IVAR **we listen, and learn together**

Who Benefits?
Equity and Power
in Funding Systems

March 2026

Authorship and acknowledgements

This report has been written by Lara Bautista and Keeva Rooney, with support from Ambreen Shah. The report is based on desk research carried out by the authors.

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Introduction

There is growing recognition that philanthropy, in its origins and nature, is underpinned by inequality. Much philanthropic wealth has been accrued through historically unequal labour and power structures. Without critically examining how these legacies shape contemporary grant-making, funding can reproduce the concentrations of wealth and power it seeks to challenge. Over the past decade, widening inequality and broader sociopolitical crises -including Covid-19, the cost-of-living crisis and rising xenophobic exclusion and violence -have increased need and reinforced the value of organisations rooted in affected communities.

At IVAR, we have been exploring how equity informs our work, particularly through our Open and Trusting programme. This summary report is the product of a desk review conducted in late 2025, bringing together what we found about how by-and-for organisations are experiencing funding, what they say they need, and examples of how funders have sought to respond.

> *Without a critical examination of how those legacies shape contemporary grant-making, funding can reproduce the concentrations of wealth and power it often seeks to challenge."*

The experiences described here reflect wider pressures facing many small charities: rising and more complex demand, shrinking resources, and competition that often favours larger providers. We focus on by-and-for organisations because equitable funding is largely about whether resources reach communities most affected by structural disadvantage and least served by mainstream systems. By-and-for organisations are led by and accountable to those communities, yet their work can be less visible or legible within mainstream grant-making and they may face additional barriers shaped by structural inequality and exclusion. This makes by-and-for experience a useful focal point for understanding what equitable funding needs to look like in practice.

Approach

This report is based on an exploratory desk review of published material on by-and-for organisations and equitable funding practice.

We drew on sector and practitioner sources such as research and learning reports, funder publications, evaluations, briefings and reflective articles, building on our previous work on funding for Black-led organisations and racial justice. Our focus was on organisations linked to race and racial justice, women and girls, LGBTQ+ communities, migrants and asylum seekers, and disability justice.

Sources were primarily drawn from the past five years, with particular attention to Covid and other recent crises shaping demand and funding conditions. In some areas we extended the timeframe to examine longer-term funding trends (notably in LGBTQ+ funding and race/racial justice). We reviewed material thematically to identify recurring experiences, barriers and funder practices, triangulating patterns across issue areas.

Key terms
- **By-and-for organisations**: Organisations led by and for a defined community, where those involved share lived experience with their organisations' beneficiaries, rooting accountability in their community. In this report, we focus on by-and-for organisations working with communities that are often marginalised and underserved due to structural exclusion.
- **Lived experience**: The experience(s) of people on whom a social issue, or combination of issues, has had a direct impact.

Future work

This is only the starting point of our exploration into how by-and-for organisations experience funding and how funders can respond. Find out more about this work and get in touch if interested.

Why by-and-for groups are important

By-and-for organisations keep lived experience central to their operations, which can promote solidarity, build trust, and ground services in a deep understanding of context. While by-and-for work often centres immediate need, it can also be transformative for communities by creating spaces of belonging and mutual support, and modelling alternative approaches to power, participation and accountability.

> *By-and-for organisations provide unique value through their deep community connections, lived experience-led approaches, and horizontal partnerships. They offer support that is often unavailable elsewhere, addressing unmet needs and fostering liberatory practices.*
>
> *Built by Us – New Economics Foundation*

Additionally, evidence from Trust for London's Disability Justice Fund illustrates the distinct value generated through investment in by-and-for organisations. They found that for every £1 invested in user-led D/deaf and Disabled Peoples' Organisations, at least £3 in value was generated per service user.

How are by-and-for organisations currently experiencing funding?

Many of the challenges facing by-and-for organisations echo wider sector patterns: power imbalances, precarious funding and rising demand. However, these pressures are often felt more sharply by by-and-for organisations, partly because of structural exclusion within grant-making processes and misalignment between funder assumptions and by-and-for realities.

Increased demand, shrinking support

By-and-for organisations report rising demand for services, linked to wider crises and structural pressures (including Covid-19 and the cost-of-living crisis) that disproportionately impact underserved communities. This has led to communities increasingly depending on charities. Migrants and asylum seekers with no recourse to public funds, for example, can be almost entirely reliant on charitable provision for basics. In these settings, by-and-for organisations are not simply filling gaps: they can be pushed into standing in for welfare infrastructure, which raises the stakes of funding instability. For instance, a survey of women's and girls' organisations found that 91% of respondents had seen demand increase, with 93% expecting it to continue rising.

At the same time, it is felt by many charities that funding across the sector has stagnated or fallen while competition for grants has intensified. Underfunding therefore shows up not only as overall scarcity, but also in who funding reaches and who it bypasses. Grants, when they are given, are more likely to benefit larger, non-user-led organisations. For instance, in the migrant sector, funding is concentrated among a small number of large NGOs while by-and-for groups carry substantial delivery with significantly less resource. Similarly, while disability receives a small share of philanthropic funding overall, within that, the vast majority goes to non-disabled-led charities.

Taken together, these various studies reveal how many by-and-for organisations are trying to respond to rising and increasingly complex demand from a weaker financial

base, often without the reserves or fundraising infrastructure that can buffer instability.
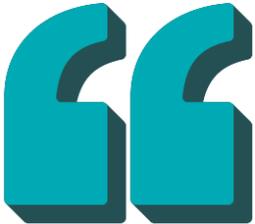
In these settings, by-and-for organisations are not simply filling gaps: they can be pushed into standing in for welfare infrastructure, which raises the stakes of funding instability."

Competitive and burdensome grant-making processes

For organisations across the sector, the current funding environment is characterised by increasing competition alongside complex application, procurement and reporting demands. These systems tend to reward scale and reserves, professional fundraising capacity and pre-existing relationships with funders, which can disproportionately advantage larger, more established organisations. As a result, by-and-for organisations are often under-resourced- not simply because funding is scarce, but because of how competitive funding systems operate and whom they tend to privilege.

This plays out in two ways:

First, size inequity: smaller organisations (which many by-and-for organisations are) are less able to absorb the time-costs of repeated applications, unsuccessful bids, and heavy reporting, and are more likely to be crowded out by larger providers competing for the same pots. For example, in the refugee and migration sector, 3% of charities reportedly hold 44% of income.

Second, organisational "fit": by-and-for organisations can be disadvantaged where funding criteria and norms assume particular forms of registration, governance, financial thresholds, or types of evidence that do not align with how many community-rooted organisations operate.

Distance and gaps in understanding

Like other small charities, by-and-for organisations describe a distance between funders and grantees that can be reinforced by bureaucratic processes, limited data and weak relationship-building. This can be amplified where decision-makers are unfamiliar with the communities being served, deepening gaps in mutual

understanding and making it harder for by-and-for organisations to have their context recognised and their work interpreted on its own terms.

Assumptions about what a "good grantee" looks like can mean that strengths rooted in lived experience, community trust and accountability are undervalued. Within this sits an ongoing tension around what is recognised as "expertise": lived *experience*, despite being central to by-and-for practice, can be implicitly positioned distinct from *expertise*, or undervalued as anecdotal, while in some cases being drawn on without meaningful sharing of power or resources.

Moreover, for Black and minoritised women, D/deaf and Disabled people, migrants and LGBTQ+ communities, services are frequently framed as "add-ons" or "nice to haves" rather than essential community infrastructure, deepening their vulnerability to systemic underfunding when resources get tight.

Bias, risk and trust in by-and-for funding relationships

Funding decisions are shaped not only by formal criteria but also by judgement, relationships and perceptions of credibility. In these conditions, unconscious or familiarity bias can influence what is seen as credible, fundable or low risk, and therefore where resources tend to flow, based on what is familiar, similar or known.

> *There's this unspoken idea of who's charity material ... it's often white, middle class, degree educated, well-spoken ... Because people like affinity bias. They like to see people that look like them, that sound like them, that reflect them.*
>
> *Polite, posh and problematic: inside our sector's class problem – The Benefact Group*

This is particularly salient for by-and-for organisations that may bring different forms of expertise and legitimacy, rooted in lived experience and community accountability, and may not map neatly onto normative expectations of professionalism, evidence and organisational "fit". This can shape how easily organisations build trust with funders, how their work is understood and prioritised, and how risk is perceived and managed beyond purely financial metrics.

> *It can be difficult for funders to have a truly deep understanding of the context of the organisations they fund... Where funders are not representative of the communities they fund, this can be even harder, making it more likely that unconscious or familiarity bias affects decision-making. This affects not only which organisations get funded, but also the very needs and issues that funders think are important.*
>
> *How to embed DEI into your grant-making cycle – New Philanthropy Capital*

The significance of decision-maker diversity

Senior funding decision-making roles remain disproportionately held by people from more advantaged groups. For example, a 2018 analysis of UK foundation boards reported that boards were 99% white, with men outnumbering women two to one, and around 60% of trustees aged 65+. More recent research similarly finds that people from higher socioeconomic backgrounds are overrepresented in the charity sector, particularly in senior roles, while those from lower socioeconomic backgrounds are underrepresented at the top. This homogeneity can help shape the context in which priorities are set, credibility is interpreted and risk is assessed.

In one major foundation's portfolio, the average award to organisations led by people who were educationally or economically disadvantaged was reported to be 27% lower than the foundation's overall portfolio average. Similarly, through a racial justice-focused audit, another foundation found that their grants to Black or minoritised sector organisations were on average smaller and shorter than grants to non-Black or minoritised organisations.

While these patterns do not demonstrate causation, they are consistent with wider concerns that who holds decision-making power and what is treated as credible can shape funding access and experience.

Where decision-makers are less familiar with the communities that organisations serve, it may be harder to recognise context and interpret evidence and assess "risk" consistently. In response, concerns about risk recur through repeated calls for funders to interrogate how limited familiarity, implicit bias and exclusionary criteria may impact funding accessibility for by-and-for organisations, asking funders to rebalance where risk sits in these relationships. In some areas this dynamic is more overt: the emancipatory function of many by-and-for organisations can produce a perception that their work inherently carries more risk. Specific accounts from the racial justice sector describe the 'racialisation of risk', where historically embedded institutional racism has contributed to perceptions of racial justice work as too radical, too political, and therefore too risky. In one local context, Black-led organisations linked their historic underfunding and exclusion from commissioning directly to the 'normative whiteness' and racial biases within funding systems, prompting the development of anti-racist commissioning principles.

This dynamic is unfolding within a wider political climate in which charities working on issues such as migration, equality and minority rights are facing increasing scrutiny and hostility, which can make funding more volatile and risk-averse.
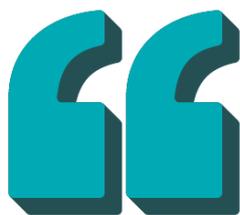
Inaccessible processes can reinforce perceptions of risk; unsuccessful outcomes can reduce organisational confidence; and grant-making norms are then shaped by those already able to navigate them."

These dynamics can affect confidence on both sides. By-and-for organisations that feel repeatedly overlooked or misunderstood may develop mistrust towards funders and lose confidence in the funding system's ability to support their priorities and their communities' interests. This can become cyclical: inaccessible processes can reinforce perceptions of risk; unsuccessful outcomes can reduce organisational confidence and willingness to apply; and grant-making norms are then shaped by those already able to navigate them, leaving the realities of by-and-for organisations further outside the design of funding systems.

Short-term and trend-driven funding

Short-term, restrictive funding remains the norm in our grant-making system, affecting long-term sustainability, ability for long-term innovation and investment in the core capabilities and infrastructure enabling effective delivery.

By-and-for organisations are at the sharp end of this. For example, the refugee and asylum sector is dominated by small organisations reliant on short-term grants and with little long-term stability, making it hard to sustain key advice and integration services. In the women and girls' sector, organisations similarly highlight the prevalence of short-term (12-15 month) grants, often paired with heavy reporting burdens that create a constant cycle of application, delivery and re-application; leaving little time or support to build organisational resilience.

Across issue areas, the effects described are consistent. Short-term, restricted grants are associated with:

- constant re-application cycles and administrative load, often shouldered by very small teams

- strategic drift towards funder priorities rather than community priorities

- limited ability to invest in staff, leadership and infrastructure

- organisations surviving from grant to grant, rather than planning long term.

These dynamics are particularly misaligned with the complex needs many by-and-for organisations respond to, which often require long-term, flexible and relational support. Where funding models assume short interventions and simple outcomes, organisations can be constrained in their ability to meet beneficiaries' needs effectively.

> *When Black and minoritised community groups do receive funding it has tended to be on a project basis, which restricts support to only certain activities the funder is willing to support… knowing how the sector has been severely decapacitated by historic underinvestment, providing project-based funding is inherently limiting its potential to grow.*
>
> *Booska Paper. Exposing Structural Racism in the Third Sector – The Ubele Initiative*

Beyond the length of grants themselves, the LGBTQ+ sector provides key examples of "trend-driven" philanthropy, noting a drop-off in donations following the success of equal marriage campaigns, as donor attention shifts elsewhere while persistent community issues such as transphobic violence, homelessness and mental health needs remain. Similarly, organisations supporting refugees and asylum seekers describe how funding spikes in response to high-profile migration crises (for example, Ukraine and Afghanistan) raise concerns about how services can be sustained once short-term attention and resources run out.

Today's broader trend is more insidious. Recent Charity Commission guidance refers to a *"current hostile environment"*, noting that some charities serving marginalised communities *"are now operating in an environment where a section of the public is actively hostile to their work"*. Such conditions can affect both fundraising and the willingness of some grant-makers to support work seen as politically sensitive.

Capacity constraints, infrastructure gaps, and wellbeing

By-and-for organisations are often operating at or beyond capacity as a baseline condition. This is a predictable outcome of short-term funding cycles, restrictive grants and the absence of stable, long-term relationships with funders. Operational and infrastructure constraints add to this pressure: small organisations still need HR, payroll and core systems to operate effectively, yet these costs are rarely covered by restricted project funding, creating a bind between what is expected and what is resourced.

This can limit organisations' ability to meet heightened staff support needs, including accessibility needs in disability-focused contexts. Staff wellbeing and burnout are particularly acute in by-and-for organisations. Alongside workload pressures, the

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centrality of [lived experience can intensify emotional labour](#) and, in some cases, trauma load, especially where staff and leaders are members of the communities affected. These [risks are exacerbated](#) where organisations lack the funded wellbeing provision and capacity-building support needed to hold this safely.

What do by-and-for organisations need?

Relational grant-making

Relational grant-making is a core shift needed to improve funding for by-and-for organisations. This looks like moving beyond funding as a transactional exchange, towards investment in longer-term relationships of reciprocity which prioritises listening, [two-way feedback](#) and mutual learning, including:

- clear and responsive communication

- [creating opportunities](#) for collaboration, co-design and shared learning

- [two-way accountability](#) where funders hold equal responsibility to charities for how they use resources and power.

Organisations also raised [the need for trauma-informed approaches](#) to grant-making, recognising the contexts in which many by-and-for organisations operate and the ways lived experience can shape both delivery and staff support needs.

Longer-term and flexible funding

Across issue areas, by-and-for organisations repeatedly call for multi-year, flexible funding to enable strategic planning, relationship-building and sustained change, characterised as [essential](#) when facing structural inequalities. This reflects a wider insight from IVAR's [Open and Trusting grant-making commitments](#), which were built from listening to charities - particularly small charities - about the conditions needed to do their work well.

The importance of long-term, multi-year and flexible funding is heightened in the by-and-for organisation context, where beneficiary needs are often complex and not easily addressed through short-term, time-limited interventions. [Unrestricted grants](#) that can cover core costs, organisational development and key infrastructure are a key ask. Long-term flexible funding also strengthens by-and-for organisations' resilience, improving their ability to respond to changing circumstances.

[One source](#) suggests that six-plus years of funding may be necessary to provide adequate time to address complex needs and deliver long-term support. Additionally, funders need to invest in by-and-for organisations themselves, not only projects, including capacity-building and continuity funding to support sustainability and development.

More straightforward, accessible and less burdensome processes

Accessible materials, clear communications and straightforward processes can reduce barriers faced by leaders of by-and-for organisations.

[This can include](#):
- Streamlined applications and reporting
- Transparent, responsive communication
- Clear expectations and guidance

Reducing burden [requires funders to re-assume](#) some of that burden themselves, including more responsibility for assessment and evaluation, rather than transferring extensive labour to applicants and grantees.

Targeted and ringfenced approaches

Generalist funding pots and "open to all" schemes [may not correct](#) historic inequity and can, in some cases, deepen it. Rather than assuming equity will emerge through competition funders need to intentionally redistribute. This underpins a clear rationale for targeted initiatives that ensure by-and-for organisations are resourced, particularly in contexts of entrenched underfunding. Across issue areas, [ringfencing](#) is framed as a key practical mechanism to reduce competition with larger organisations and to ensure funding reaches organisations led by and accountable to affected communities.

Support beyond the grant

Beyond the grant itself, by-and-for organisations stress the value of "funder plus" approaches that pair funding with practical support, emphasising the necessity of support that helps [build and sustain organisations and movements](#). This can include capacity-building and infrastructure support, monitoring and evaluation support, leadership development, and opportunities for networking, peer learning and collaboration.

Wellbeing support emerges as a specific and recurring need, particularly given the higher emotional labour and in some cases, trauma, stemming from lived

experience, with implications on staff wellbeing, safety and needs within by-and-for organisations.

Programmes such as Strengthening Voices, Realising Rights and the Women Thrive Fund demonstrate the added value of combining grants with organisational development, peer learning and networking.

Rebalancing power, reframing risk and recognising expertise

A recurring theme is the need for lived experience and community-rooted knowledge to be recognised as expertise, rather than treated as anecdote or an add-on to consultation. For by-and-for organisations, whose work is often grounded in situated insight, trust and accountability to specific communities, this recognition helps ensure their work is properly valued and appropriately resourced as specialist expertise.

This is closely connected to questions of power: whose perspectives are present when priorities are set and decisions are made. It points towards a shift away from top-down decision-making and towards shared, community-led approaches. Practical mechanisms include diversifying boards, panels and staff, alongside co-produced processes and participatory funding models. When lived experience is brought into decision-making, it is most impactful where the expertise and leadership of by-and-for organisations is centred and paired with real authority and appropriate resourcing, rather than symbolic involvement.

> *Funders are encouraged to consider the 'risk of impact missed': the harm sustained when funding does not reach organisations closest to affected communities."*

Improved funding for by-and-for organisations also requires a broadened understanding of risk. Alongside financial and compliance measures, funders are encouraged to consider, and prioritise the 'risk of impact missed': the harm sustained or needs left unmet when funding does not reach organisations closest to affected communities.

Embed equity, intersectionality and learning across the grant-making cycle

To improve experiences and outcomes for by-and-for organisations, equity must be embedded across the full grant-making cycle. Practical frameworks include:

- Setting explicit DEI ambitions and measures; tracking progress at the portfolio level towards equity goals
- Reviewing criteria, risk frameworks and due diligence to address biases
- Adapting outreach processes to reach underserved communities
- Involving communities in design, assessment and learning
- Within evaluation, ensuring qualitative, community-defined contributions and outcomes are appropriately valued.

Self-reflection and accountability is central to embedding equity at the organisational level, by encouraging funders to examine their own power, histories and institutional culture, and willingness to change strategy in response to community feedback. Transparency plays a key part in this: publicly sharing funding outcomes and equity-related success rates can strengthen accountability for who is funded, on what terms, and to what effects.

Table 1: What by-and-for organisations need from funders

The table overleaf summarises how the dynamics outlined in this report manifest in funding relationships, and what by-and-for organisations say they need from funders in response.

How by-and-for organisations experience funding	What by-and-for organisations need from funders
Rising demand + shrinking or stagnant funding. Communities rely on charities for essentials; by-and-for orgs carry high-stakes delivery from a weaker financial base. **Short-term, restricted, trend-driven funding.** Constant re-application cycles, strategic drift, limited infrastructure investment, "grant to grant" survival – within a politicised climate.	**Longer-term (multi-year), flexible funding,** including **unrestricted and continuity funding** to stabilise services, plan ahead, and respond to changing need.
Funding doesn't reach community-led groups consistently. Resources concentrate among larger, generalist organisations even within the same issue area.	**Targeted and ringfenced approaches** that protect funding for by-and-for organisations (not only broad themes), reducing diversion to larger providers.
Competitive, burdensome grant-making. Repeated bidding, heavy reporting, procurement norms and "scale bias" drain capacity and privilege established organisations.	**More straightforward, accessible, proportionate processes:** lighter applications/reporting; funder assumes more assessment burden; accessible comms; requirements scaled to grant size.
Distance and misunderstanding. Limited funder familiarity with communities can deepen gaps in understanding and shape the funding relationship.	**Relational grant-making**: transparent, responsive communication; feedback loops; mutual learning; culturally competent and trauma-informed practice.
Undervaluation and narrow definitions of by-and-for expertise. "Good grantee" assumptions and default professionalism/ evidence norms can undervalue lived experience and community-rooted ways of working.	**Recognise lived experience as expertise** (not anecdote). Move from consultation to partnership/co-leadership in design and learning; value community-defined outcomes and contribution.
Risk and trust dynamics. Concerns recur about where risk sits in funding relationships; mistrust can flow both ways when organisations feel overlooked or misunderstood.	**Reframe risk toward impact missed** when funding doesn't reach those closest to communities, and **share risk** rather than pushing it onto small organisations.
Capacity strain, infrastructure gaps, burnout. Core systems unfunded; emotional labour/trauma load; higher support needs (including accessibility) without resourcing.	**Support beyond the grant (funder-plus)**: capacity-building, infrastructure, MEL support, leadership development, peer learning, and funded wellbeing/collective care and accessibility costs.

Moving forward: embed equity and learning across the grant-making cycle: explicit equity goals, adapted outreach/criteria, equitable evaluation and data collection, transparency on outcomes and success rates, continuous reflection and accountability.

How have funders been responding?

Equity-focused and ringfenced funds

- **Trust for London** offers the Racial Justice Fund, targeted at organisations majority-led by Black and minoritised communities, and the Disability Justice Fund (with City Bridge Foundation), which funds by-and-for DDPOs and intersectional disability justice movement-building work.

- **Lloyds Bank Foundation** introduced ringfenced grants for by-and-for organisations in racially minoritised communities (25% initial ringfence, rising to 38% in practice).

- **Comic Relief** ringfenced funding for organisations led by-and-for racially minoritised women working on violence against women and girls; evaluation highlighted the value of removing competition with larger organisations and centring minoritised women's expertise and leadership.

- **Peter Minet Trust** introduced ringfenced grants specifically for Black-led organisations. After trialling this approach in light of the disproportionate impact of Covid-19 on racially minoritised groups, the murder of George Floyd, and global calls for racial justice, Peter Minet have now made the decision to direct **all** of their funding to Black-led organisations.

Funds and funders founded by community members (in these cases, individuals from Black and minoritised groups), with the specific purpose of addressing a funding inequity:

- **Resourcing Racial Justice (RRJ)** sought to reach unregistered groups and individuals, focusing on the strength and potential of an idea rather than a polished application, offering sustainability-oriented funding and using a light-touch trust-based process.

- The **Baobab Community Fund** is a £3m fund supporting Black African, Caribbean and Global Majority groups working on racial justice, offering flexible grants for up to five years.

Lived experience and participatory decision-making

- **Corra Foundation's** Henry Duncan Grants drew on an external panel of minority ethnic individuals to challenge and reshape decisions, embedding simplification through an Open and Trusting pledge.

- **Trust for London's** justice funds embed lived experience in design and decision-making (co-developed with activists; majority Black and racially minoritised subcommittee).

- **Black Thrive** involved Black and/or disabled residents in defining priorities, designing criteria and making funding decisions for a community grant.
- **Propel** integrates equity partners across strategy, communications and operations and has involved them in co-designing processes and defining strategic priorities.

Longer-term, flexible funding and support beyond the grant

- **Trust for London's** justice funds offer flexibility for core and project grants of up to five years, complemented by peer learning and evaluation support.
- **Propel** is structured as a long-term approach, seeking to direct 10-year flexible funding to small, community and user-led organisations.
- **Trust for** London's Strengthening Voices, Realising Rights paired service grants for D/deaf and Disabled Peoples Organisations (DDPOs) with capacity-building support; the Women Thrive Fund (co-delivered by **Rosa and Smallwood Trust**) combines grants with organisational development, leadership support, networking and wellbeing initiatives.
- The **Disability Rights Fund** emphasises "resilient funding" – long-term, core, and designed to help DDPOs weather shocks (policy changes, pandemics, cost-of-living crises) while continuing rights and movement-building work.

Embedding equity internally and across the sector

- **Funders for Race Equity Alliance** (FREA): a network of 40+ funders collaborating to share practice and influence funding towards racial justice.
- **FREA's** Racial Justice Audit: an annual tool funders use to set targets and track racial justice funding, with anonymised submissions aggregated into a sector-wide benchmark.
  - Following an audit using this tool, **Smallwood Trust** introduced processes which increased the share of funding going to Black and minoritised organisations from 7% to 21%.
- **360Giving's** DEI Data Standard is a shared framework for funders to record and analyse funding to organisations led by or serving groups facing structural inequity, enabling more consistent targeting and accountability.
- **The Baobab Foundation** was created to scale resourcing to Black and Global Majority communities in the UK. It has also embedded a Disability Justice Framework into its core work, explicitly foregrounding intersectionality and inclusion in challenging oppressive systems

Conclusion

The current funding context does not impact all organisations equally. For by-and-for organisations, familiar sector pressures are often intensified by structural inequalities within grant-making processes. However, these pressures are often felt more sharply by by-and-for organisations, partly due to structural exclusion within grant-making processes and misalignment between funder assumptions and by-and-for realities.

Some funders are already experimenting with approaches that appear to respond more effectively to these realities. Across the sector, examples are emerging of ringfenced and equity-focused funds, participatory decision-making with people who have lived experience, and longer-term flexible funding designed to support community-led organisations. Others are embedding equity more systematically within their own practices and collaborating to shift funding patterns across the sector.

The review also highlights gaps. There is little existing research on how funders assess and learn from organisational DEI practice over time; what supports progression into senior decision-making roles to increase diversification; how wider sociopolitical and legislative conditions shape funding decisions; and how inequity plays out unevenly across different by-and-for cause areas.

Many of the practices highlighted here - longer-term flexible funding, accessible processes and stronger relationships between funders and communities - sit at the heart of IVAR's Open and Trusting grant-making commitments. Developed from charities' experiences of navigating complex and often inequitable funding systems, these commitments provide an important foundation for fairer grant-making across the sector, particularly for small and community-led organisations most exposed to funding volatility. But while Open and Trusting practice addresses many of the barriers described here, this review suggests there is more to do to ensure that these principles translate consistently into equitable funding outcomes.

Our next step at IVAR is to explore how equity and power connect to Open and Trusting grant-making, and what it takes for open, trusting practice to translate into more equitable funding outcomes. We'll work with by-and-for organisations and funders to test assumptions, learn from what's already working, and develop practical resources that can be used.

Help guide the conversation

If this resonates with your experience or practice and you'd like to shape what comes next, we'd love to hear from you. In the coming weeks we'll invite people with sector knowledge and lived experience of driving equitable practice to join scoping calls; later, we'll convene focus groups with by-and-for organisations and funders.

Get in touch to share insights, examples, or to take part.

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