



## An Equitable Funding Approach for Displacement Settings

Global | Duration: 2020 - 2025 | Implementing partners: UNOPS Geneva, EU Department of International Partnerships (DG INTPA)

### The Challenge

Traditional funding models often create unequal power dynamics between partners. Sub-granting or consortium approaches typically position international organizations as “lead” partners, limiting local organizations’ access to direct funding, decision-making, and capacity development and mutual sharing. Balancing and diversifying representation can strengthen localization efforts, enhance sustainability, and better leverage the diverse expertise and contextual knowledge of multiple local actors working in collaboration, ultimately improving project effectiveness and long-term impact

### The Solution

The Lives in Dignity (LiD) Grant Facility tested an equitable partnership model that aimed to disrupt traditional hierarchies in humanitarian-development funding, promoting more equitable partnerships that empowered local actors. Rather than providing funding through sub-granting or consortium arrangements, each partner signed direct funding agreements with UNOPS while also committing to deliver against a common results framework through a unique partnership agreement. This approach facilitated more equal participation throughout the project cycle design, delivery and overall ownership. By requiring at least two partners (with at least one being a local actor) and specifically incentivizing diverse partnerships with public entities like local authorities and academia, as well as private sector organizations, the model promoted comprehensive whole-of-society approaches that combined complementary expertise to address displacement challenges.

# What Made This a Promising Practice?

The LiD Grant Facility partnership approach stood out by redesigning the power dynamics in humanitarian-development funding. By providing direct funding agreements to all partners while simultaneously requiring collaborative implementation, the model helped strengthen the agency of local organizations without sacrificing coordination between partners. Local partners reported exceptionally high appreciation for the approach, which enhanced their credibility with stakeholders, improved understanding of funding and reporting processes, and built organizational capacity. Additionally, several international partners recognized the approach as supporting their efforts to work with local partners in a more equitable way.

This model brought together a diversity of organizations with complementary expertise in equitable partnerships, and helped to bridge sector-based silos and humanitarian-development divides in order to contribute to a more holistic response to the challenges communities faced. The inclusion of various stakeholders - from local implementers to academic institutions, government authorities, and private sector entities - enhanced the quality of delivery, increased community acceptance, and ensured projects benefited from specialized knowledge across sectors. By combining this diverse expertise, the projects promoted more sustainable solutions.

## The Response

- **Partner understanding of the approach:** Partners familiar with traditional hierarchical models sometimes struggled to grasp the equitable arrangement. This was addressed through explainer sessions, clarification calls, and Q&A documents, contractual agreements and requirements, while continuously reinforcing the expectations and shift in roles throughout implementation.
- **Investment in coordination and management:** Partnership approaches require both time and resource investment to assure strong coordination and management for consistency and quality of delivery. Project budgets and plans considered the required investment and governance structures were put in place to support coordination, communication and collaboration. While partnerships are resource intensive, results indicate that there are also efficiencies to be had through resource and knowledge sharing.
- **Implementation issues with a partner:** The interdependency of activities meant that problems with one partner could affect the entire project. This risk was mitigated by facilitating adaptive programming, flexible agreements, and strong relationship-building with partners. In some cases, this interdependency was actually leveraged to maintain project momentum despite challenges faced by individual partners.

## Key Results

### Partnership Development & Management:

- Created a specialized partnership agreement that all partners signed alongside their direct funding contracts
- Required minimum of two partners per project with at least one local actor from the implementation country
- Incentivized diverse partnerships with private or public actors including authorities, academia and private sector to enhance sustainability and bring complementary expertise
- Facilitated regular engagement and communication that reinforced collaboration among partners
- Implemented joint reporting against common project-level results frameworks

### Capacity Building & Knowledge Transfer:

- Enabled local partners to cover core costs and invest in institutional strengthening, a feature not common in traditional sub-granting
- Facilitated knowledge sharing and leveraged expertise from various actors towards common goals
- Developed equitable governance structures determined by partners themselves
- Provided continuous dialogue and regular monitoring to identify risks and challenges early
- Encouraged adaptations and adjustments to partnership arrangements as projects evolved

### Localization & Sustainability:

- Leveraged bottom-up approach tailored to context and project needs
- Positioned local actors as equal decision-makers rather than implementation agents
- Enhanced project credibility and stakeholder engagement through meaningful local leadership



## Lessons Learned

The LiD partnership approach demonstrated that more equitable funding models can advance localization principles but can also lead to more effective and sustainable projects. Pre-existing partnerships with strong mutual understanding worked well, though those with previous power imbalances sometimes struggled to adapt. Partnerships with complementary expertise proved most successful, especially when involving diverse stakeholders such as authorities, academic institutions, or private sector entities. The experience highlighted that partnerships are not static entities but evolve throughout project implementation, requiring flexibility and continuous monitoring. Future initiatives should recognize partnership quality and diversity as key determinants of project success and invest in partnership assessments, development, and ongoing support.



## **LiD** Lives in Dignity GRANT FACILITY

The Lives in Dignity (LiD) Grant Facility was an EU-funded initiative managed by UNOPS that promoted development-oriented approaches in forced displacement settings. With €24 million allocated between 2021–2025, the Facility supported 14 innovative, multi-stakeholder projects across Africa, Asia, and Latin America. Its flexible funding model empowered local actors, strengthened partnerships, and fostered integrated programming across five key areas: livelihoods, service delivery, housing and spatial planning, protection, and disaster- and climate-related mobility. The Facility prioritized community-led solutions, localization, and social cohesion, advancing sustainable development for both displaced populations and host communities. **Find out more at** [https://international-partnerships.ec.europa.eu/policies/programming/programmes/lives-dignity-grant-facility\\_en](https://international-partnerships.ec.europa.eu/policies/programming/programmes/lives-dignity-grant-facility_en)