

Starting the conversation

communicating with donors around flexibility

In several places in the flexibility guide, it is recommended to create open dialogue (between donors and practitioners, but also within and between partner organisations) throughout the programme cycle around risks and opportunities. It is also recommended for each actor to agree on limits / boundaries regarding flexibility, discuss roles and responsibilities, and keep each other informed via informal moments of reflection. These factors are particularly important for building trusting relationships and cultivating flexible working cultures. All of them require strong communication, in terms of asking the right questions and finding a common understanding. But how to do this? This handout suggests talking points before and during a programme, and things to make clear and agree on as you go along. Some points may be more or less relevant, depending on the historical relationship and what is already known about each other's incentives and ways of working.

1. Preparation

- Remember that the donor is likely as invested in the success of the programme as you are. Both donor and implementer want the project to succeed and be as effective as possible, so don't be fearful of presenting your needs to the donor.
- It is useful to understand the type of contractual relationship you are in when considering flexible changes. Different contracts allow different degrees of flexibility.
 - Unearmarked general contributions to humanitarian funds provide a lot of flexibility.
 - A contribution agreement or grant decision based on the proposal of an implementer allows reasonable flexibility, as long as changes do not lead to re-modification of the project aims and goals.
 - A service delivery contract (ARVODI) is most restricted, but reasonable deviations are still likely to be authorized.

2. Talking points

- Why are you requesting flexibility (use examples from previous projects of what happened with or without flexibility, plus the risk analysis of the current context)?

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■ Funding arrangements

- What subsidy structure works for that country/programme (that also fits with the compliance rules of the donor), given the risk assessment in the proposal? E.g. a contingency fund, a pooled emergency fund, 10-15% additional expenditure, a no cost extension.
- How can we make funding accessible on the ground during crises?
- Is there room for budget lines for learning studies on flexibility and overheads at local level (e.g. hiring country-level flexibility officers, training staff in flexible approaches, hiring expert help during emergencies)?

■ Share foreseen risks and opportunities (as well as unknowns) that might become flexibility triggers, and talk about what those scenarios could require in terms of deviations and extra support.

How can you help the donor be more comfortable with risk and still meet the commitments to their stakeholders? What would be sufficient in terms of reporting and justification for change? How can you share the risks?

3. Things to agree on / clarify in writing by the end of the meeting

■ The limit to which changes and decisions can be made without donor approval (either a monetary limit or the type of change e.g. location, activities, modalities, target groups).

■ Indicators for change - an eruption of conflict is obvious, but some changes are more incremental. Agreeing upfront on a threshold for deviation is useful, for example, if X% of the programme's resource supply or beneficiaries cannot be accessed).

■ What and how additional funding can be obtained by local implementers in emergencies.

■ How often to update the donor on changes in the risk mitigation strategies and the activity plan, who will be involved in these update meetings, and what works for everyone between informal reflection and formal reporting.

■ Consensus on what the end objective of any changes should be (e.g. sticking to the overarching goals) in order to create a common vision and incentives.

■ What information should be fed down to lower levels (implementing partners and field staff).

■ Action points for moving forward – how to feed the lessons into programme management in real time.