

Funding community innovation for intergenerational impact

Our Centre for Social Impact (CSI) insights papers provide a brief overview of the reports on research and analysis we undertake with our clients and partners.

This paper, **Funding community innovation for intergenerational impact**, draws on reports commissioned from CSI by Foundation North (FN) on innovation, learnings from the South Auckland Community Innovation Fund between 2019 and 2021, and learnings from several back-office pilots run between mid-2020 and mid-2022. FN sought to increase their investment in community-led solutions and organisations by, for and with Māori and Pasifika to enable innovation, deliver intergenerational benefit and disrupt persistent inequalities in South Auckland. The reports and learnings captured the role of community Innovators, many of whom sit outside of established charitable organisations.

A review of these reports indicates a new paradigm is required to create the conditions in community settings for community innovators to be successful, and to invite them in for funding support from traditional philanthropic funders.

Identifying Community Innovators

Traditional funding pathways focus on community organisations and institutions which have the capacity to write grant requests and the structures needed to meet compliance requirements. Many innovative individuals and groups exploring solutions to the complex challenges facing communities in Aotearoa, however, are found outside these established organisations. Yet, these innovators are less likely to meet the requirements of traditional funding pathways. Identifying community innovators and designing funding pathways accessible to them is important if the philanthropic sector is to increase equity within Aotearoa.

Innovators are highly driven, creative, and entrepreneurial people and groups. They usually have lived experience of the challenges their communities experience, are culturally proficient and well-connected within particular demographics and are driven to create a better future for those around them. They know the strengths of their communities and can see their potential..

A sure sign of a community innovator is someone who wears multiple hats within a community.

Community innovators are characterised by their resilience and responsiveness to challenges. They have a bias to action and will rapidly adapt their ways of working in times of crisis, while still optimising for sustainability and impact. They can connect their short-term actions to long-term outcomes and understand when compromise is needed.

Working alongside a community innovator requires a relationship of trust where both sides can be free to discuss their needs and challenges.

Creating enabling conditions

The networks and support structures enabling innovation have been identified as critical enabling conditions for community innovators. Listening to how community innovators wish to be supported is fundamental to creating these conditions. Research with South Auckland community innovators identified networks to support collaboration and learning, and support for back office functions as priorities.

Networks to support collaboration and learning within communities and across innovators from different communities were noted as essential to support innovation. Collaboration does happen organically in communities; however, income inequality can prevent innovators from moving forwards with their ideas. Supported networks and collaboration facilitate learning, sharing of ideas, and provide the social supports that help to prevent burnout and frustration.

Networks also amplify the impact of community innovators. Community innovators often don't recognise the value in what they do and can find it challenging when asked to report on and articulate that value to others. Participating in networks enables others to learn from community innovators directly. In South Auckland, notions of reciprocity, care, and enduring relationships resulted in the benefits from capability building spreading beyond community innovators and their organisations to others in their networks.

Funders can support networks for collaboration and learning by:

- > Providing funding to cover the costs of venue, kai, and time for network hui.
- > Pro-actively coordinating hui for priority 'clusters' when those in the community have identified a need but lack the capacity to coordinate it themselves.
- > Participating in network hui (when invited) to identify additional opportunities to support collaborative mahi.
- > Providing direct capacity and capability support to community innovators who need it, with knowledge that the learnings will diffuse throughout their networks.

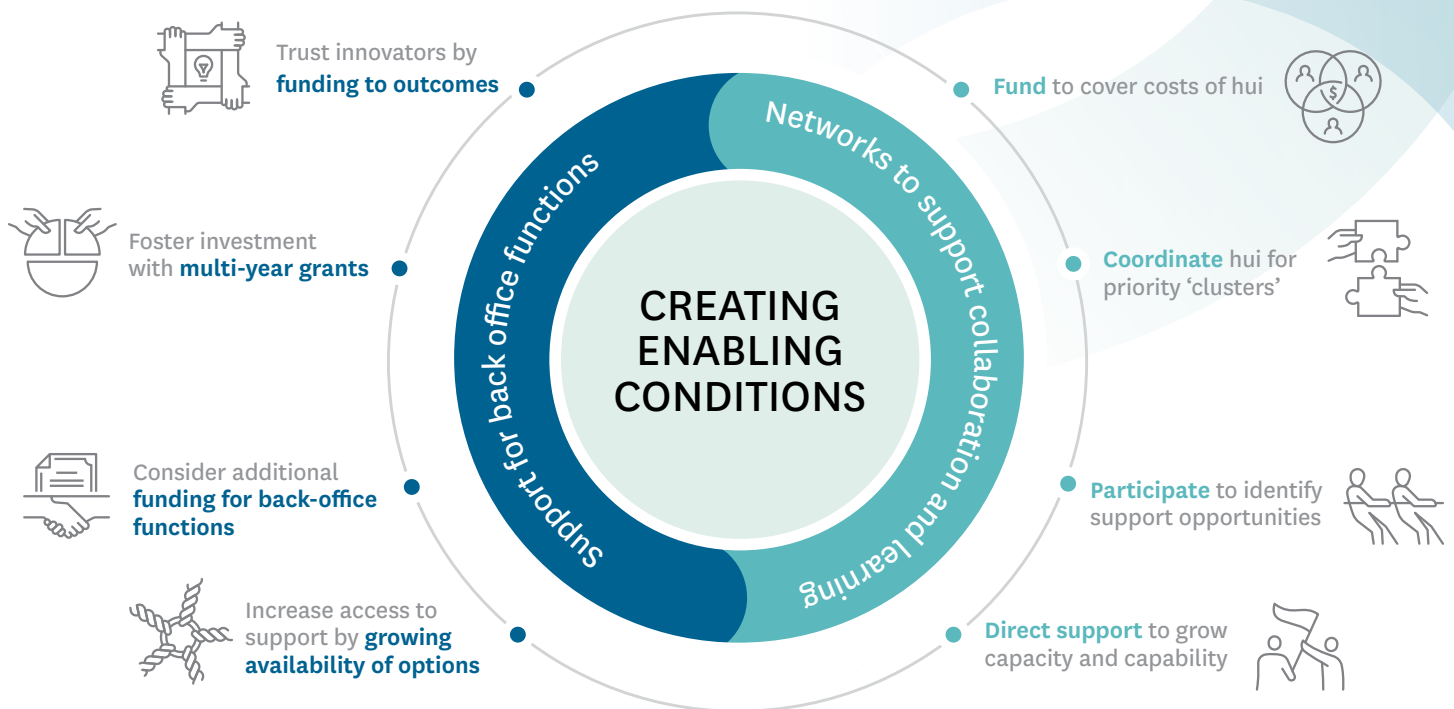
Support for back-office functions, such as accounting, administrative support, and business mentoring are practical enabling conditions required by many community innovators. Community innovators are aware of the importance of getting these functions right; however, stress over the back-office diverts time and energy away from innovation and can affect wellbeing.

Funders can support back-office functions by:

- > Funding to outcomes rather than outputs, trusting community innovators to deliver within an agreed budget but without fixed salary and other allocations.
- > Awarding multi-year grants, allowing groups to invest in and develop their back-office capacity with certainty of ongoing funding to support it.
- > Considering additional funding for back-office support. For example, awarding an additional 10% for projects led by community innovators to support administration needs.
- > Increasing tailored capacity and capability development support or helping provide access to providers of back-office services.

How funders can support back-office functions:

How funders can support collaboration and learning:



Funding for Community Innovation

Funding community innovators can require different approaches and practices to grantmaking. Processes that make it easier to apply, focus on relationships, and where community innovators can see themselves reflected in the language used, will increase buy-in. Decisions should be made in a timely manner so that momentum is maintained and innovator energy not moved elsewhere.

Traditional requirements often focus on determining the charitable purpose of the entity applying; a requirement found to be more challenging for many community innovators. Simplified application processes that avoid onerous organisation registration requirements, multiple supporting documents, and privileging written communication over other forms of communication, can open the door to more community innovators. For example, a short online form that allows the inclusion of a video link could attract many new people and groups. Caution needs to be used, however, to clearly set expectations with those applying to avoid disappointment and harming (rather than benefiting) innovators' reputation with their community.

Simplified application processes can be understood as the beginning of a relationship for promising kaupapa. Prioritising time to whakawhanaungatanga their team, understand the journey to date, and share challenges and achievements can provide the additional context and confidence needed to support Innovator's projects. Staff should focus on how they can add value to the project and kaupapa through this process, not just extracting additional information for assessment purposes.

Assessment and decisions may need to happen within existing funding processes; however, the relational approach should give greater confidence to community innovators of the likely outcome before a final decision is made. Further, staff should have a greater ability to talk to applications and back applications that are different to what has been seen before.

Funders can enable funding for community innovation by:

- > Creating accessible application pathways that use language to reflect the communities they are designed to serve.
- > Taking a relational approach to strengthen understanding of community innovator's projects and kaupapa, with a focus on adding value if possible.
- > Recognising that existing funding criteria often exclude many community innovators who are well placed to increase equity in their communities. Criteria may need to be relaxed and changed to accommodate these innovators.
- > Prioritising making decisions in a timely fashion to maintain project momentum.