous Innovation Council to co-create a roadmap for transforming indigenous innovation and social finance ecosystems through the initiative and to guide decision-making for the initiative, including around applications, core values and priorities. The Council is a guidance platform consisting of people with expertise in indigenous social innovation, entrepreneurship, and impact.

PRINCIPLES 5 and 6: Be transparent and accountable to decision-makers & Solicit feedback and listen to innovators: Through structures like the Indigenous Innovation Council and the Indigenous Innovation Lodge, as well as several layers of soliciting feedback from the application stage, I3 is in constant dialogue with indigenous innovators and other members of the ecosystem about ways to improve and better align the fund to meet the needs of indigenous innovators to rebuild or transform systems.

Greater Agency

PRINCIPLES 7 & 8: Center and elevate collaborative local leadership to enable innovative and inclusive solutions & Advocate for wider systems change to more equitably share power: I3 positions indigenous innovation as 'critical to the future wellbeing of all Peoples, the Lands, Waters, and Skies and thus, centers innovators working the resurgence of indigenous ways of knowing and being. GCC supports this approach through advocacy with donors, as well as taking on roles of translating knowledge and findings prioritized by indigenous innovators and communities and providing administrative support to fit current donor compliance demands, even while advocating for institutional change.

The Indigenous Innovation Initiative

The Indigenous Innovation Initiative considers itself an experiment which encourages internal reflexivity within its program management team. In their own words, "We are learning and changing, and we ourselves still don't have all the answers. Some of the feedback we received from our Indigenous Council was the importance of how when we share lessons from our own learnings, we are clear to the community that this is our story of our own learnings and perspective, but that this is not the only way to do things." GCC, as a funder of I3, seeks to align with this reflexivity and works to ensure flexibility in the support provided to I3. GCC also serves to interpret and support I3 approaches, through advocacy with donors and translating i3 approaches to meet the requirements of bilateral funders supporting I3, such as GAC.

Positive dividends and indicators from employing this approach include:

Fair Funding

Principle 2: I3 tracks metrics about applicants in each funding round and uses lessons learned to inform improvements to future funding rounds in order to ensure that the initiative's impact is truly intersectional. One way in which I3 is seeking to reach even more intersectionally-marginialized indigenous innovators is through an outreach plan that seeks to make and build connections with Indigenous innovators through live sessions on social media, webinars, newsletters, emails, direct connections with team members, as well as connecting with tribal councils across the country. By being intentional about reach, I3 has been able to reap the following positive dividends:

- 56% of projects specifically support First Nation, Inuit and/or Metis women in some way
- 33% of projects specifically support Indigenous Two Spirit, queer, trans and gender diverse people in some way

- 22% of projects specifically support First Nation, Inuit and/or Metis youth in some way
- Applicants are 80% female, 15% male and 5% all other gender identities

The diversity of applicants has resulted in an initiative that has addressed systemic barriers to capital for Indigenous innovators and also created jobs within indigenous communities with 80% of innovators employing people through their projects.

- Principle 3: I3's responsiveness to feedback from applicants as well as to metrics collected during the application metrics has enabled it to adapt its application processes to meet the needs of a more diverse innovation pool that might otherwise be marginalized from traditional application processes. As a result, the applicant pool is indeed majorly made up off those who are otherwise most marginalized within innovation ecosystems.

Equitable Partnerships

- Principle 4: Working with the Indigenous Innovation Council framework has enabled I3 to reimagine their processes to centre indigenous ways of knowing and being that better resonate with the innovators they aim to reach, as well as to bring the initiatives vision, core values, and core principles to life through a priority-setting exercise that is guiding future of I3. This has enabled increased reach to innovators and ideas that would otherwise not have been reached.

- Principles 5 and 6: I3 team members acknowledge that they are accountable to the communities they fund as all major Knowledge Management Team items are developed with, by and for the community. Feedback from applicants, selected indigenous innovators, the advisory council and open dreaming and dialogue structures like the Indigenous Innovation Lodge as well as engagement within the ecosystem has resulted in the production of alternative resources like Kagawedowiiwin- the Indigenous Inquiry and Learning Bundle, which is a guide to adaptive learning that centres indigenous knowledge, and the Nindokiikayencikewin- Indigenous Knowledges & Data Governance Protocol,

which is a co-created conceptual framework that 'rebalances power and revitalizes the capacity of innovators and their communities to steward their own Knowledges and data, including cultural expression and intellectual property.' This approach exemplifies a shift towards more equitable partnerships by demonstrating respect and a sense of mutuality in adapting to contextualized ways of working, learning, knowing and sense-making.

Greater Agency & Systems Change

- Principles 7 and 8: As a result of taking on administrative and knowledge translation burdens and advocating for changes to funder institutional compliance practices around reporting, I3 has enabled Indigenous innovators to focus on solutions and learnings that are most meaningful to the communities they serve.

An example of an innovator-developed metric based on the Inquiry and Learning Bundle, which the I3 program team can then translate into traditionally-used metrics. (Principle 5):

Observation	Indicator	Long-Term Impact
Participants participate in moon dance ceremony as part of a program that intends to heal women, and gender diverse folks who are survivors of sexual violence.	• Spiritual and emotional satisfaction/change in participants • Adherence to traditional protocol • Level and quality of interaction between Elders and/or Knowledge-Keepers and next generation • Gained Knowledge of how to conduct ceremony	• Rematriation: Women, two-spirit, queer, trans, non-binary have increased ability to fulfill traditional roles. • Increase in communal and individual spiritual health • Continuation of Indigenous Knowledge transference (Knowledge is being passed onto future generations) • Conducting the practice is inherently decolonial in a society that intends to erase Indigenous cultures and Peoples (one method being through sexual violence)

Local Coalition Accelerator

The Local Coalition Accelerator is a platform aimed to bridge the gap between donors and local actors to fundamentally change the way international aid is designed and delivered. The LCA leverages existing localization efforts to support coalitions of local actors who can effectively co-design and implement holistic, evidence-based programming at scale to address systemic, multi-sectoral problems.

Fair Funding

PRINCIPLE 1 – Give flexible funding to local /national innovators: LCA's provide a 3-year aid package to enable coalitions to have capacity, autonomy and the financial ability to lead on impactful large-scale change.

PRINCIPLE 2 – Drive resources to underrepresented / marginalized groups: LCAs work towards a world where the most marginalized members of society have a powerful and sustainable avenue to collectively build the future they want for themselves and their communities. LCA uses one of the most effective models to do this – empowerment collectives such as Self Help Groups (SHG).

PRINCIPLE 3 – Simplify the funding process to be fair and transparent: LCA model and research illustrate examples of how to improve funding processes to shift power

Equitable Partnerships

PRINCIPLE 4 – Build diverse teams for funding, design & decision-making across innovation processes: LCA experiences in Bangladesh, Uganda, Nigeria and elsewhere shift from traditional mindsets of 'deficiency' to one of 'asset-building', where strong trust is built between partners in global team members and local team members, also between men and women, older and younger, and government and civil society.

PRINCIPLE 6 – Solicit feedback & Listen to Innovators: Two-way community feedback is built into the LCA model.

Greater Agency & Systems Change

PRINCIPLE 7 – Center and elevate collaborative local leadership to enable innovative and inclusive solutions: LCA's Self-help groups and networks provide individual benefits – self-esteem, agency and confidence – as well as a platform for collective action. Self-Help Groups are proven to be one of the most effective ways to empower those who are marginalized. Self-help groups are 2nd most cost-effective model in Africa, where there is $58 of return for ever $1 spent. (Source: Copenhagen Consensus Centre)

PRINCIPLE 8 – Advocate for wider systems change to more equitably share power: LCA models systems change at the global and local levels. Sharetrust and Warrande Advisory Services report Passing the Buck - The economics of localization outlines improvements to international development funding processes and shifting of power at the global level. LCA illustrates an evidence-based approach to address systemic issues with local and national actors in a holistic way. LCAs strengthen Self Help Group ecosystems globally to more effectively scale community driven collective action. They do this through shifting bilateral and government systems to center community-driven collective action and ensuring that SHGs have a supportive enabling environment that allows them to thrive.

Local Coalition Accelerator

The Local Coalition Accelerator is an initiative of ShareTrust and Warrande Advisory Services. These organizations released a report entitled Passing the Buck - The economics of localization report, which has had a significant impact in directly addressing the economic realities and clear advantages of localization. The Passing the Buck study released in late 2022 being cited in and/or influencing the following:

- A US Congressional testimony, as a proof point for pushing process change on localization at USAID (March 2023);
- An open letter to USAID from the House to push them to localize (April 2023);
- An Economist article, in a profile of USAID that demonstrates how the status quo must change and how the agency can localize (May 2023);
- A House Foreign Affairs Committee hearing to understand how USAID plans to optimize resources to best meet local needs (May 2023).
- European Union's Working Party on Humanitarian and Food Aid EU COHAFA Meeting June 20, 2023. Sharetrust's presentation was enthusiastically received and has been shared with many in the Grand Bargain 3.0 renewal working group.

 Positive dividends and indicators from employing this approach include:

Fair Funding

Local Coalition Accelerators provide a 3-year aid package to enable coalitions to have capacity, autonomy and the financial ability l to lead on impactful large scale change.

Passing The Buck: The Economics Of Localizing International Assistance: This study by ShareTrust and the Warande Advisory Centre estimates the economic implications of shifting 25% of Official Development Assistance (ODA) - aligned with Grand Bargain and USAID commitments– and shifting international funding to local intermediary structures. The analysis estimates that local intermediaries could deliver programming that is 32% more cost efficient than international intermediaries by

stripping out inflated international overhead and salary costs.

Applied to the ODA funding flows allocated to UN/INGOs in 2018 ($54bn), this would equate to US$4.3bn annually. Shifting to local intermediaries using equitable salaries will result in an additional redeployment of $680m per year in salary and overhead costs to local actors.The study proposes a 'transition fund, with investment over 8 years, in order to allow time to update current systems, processes infrastructure and capacities.

Equitable Partnerships

LCA builds in trust as part of the model. LCA's transitions from 'I' to 'We' in 12 to 18 months. Shift from short-term projects to long-term approaches that enhance agency and work toward systems change. LCAs are representative and where trust is built in as part of the implementation.

- There is a unifying power of self-help groups which contribute to sustainability and longer term systems change.
- Research has shown self-help groups are the 2nd most cost-effective model in Africa, where there is $58 of return for ever $1 spent. (Source: Copenhagen Consensus Centre)

Greater Agency & Systems Change

The value of LCAs have been measured in terms of scale, coordination, value for money and advocacy. Positive dividends of LCAs include:

- Self-help groups in LCA have significant impacts in terms of sustainability, health and impact, such as:
  - 37% reduction of maternal mortality
  - 2x more likely to participate in local politics
  - 16% reduction of acute malnutrition in children
  - 19% are more likely to use family planning
- Self-help groups are second most cost-effective model in Africa, where there is $58 of return for ever $1 spent. (Source: Copenhagen Consensus Centre)
- Shift from short-term approaches to long-term, and from 'Big Man' politics to ones that are representative

Source: ShareTrust

Gender Equality Coding System

Grand Challenges Canada (GCC) is committed operationalizing gender equality in its work. This work takes many forms – including sharing gender analysis tools, resources and case studies with innovators, policy makers and the investors and engaging with innovators GCC supports to integrate gender equality in their operations by utilizing a <u>Gender Equality Coding System</u>.

Fair Funding

PRINCIPLE 2 – Drive resources to underrepresented / marginalized groups: GCC considers gender equality in its investments by working with innovators to understand where disparities exist–including intersectional aspects– for whom and how more effective solutions can be developed. Its Gender Equality Coding System measures how innovations that transition to scale innovations integrate gender equality, with a range from 'no integration' to one that is transformative.

Equitable Partnerships

PRINCIPLE 4 – Build diverse teams for funding, design & decision-making across innovation processes: The Gender Equality Scoring system ensures that GCC's funding considers how women and girls are directly affected, as innovators define problems and create solutions. If scores are low, GCC works with innovators to structure into an investment support to enable gender equality improvements (e.g. to conduct a gender analysis or build a gender equality strategy).

PRINCIPLE 6 – Solicit feedback & Listen to Innovators: GCC measures innovator satisfaction including its: application process; negotiation process; support during implementation; communications; tech support; financial processes and cultural competence.

Greater Agency & Systems Change

PRINCIPLE 7 – Center and elevate collaborative local leadership to enable innovative and inclusive solutions: The Gender Equality Coding System measures which innovations: have no gender equality integration (GEO), have minimal integration (GE1), substantial contributions (GE2) and those that have gender equality as a primary or secondary objective (GE2). Once an innovator receives funding, GCC works with them to improve their gender score. The system is not used as a screen, but rather as a tool to achieve a high level of gender equality and impact.

PRINCIPLE 8 – Advocate for wider systems change to more equitably share power: GCC acknowledges that centering diversity and equality will empower and elevate impactful solutions. GCC's gender equality integration approach – ensures that solutions that may not have considered gender initially, can gain the knowledge and skills needed to enable improvements with regards to gender equality where innovations are deployed.

GCC's Gender Equality Coding System

Grand Challenges Canada (GCC) in its commitment to gender equality, in partnership with Government of Canada and its Feminist International Assistance Policy, has committed to operationalizing gender equality in its work. This work takes many forms – including sharing gender analysis tools, resources and case studies with the innovators, policy makers, investors and others that they work with in the innovation space. [See GCC's Gender Equality Portal here]. GCC works with its innovators to integrate gender equality in their operations using a Gender Equality Coding System, with the overall goal to ultimately shift these scores over time.

Positive dividends and indicators from employing this approach include:

Fair Funding

In making funding decisions, GCC considers gender equality and intersectionality in its work, to understand where disparities exist, for whom and how more effective solutions can be developed. GCC's uses its Gender Equality Coding System as a tool to ensure more effective outputs and outcomes, as studies have shown that gender equality results in involving women boosts sustainable development outcomes. The scoring systems measures how innovations that transition to scale innovations integrate gender equality – with a range from 'no integration' to one that is transformative. GCC works with innovators to improve their 'Gender Equality Score' for repeat funding.

See GCC Gender Equality Case Study Ayzh, which meets GCC's transformative criteria.

Equitable Partnerships

Over the last two years - 2021-2023, GCC has measured innovator satisfaction, under the following areas:
- Application process
- Negotiation process
- Support during implementation
- Communications
- Tech support
- Financial processes
- Cultural competence

GCC has found in some cases scores have decreased versus improved. GCC has found that innovators feel more comfortable being candid and in some cases satisfaction has decreased, which GCC has attributed to building trust data and identifying how, together, they might create a more equitable partnership.

"Gender equality, rooted in human rights, is recognised both as an essential development goal on its own and as vital to accelerating sustainable development."
– Zubaida Bai, ayzh Founder & CEO

Source: GCC

Greater Agency & Systems Change

Metrics used to measure the integration of gender equality include:

- Level of gender equality integration
- # and % of TTS (transition to scale) innovations at each level of gender equality focus at time of signing (GE0, GE1, GE2, GE3)
- # and % of GE0 and GE1 innovators that improve their gender equality scores during TTS funding (GE0 = limited or no gender equality integration; GE1 = some minimal gender equality integration)
- % of innovators that are incorporating gender equality considerations by the end of their funding (GE1 or above)
- % of innovators that are making substantial or transformative contributions to gender equality by the end of their funding (GE2 = substantial contributions; GE3 = transformative contributions as gender equality is a primary or secondary objective of the project)

GCC works with innovators to better understand how gender equality is integrated into innovators operations – including mission, strategies, outputs etc. With the intention that over time investments shift from a GE0. By considering gender thoughtfully and enhancing agency of women and girls within programming, there are opportunities to leverage systems shifts.

The Samagra case below illustrates how the design of pubic toilets for women and girls, can enhance opportunities to participate in schools, employment, and improve well-being by ensuring lighting, for example, to reduce potential violence against women.

Samagra receives a Gender Equality Score of GE2 or 'Significant Consideration to Gender Equality. This for-profit social enterprise is dedicated to providing access to clean, safe, reliable communal toilets in urban slums in India.

Read how it incorporates gender equality in its work Samagra case study.

Source: GCC

Ghana Country Innovation Platform

The Country Innovation Platform (CIP) is an innovation fund led by the Ghana Health Service but is supported by a collaborative effort between the Ghana Health Service, USAID Ghana Mission, USAID Center for Innovation and Impact, Grand Challenges Canada, and AMP Health. Through a human-centered and locally-led design process, CIP is identifying needs and funding local innovations. A first of its kind platform, CIP aims to generate lessons from their process to share with the broader innovation community.

Equitable Partnerships

PRINCIPLE 4 - Build Diverse Teams for Funding, Design and Decision-Making across Innovation Processes: The priority health system needs were identified by those "closest to the problem". The criteria for funding and evaluation process was developed by the Ghana Health Service in collaboration with other local stakeholders including innovators, CSOs, community members and other ecosystem actors. GCC and USAID, funders for the CIP, do not dictate what should be funded. In addition, innovators were required to demonstrate that their proposed solution was demand-led and to showcase how it could be sustained in 2 large regions. Thus, co-design with communities was an essential part of proposal design.

PRINCIPLE 5 - Be Transparent with and Accountable to Innovators: The Ghana Health Service led a co-creation workshop that brought together relevant stakeholders in the ecosystem, including health providers, USAID implementing partners, innovators and incubators to identify high priority health needs and define the selection criteria for evaluating relevant innovations.

Greater Agency & Systems Change

PRINCIPLE 7 - Center and elevate collaborative local leadership to enable innovative and inclusive solutions: The Ghana Health Service is the lead partner in this work and will ensure that CIP is aligned with priority health challenges. The GHS will provide support to the funded innovations on how to appropriately integrate solutions within the broader health system.

PRINCIPLE 8 – Advocate for wider systems change to more equitably share power: Lessons from the CIP on how to design an innovation process that is tailored to locally defined needs will be summarized and shared to demonstrate the feasibility of this type of platform for countries to support innovations and for donors to invest in an ecosystem of informed and connected local health innovators.

Ghana Country Innovation Platform

Lessons from the Country Innovation Platform on how to design an innovation process that is tailored to locally defined needs will be summarized and shared to demonstrate the feasibility of this type of platform for countries to support innovations and for donors to invest in an ecosystem of informed and connected local health innovators.

Positive dividends and indicators from employing this approach include:
- This platform emerged from discussions held in part as a result of IDIA's Equity and Innovation efforts, where IDIA Principles from GCC and USAID came together to explore tangible ways they might shift power. The Ghana Country Innovation Platform is the result, which draws and builds upon the Equity Principles in this document.
- No dividends or indicators have been identified at this time as the call for innovations has just recently closed (August 2022).

Positive stories and quotes regarding the design and set-up of this approach include:
- "This is the first time partners have not dictated what they fund." -Leader at the Ghana Health Service
- The entire platform has an openness to learn and adapt. For example, the first stakeholder meeting had low female attendees. The CIP and GHS have indicated that for future workshops they will be very gender-aware and intentional in including women in the co-creation process.
- The Ghana Health Service states that it is now "innovating daily".
- "We are seeing a more comprehensive way of providing health services. GHS has kept us all on our toes and on track. When you look at how we used to deal with our partners – we had the ideas and told them what to do. With CIP, this has changed." -CIP Donor

UNICEF Venture Fund

The UNICEF Venture Fund makes $50-100K early-stage investments in open-source technologies for children developed by UNICEF country offices of companies registered in UNICEF programme countries.

Fair Funding

PRINCIPLE 1 – Give flexible funding to local /national innovators: The Venture Fund makes $50-100K of equity free investments in their innovations. The Fund disburses half of the funding up front to support innovators in beginning to support their initial piloting efforts. The remaining half is disbursed based upon Key Performance Indicators (KPIs) that are co-developed and agreed upon by the Fund and the innovator.

PRINCIPLE 2 – Drive Resources to Underrepresented / Marginalized Groups: In 2019, the Venture Fund launched their Smart Investing Initiative to invest in a diverse portfolio of startups, with the short-term goal of each new cohort being 50% female led and a long-term goal of the entire portfolio being 50% female led companies. As of 2023, 64% of funding went to female-led organizations. The fund is taking an intersectional approach to equity and is increasing their efforts to fund LGBTQ+ and disability led organizations. To reach underrepresented groups, the Fund has a wide network of incubators, which nominate startups to apply for funding. The Fund may provide support to a borderline application if it is led by an underrepresented demographic.

Equitable Partnerships

PRINCIPLE 4 – Build Diverse Teams for Funding, Design & Decision-Making across Innovation Processes: The application review panel is made up of a sectorally-diverse group of reviewers who can best speak to the technology application, region, and sector. The application review is blind to eliminate implicit bias. Additionally, the Fund tracks metrics on women in leadership roles in their grantees, encouraging start-ups to have a diverse decision making team.

Greater Agency & Systems Change

Principle 7 - Center and elevate collaborative local leadership to enable innovative and inclusive solutions: The Fund engages with local innovation hubs and innovation country offices, as these organizations act as incubators for novice innovations led by local innovators. The Fund collaborates with and funds organizations who come out of these incubators.

PRINCIPLE 8 – Advocate for wider systems change to more equitably share power: The Fund supports the development of Open Source digital Public Goods, confirming the technical quality of the solution and providing exposure to a global audience. The Fund advocates for more technological solutions to be open source to redistribute power and ownership of products.

UNICEF Venture Fund

Positive dividends and indicators from employing this approach include:

Fair Funding

The Venture Fund only invests in startups or country offices based in emerging markets, and 64% of funding went to female led startups. In 2023, 16 of grantees of UNICEF's Venture Fund received part or all of their funding in cryptocurrency. This demonstrates the Fund's ability to utilise decentralised finance and blockchain to direct funding flows to underrepresented markets. In doing so, the Fund is shifting to minimize the number and costs associated with intermediaries and are bringing access to financial resources to those otherwise excluded from financial, funding and purchasing systems.

Equity metrics used under Principle 2: Drive Resources Directly to Underrepresented and Marginalized Groups:
- # of new countries invested in every application round
- # of solutions where women/girls are the primary user
- # of solutions were People Living With Disabilities (PLWD) are the primary users

Equitable Partnerships

The Venture Fund's application review panel is made up of a sectorally-diverse group of reviewers who can best speak to the technology application, region and sector. The application review is blind to eliminate implicit bias. Additionally, as included below, the Fund tracks the number of women in leadership positions within the grantee organisations, encouraging start-ups to have a diverse decision making team.

Equity metrics include Principle 4: Build Diverse Teams for Funding Design and Decision Making Across Innovation Processes:
- # of businesses with at least one woman founder/owner
- # of women in senior leadership roles

Design of a Digital Literacy Equity Outcomes Fund

UNICEF's Digital Literacy Equity Outcomes Fund illustrates equitable partnerships in its human centered-approach to shape the fund. The fund seeks to address gender gaps in digital skills and experiences by supporting the strengthening and expansion of locally-tailored services that intentionally reach adolescent girls and young women in LMICs. The fund seeks to put the voices of adolescent girls in the design, to influence the innovation process, illustrating Principle 4.

Greater Agency & Systems Change

The Venture Fund is building a locally embedded community of problem solvers by funding only local organizations. Investing in technologists and entrepreneurs is essential to redistribute power and ownership, to create solutions that are designed with the unique needs and realities of end users.

Equity metrics include Principle 7 - Center and Elevate Collaborative Local Leadership to Enable Innovative and Inclusive Solutions:

- # of solutions where women/girls are the primary user
- # of solutions were PLWD are the primary users
- # children reached (total)
- # women reached (total)
- # people living with disability reached (total)

Principle 8 - Advocate for Wider Systems Change to Shift Power to Local Actors

- # of companies from Venture Fund portfolio that have been awarded Digital Public Good status. Digital Public goods are in the form of software, data sets, AI models or other content that are generally free cultural works and contribute to sustainable national and international digital development.

Source: UNICEF

INSIDE THE GHANA INNOVATION FUNDING ECOSYSTEM-
ASHESI VENTURE INCUBATOR & THE ENTERPRISE VILLAGE

Ashesi Venture Incubator (AVI) is an innovation incubator and pre-accelerator program within Ashesi University that draws emerging innovators from the undergraduate program to build a pipeline of ethical entrepreneurs.

The Enterprise Village (TEV) is a women-led, all-female hub for women that addresses the gender gap in the tech space by actively building a network of local investors who can support women's businesses with the help of key players in the innovation ecosystem.

Fair Funding

PRINCIPLE 1 - Give Flexible Funding to Local or National Innovators: AVI provides flexible funding to bridge the gap between incubation and readiness for acceleration which is a point of vulnerability where many nascent innovators fail. AVI also provides support that addresses the long-term needs of innovators such as business development support, regulatory assistance, technical, legal, accounting etc.

PRINCIPLE 2 - Drive Resources to Underrepresented and Marginalized Groups: As a new venture specialist, AVI works on helping young, very early-stage ventures that might not qualify for traditional means of funding and grantmaking, to become market-ready and investor-ready, as they test and validate their innovative ideas. Furthermore, recognizing intersectional disparities in participation between male and female innovators in incubators, AVI is gender-sensitive and intentional about recruiting both male and female innovators in the hub, aiming for parity.

Greater Agency & Systems Change

PRINCIPLE 7 - Center and Elevate Collaborative Local Leadership to Enable Innovative and Inclusive Solutions: Looking beyond the incubation/funding cycle, AVI seeks to connect grantees to future opportunities and to major stakeholders within the ecosystem to level out the playing field in new innovator access to opportunities beyond their incubation program, strengthening the innovation ecosystem for longer-term systemic impact.

Fair Funding

PRINCIPLE 2 - Drive Resources to Underrepresented and Marginalized Groups: To support women who may not otherwise be eligible for grants or venture funding, Enterprise Village has proactively cultivated a network of alternative local investors who resource and network female techpreneurs with key players in the ecosystem. As local funders who understand the sociocultural context, they can offer more flexible, responsive, trust-based funding. mentorship and coaching in technical skills (e.g. bookkeeping and enterprise development) supporting women who have traditionally been marginalized from innovation hub spaces and access to finance.

Equitable Partnerships

PRINCIPLE 4 - Build Diverse Teams for Funding, Design and Decision-Making across Innovation Processes: Beyond driving resources to women who are traditionally underrepresented in innovation ecosystems, Enterprise Village 's metrics track the presence of women in leadership positions within their portfolio companies, ensuring that women are substantively participating across innovation processes.

Greater Agency & Systems Change

PRINCIPLE 7 - Center and Elevate Collaborative Local Leadership to Enable Innovative and Inclusive Solutions: Enterprise Village centers and amplifies hub member success stories and networks their members with larger innovation hubs with access to grants, and seeks out alternative forms of investment within the local ecosystem beyond the typical avenues for social impact investment.

PRINCIPLE 8 - Advocate for Wider Systems Change to more Equitably Share Power: Recognizing the impact of systemic marginalization on women and people with disabilities, TEV advocates for more equitable inclusion of these groups in the local innovation ecosystem, by tracking and showing impact metrics demonstrating their potential positive impact on the ecosystem.

Inside the Ghana Innovation Funding Ecosystem - Ashesi Venture Incubator (AVI)

Positive dividends and indicators from employing this approach include:

Fair Funding and Systems Change

AVI's commitment to eliminating bias in their selection of promising innovators means that they are intentional in creating cohorts that are representative of the wider society, rather than representative of the gender disparity in applications received. This means that for example, if 30% of applicants for a given cohort are women, it doesn't mean only 30% of cohort is female. AVI creates space and opportunity for women to compete equally given the systemic and structural barriers that keep women from participating in the innovation space. The dividends of this can be seen in the fact that over 60% of innovators across their first three cohorts were female, something they're working on adjusting for greater parity in future cohorts. This models the need to track equity indicators that matter to a funding mechanism and adjust selection processes to accommodate the inequalities that might affect achieving equity and localisation ambitions.

Greater Agency and Systems Change

In creating an inclusive community of innovators and entrepreneurs and ensuring emerging innovators are networked into opportunities beyond program by linking them to existing hubs, networks and resources, AVI supports the sustainability of innovators and the strengthening of local innovation ecosystems. This has resulted in a success rate of 80% of innovators supported still running their enterprise after a year or more after incubation.

Inside the Ghana Innovation Funding Ecosystem - The Enterprise Village

Positive dividends and indicators from employing this approach include:

Fair Funding

By targeting women who would typically be excluded and not considered eligible for most venture funding, or who wouldn't apply for lack of confidence, self-efficacy, or know-how, the Enterprise Village reaches marginalised and underserved innovators and brings them into the ecosystem. This has led to the entry of women who would otherwise not have had access into the local innovation ecosystem and resulted in increased self-efficacy, confidence, and access to opportunities, resources and services.

To demonstrate these positive dividends of driving resources to underrepresented and marginalized groups (Principle 2), the Enterprise Village tracks metrics including:
- Number of Female Participants engaging in the Hub
- Number of women employed by companies within Enterprise Village's portfolio (ie. growing business that are hiring women)

Equitable Partnerships

The Enterprise Village regularly collects feedback through surveys from female participants, demonstrating their perspective of their participants as equal partners. In addition, beyond driving funding to women-led organizations, they support the development of a more inclusive ecosystem where women play leadership roles in leading and substantively contributing to innovation ecosystems in a way that dismantles enduring intersectional inequalities.

Enterprise Village uses metrics under PRINCIPLE 4 - Build Diverse Teams for Funding, Design and Decision-Making across Innovation Processes:
- The prevalence of females in leadership positions within within Enterprise Village's portfolio of companies
- Comparing the median salary of direct female employees to their male counterparts

By going beyond quantitative metrics of participation to examining intersectional inequalities that may affect female innovators even when engaged in the ecosystem, the Enterprise Village can track whether it is going beyond tokenistic representation and ensure it supports the substantive participation of women and other marginalized groups across the innovation processes.

Greater Agency & Systems Change

The Enterprise Village advocates for wider systems change in the substantive inclusion of women to more equitable share power in innovation ecosystems (Principle 8). They do this by tracking and showcasing the systemic impact of those female techpreneurs they support through sharing and amplifying their success stories and testimonials. They track the centering and elevating of techpreneurs and their impact (Principle 7). They have curated alternative venture funders within local communities who resource and support female innovators and those with disabilities who may not meet the criteria for mainstream innovation investment spaces. This convening work not only brings marginalised people into the ecosystem, but also brings new avenues of financing innovation for social impact within local

innovation ecosystems, while elevating and centering collaborative local leadership in the ecosystem to unlock innovative and inclusive solutions (Principle 7).

Sample metrics used by The Enterprise Village to track Principle 7 - Center and Elevate Collaborative Local Leadership to Enable Innovative and Inclusive Solutions, and Principle 8 - Advocate for Wider Systems Change to more Equitably include:

- Number of New Partnerships Facilitated Between Female Entrepreneurs and Investors
- Number of success stories and testimonials shared from female entrepreneurs who have benefited from Enterprise Village support
- Number of customers engaged by our startups
- Total number of jobs created directly or indirectly by our startups
- Tracking startup alignment with Sustainable Development Goals

Source: The Enterprise Village

Fair Funding	Equitable Partnerships	Greater Agency & Systems Change

1. Give Flexible Funding to Local or National Innovators.

- How can I redesign funding mechanisms to support and strengthen local organizations?
- How do my organization's funding mechanisms support or limit an innovator's ability to make impact?
- How can I choose metrics that help my organization hold itself accountable to this commitment over time?

2. Drive Resources Directly to Underrepresented and Marginalized Groups.

- How might I best understand who is marginalized?
- What means are available to level the playing field to ensure participation and access to resources by those marginalized?

3. Simplify the Funding Process to be Fair and Transparent.

- How might the funding process be improved to be fair, transparent and limit undue burden on innovators?
- Is my risk-appetite or threshold one that will enable local organizations/innovators to participate and enhance agency and impact, or do risk-averse protocols eliminate many who may be important agents for change?

4. Build Diverse Teams for Funding Design and Decision Making across Innovation Processes.

- Who is consulted or part of strategy/design, testing, implementation and decision-making processes for funding and innovation solutions (eg. those affected, diverse groups)?
- How can I eliminate implicit bias in policies (eg. gender-blind or race-blind) that reinforce an unequal innovation ecosystem, or further inequalities or hierarchies?

5. Be Transparent with and Accountable to Innovators.

- Are our communications open, trust-based and truly a two-way exchange?
- How open to challenge, reflection and feedback from innovators are we and how do we communicate that openness to learn from those we fund?

6. Solicit Feedback and Listen to Innovators.

- What values do I bring as a funder to requesting feedback and what is my openness to being challenged?
- How do we solicit and utilise feedback from those we fund to make improvements in my agency's funding and innovation practices?

7. Center and Elevate Collaborative Local Leadership to enable Innovative and Inclusive solutions.

- How am I/we supporting greater agency among partners, innovators or groups adversely affected?
- What role do I play to enable collective action toward more inclusive and sustainable innovation ecosystems?

8. Advocate for Wider Systems Change to more Equitably Share Power.

- How might I/we unlock the keys to systems change—to share power, relationships, resources—with those who have limited access or voice?
- How can we support advocacy to shift policies, processes and structures to be more equitable and inclusive and hold each other accountable for that?

Learn more about IDIA's Equity work at www.idiainnovation.org