

## P O L I C Y   B R I E F

# Rethinking Grant Funding: The Case for Locally Driven Development

Teacher Development Support Organisation (TDSO) | March 2026

## Executive Summary

*The dominant model of grant funding channels resources through projects designed to advance donors' priorities rather than the core programmes and institutional needs of the organisations and public bodies receiving support. Across the education sector, this approach fragments local capacity, sidelines ministries and teacher training institutions, and produces outcomes that are difficult to sustain. Donors have a legitimate role in setting standards for how funded work is conducted, requiring inclusion, environmental responsibility, financial transparency, and a focus on real outcomes rather than administrative outputs. What they should not do is determine what the work is. TDSO calls on donors and funding bodies to draw a clear distinction between the floor they set and the ceiling they must not impose, and to shift towards funding arrangements that actively support coordination, strengthen national systems, and place substantive programme decisions in the hands of those closest to the learners they are meant to serve.*

## The Problem with the Current Funding Model

The majority of international development funding is disbursed as project-specific grants, with programme funding, sector budget support, and core institutional support remaining marginal in most donor portfolios. While the project grant model gives donors clear visibility over how resources are used, it carries structural drawbacks that consistently undermine the effectiveness and sustainability of funded work. Grants are typically designed around the priorities, theories of change, and reporting requirements of the funding body. Local organisations and public institutions are placed in the position of adapting their work to fit available funding rather than securing resources to advance their own strategic objectives. The result is a sector shaped more by donor policy cycles than by the evidence and expertise of those working directly with communities.

This problem is particularly acute in education. Education systems operate over decades. Curricula, teacher professional development frameworks, and institutional relationships between ministries, training institutions, and schools require sustained investment and coherent long-term planning. Project-based funding cycles of twelve to thirty-six months are structurally incompatible with this reality.

## Donor Agenda Versus Local Needs

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When funding is structured around donor agendas, the activities that get resourced are those that align with external priorities at a given point in time. Local actors may be required to design projects around themes such as digital learning, gender parity metrics, or standardised assessment frameworks, even where these do not reflect the priorities identified by the communities and institutions they serve. Donors often frame this as alignment with global priorities. It is worth examining that phrase carefully. Global priorities are not handed down from a neutral authority; they are determined through processes in which high-income donor countries, multilateral bodies, and international NGOs hold the majority of agenda-setting power. The communities most affected by education systems in low- and middle-income countries have the least influence over what gets defined as a global priority and the most at stake in whether that definition is correct. Framing donor preferences as a global consensus does not make them so.

This misalignment produces several consequences:

- Organisations and public bodies pursue funding opportunities rather than their own institutional priorities, creating strategic drift over time.
- Community and system needs that fall outside current donor interest areas receive little or no resource allocation.
- Local expertise and contextual knowledge are systematically undervalued in programme design, which is frequently led by external consultants or shaped by donor-imposed frameworks developed at a distance from the classroom.
- Accountability flows upward to funders rather than outward to the students, teachers, and communities the programmes are intended to benefit.

At TDSO, I have observed this pattern directly in its work supporting teacher development. Funding windows have repeatedly prioritised technology-focused delivery models in contexts where the primary barriers to teacher effectiveness relate to motivation, school infrastructure, professional recognition, and the coherence of national training frameworks. Approaches with strong evidence behind them, including coaching and mentoring, structured continuous professional development, and sustained school-based support, attract far less funding interest than technology pilots or short-term training events, despite consistently producing more durable improvements in teaching practice.

## The Particular Position of Public Institutions

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Much of the discussion about grant funding focuses on civil society organisations and NGOs. However, in the education sector, many of the most important actors are public institutions: ministries of education, national and regional teacher training institutions, curriculum development bodies, and school inspection services. These institutions face distinct challenges when engaging with externally funded projects.

Public institutions have defined mandates set by national governments. They operate within administrative and legal frameworks that may not align easily with the contracting, procurement, and financial reporting requirements of international donors. When donor-funded projects are layered onto public institutions, several problems arise:

- Project activities may duplicate or contradict work already underway through national programmes, creating confusion at the institutional level and, ultimately, in schools.
- Staff in public institutions are asked to manage externally funded projects alongside their core responsibilities, without additional capacity or recognition, leading to overstretch and reduced quality of both.
- Donor reporting timelines and financial cycles are frequently misaligned with government budget cycles, creating administrative friction that consumes significant management attention.
- Projects funded through or alongside public institutions can create parallel structures that weaken rather than strengthen national systems, particularly when they introduce incentives, salary supplements, or operating norms that cannot be sustained through public budgets.

For teacher training institutions in particular, externally funded projects often introduce training content and methodologies that have not been integrated into the institution's official curriculum or assessment frameworks. When the project ends, the content disappears with it. The institution is left unchanged, and the investment produces no lasting reform.

These problems are not limited to bilateral relationships between a donor and a single implementing partner. They arise equally in multilateral and pooled funding arrangements, and in the programmes of bilateral aid agencies operating through government-to-government agreements. In all cases, the same principle applies: funding channelled through public institutions must be designed to be explicit in alignment with their mandates, at a pace compatible with their systems, and in ways that strengthen rather than distort national capacity. Bilateral agreements between donor governments and recipient governments should carry the same expectations of coordination, coherence, and system-strengthening as grants to civil society actors.

**Key Observation**

*Sustainable improvement in teacher quality requires changes to the institutions responsible for training teachers, not parallel programmes that operate around them. Funding that bypasses or overloads public institutions does not build systems; it substitutes for them temporarily and leaves them weaker.*

**Project Funding Versus Core Institutional Support**

Project-tied funding resources activities, but not the organisations or institutions carrying them out. Staff costs, organisational learning, planning capacity, and institutional systems are rarely covered by project budgets. This forces local organisations into a state of permanent financial precarity, perpetually dependent on the next funding cycle to maintain basic operations.

For public institutions, the problem takes a different form. Core functions are nominally covered by government budgets, but these are frequently insufficient. Donor projects offer supplementary resources, but only for activities that match donor priorities. The result is that institutions develop in the directions funders are interested in, rather than in the directions that national systems most require.

The consequences for both types of recipients include:

- High staff turnover as project contracts end, leading to repeated loss of institutional knowledge and relationships.
- Inability to plan beyond the immediate project period, restricting strategic development and coherent system-building.
- Disproportionate management burden as organisations and institutions administer multiple grants with overlapping and often conflicting reporting requirements.
- Artificial programme cycles that bear no relation to the time required for meaningful, measurable change in education systems.

**Key Finding**

*A funding model that resources projects but not institutions cannot produce the sustained organisational or systemic capacity necessary for long-term educational improvement. In many cases, current funding practices actively produce the opposite of what is intended. Scattered initiatives with no common thread generate confusion rather than coherent reform. Non-sustainable approaches raise expectations and build dependencies that collapse when a project ends. Perhaps most damaging is the reform fatigue that accumulates in institutions, among teachers, and across beneficiary communities: the weariness of experienced professionals who have lived through successive waves of externally driven change, each arriving with urgency and departing without consequence. When teachers and ministry staff greet a new programme with the quiet resignation of*

*those who have seen it before, the conditions for genuine improvement have already been undermined. Core and institutional funding is not a luxury; it is a precondition for effectiveness.*

## **The Absence of Inter-Organisational Cooperation**

Competitive grant models actively discourage cooperation between local actors. When multiple civil society organisations and public institutions work in the same field, they are frequently positioned as competitors for the same funding pools. This creates incentives to protect methodologies, withhold data, and duplicate effort rather than coordinate.

In education, this fragmentation is particularly damaging. The relationships between ministries, teacher training institutions, schools, and civil society organisations are the connective tissue of any functional education system. When those actors are set in competition with one another, or when externally funded projects create separate reporting lines and accountability structures, these relationships are weakened rather than strengthened.

Donors fund parallel programmes without requiring grantees to demonstrate awareness of, or engagement with, the broader ecosystem of actors in their field. Coordination requires time and resources that project budgets do not cover, and the competitive funding environment provides no incentive to invest in it voluntarily. The result is a fragmented landscape in which the potential for cumulative impact is consistently unrealised.

The same obligation to cooperate should apply to public institutions. Ministries, teacher training institutions, and other public bodies receiving donor support should be expected to coordinate their externally funded activities with one another and with civil society partners working in the same field. This is no less true when the funding arrives through bilateral government agreements than when it is channelled through project grants. Donors, whether private foundations, multilateral agencies, or bilateral aid programmes, should apply consistent standards of coordination across all the instruments they use.

A practical means of achieving this is to deliberately strengthen umbrella and coordination bodies. Rather than funding a fragmented set of individual projects, donors can designate or support existing umbrella organisations with a mandate to coordinate activity across a sector, align programmes with national policy frameworks, and facilitate shared learning. Execution responsibilities remain with individual civil society organisations and public institutions, but the coherence of that work is actively resourced rather than left to chance. Where no suitable coordination body exists, donors can fund its development as an explicit priority, in partnership with national stakeholders.

### **On Consortia and Coordination**

*Funding consortia of civil society organisations and public institutions, rather than isolated individual projects, should become a standard instrument in donor portfolios. Umbrella organisations given a coordination mandate can reduce duplication, foster shared learning, and ensure that externally funded work strengthens rather than fragments national education systems. A coordination mandate is not a control mandate: these bodies exist to facilitate alignment between actors, not to override the institutional mandates, priorities, or operational autonomy of the organisations they coordinate.*

## **The Legitimate Role of Donors: Setting the Floor**

None of the above arguments suggest that donors should be passive in how they deploy funding. Donors have legitimate interests and responsibilities. They are accountable to their own stakeholders for how resources are used, and they have an important role in upholding standards that local actors, for reasons of political or institutional pressure, may not always be able to enforce independently.

These constraints are real, and any workable reform must accommodate them. Donors operate under political pressures that are not of their choosing: parliamentary scrutiny of aid spending, taxpayer accountability requirements, and the need to demonstrate results to their own governing bodies. They face genuine fiduciary obligations, including anti-corruption frameworks, procurement rules, and audit requirements that cannot simply be set aside. Risk management, in contexts where financial and governance standards vary considerably, is a legitimate concern. Where governance capacity is genuinely weak, phased funding releases tied to institutional milestones offer a proportionate safeguard without the full apparatus of project control. The argument here is not that accountability obligations should be ignored, but that they should be met through smarter funding design rather than through project structures that undermine the very outcomes donors are trying to support. The critical distinction is this: unrestricted funding does not mean unmeasured funding. Donors can and should require rigorous measurement of outcomes. What they should not do is treat the measurement of administrative outputs as a substitute for it. Accountability and local ownership are not in conflict; the way most project funding is currently structured fails to achieve either.

There is a clear set of conditions that donors are entirely justified in requiring of any programme they fund:

- **Inclusion:** programmes must be designed and delivered in ways that reach marginalised groups, including girls and women, children with disabilities, and those from minority language or ethnic communities.
- **Environmental responsibility:** programmes should consider and, where possible, reduce their environmental impact, and should not contribute to practices that are harmful to the communities or ecosystems in which they operate.

- Financial transparency: recipients must maintain accurate records, submit to independent audit, and demonstrate that resources have been used as agreed. For core funding, this means annual institutional audits and narrative reporting against agreed outcome frameworks, not line-by-line project budget reconciliation. Proportionate oversight scales with grant size and institutional track record; it does not default to the most burdensome controls regardless of context.
- Safeguarding: all programmes involving contact with children or vulnerable adults must meet established safeguarding standards.
- Non-discrimination: funded organisations must demonstrate equitable employment and service delivery practices.
- Landscape awareness: every funding application should include a structured account of the existing landscape, identifying the principal actors working in the same field, the programmes already underway, and the gaps the proposed initiative is designed to address. This is a minimum condition of responsible programme design. Donors should not fund work that cannot demonstrate where it sits in relation to what already exists.
- Outcome focus: reporting and evaluation frameworks must be oriented towards real outcomes for learners and communities, not the administrative completion of activities. The number of training sessions delivered, materials printed, or workshops held tells funders very little about whether anything has changed. Donors should require that programmes define, measure, and report on meaningful outcomes from the outset, and should be prepared to fund the evaluation capacity necessary to do so.
- Proportionate visibility: donors are entitled to recognition for their support. Acknowledgement in publications, on materials, and at public events is reasonable and appropriate. However, visibility requirements should be proportionate and should not distort programme delivery. When branding obligations consume significant staff time, when donor logos must appear more prominently than the implementing organisation's, or when reporting on communications activity substitutes for reporting on educational impact, visibility has crossed from recognition into a misuse of programme resources.

These are standards that define how work is done. They set a floor below which no funded programme should fall. They are not, however, a mandate to determine what the work is.

The distinction matters. A donor is entitled to require that a teacher training programme is inclusive, financially accountable, and evaluated against learning outcomes. The donor is not entitled to decide whether that programme should focus on early reading pedagogy, mathematics instruction, or teacher wellbeing. That decision belongs to the ministry, the training institution, the teachers, and the communities involved. It should be grounded in local

evidence, national priorities, and the professional knowledge of those working in the system, not in the thematic interests of a funding body operating from a different context entirely. To be precise: donors may require applicants to justify why a particular area of work is the right response to an identified need. They may not use that requirement as an instrument to steer recipients towards themes the donor has already decided to prioritise.

#### **Core Principle**

*Donors set the floor, not the ceiling. Standards governing inclusion, environmental responsibility, financial transparency, safeguarding, outcome measurement, and proportionate visibility are legitimate and necessary conditions of funding. The substance of what gets done, and why, must be determined by those with the deepest knowledge of and accountability to the communities being served.*

## **Recommendations**

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I call on donors and funding bodies to adopt the following reforms:

### **1. Introduce core and institutional funding provisions**

A meaningful proportion of each grant portfolio should be allocated as unrestricted or lightly restricted core support, enabling recipient organisations and public institutions to maintain staff continuity, invest in organisational systems, and plan beyond the immediate project cycle. Core funding should be paired with institutional performance frameworks and outcome-based reporting, so that accountability is maintained without the distortions of project-by-project financial control.

### **2. Ground programme design in local and national needs assessments**

Funding priorities should be informed by structured engagement with ministries, public institutions, local organisations, and communities before funding windows are opened. Donors should be prepared to adjust their thematic focus in response to evidence of local and systemic need, rather than requiring local actors to adapt to predetermined priorities.

### **3. Align with national systems rather than working around them**

Projects delivered through or alongside public institutions must be designed in explicit alignment with national programmes and institutional mandates. Donors should require evidence of coordination with relevant public bodies as a condition of funding and should invest in those bodies' capacity to engage in planning and oversight. This obligation applies equally to bilateral aid agreements between governments.

### **4. Apply consistent cooperation standards across all funding instruments**

The expectation that funded actors will coordinate with others working in the same field should apply to civil society organisations, public institutions, and recipients of bilateral government agreements alike. Donors should not maintain different standards of cooperation depending on the funding instrument used. All recipients should be required to demonstrate alignment with national policy frameworks and engagement with the broader sectoral ecosystem of actors.

### **5. Fund and mandate coordination through umbrella bodies**

Donors should actively support the development of consortia and coordination mechanisms that bring together civil society organisations and public institutions in coherence with national education policies. Where appropriate, umbrella organisations should be given a formal coordination mandate, along with the resources to fulfil it, with execution responsibilities remaining with individual implementing partners. Where no suitable coordination body exists, its development should be prioritised.

### **6. Extend funding cycles and simplify reporting**

Minimum funding periods of three to five years should be adopted for programmes aimed at systemic change in education. Reporting requirements should be proportionate to grant size and oriented towards learning and improvement rather than compliance.

### **7. Require outcome-based evaluation frameworks**

Donors should require that all programmes define clear outcome indicators from the outset and allocate sufficient resources to measure them. Activity outputs, such as the number of workshops held, materials produced, or participants enrolled, should not be accepted as proxies for educational impact. Evaluation frameworks should track changes in learning, teaching practice, institutional capacity, or other outcomes that reflect the programme's actual purpose.

### **8. Distinguish clearly between standards and content**

Donors should review their programme design processes to ensure that conditions attached to funding relate to how work is conducted rather than what the work is. Standards governing inclusion, environmental responsibility, financial transparency, safeguarding, outcome measurement, and visibility are non-negotiable. Thematic and programmatic content decisions should rest with recipients, informed by local evidence and national priorities.

### **9. Keep visibility requirements proportionate**

Donor recognition requirements should be reviewed to ensure they are proportionate to grant size and do not distort programme delivery. Branding and communications obligations should be clearly defined, capped in their demands on staff time, and assessed against their cost to the programme. Recognition of donor support is legitimate; the displacement of programme activity by communications work is not.

## **10. Shift accountability mechanisms towards communities and systems**

Donors should invest in participatory monitoring approaches that give communities, teachers, and national institutions a direct role in assessing the relevance and quality of funded work. Upward accountability to funders should be balanced by meaningful accountability to those the programmes are intended to serve.

### **Towards Implementation**

The reforms set out above do not require simultaneous action across all areas. A practical starting point is for donors to introduce landscape mapping as an immediate condition of all new funding applications: this is low-cost, generates useful information, and begins to shift the culture of programme design without requiring changes to fiduciary frameworks. Alongside this, donors can pilot core funding provisions with a small number of established partners, pairing them with institutional performance reviews rather than project-level financial reporting, and using the results to build the internal evidence base for wider adoption. Coordination mechanisms can be seeded incrementally, beginning with shared learning platforms before progressing to formal umbrella mandates where the enabling conditions exist. The most significant barrier to reform is not operational but political. The current system persists largely because it is safe for those who operate it: project grants satisfy audit requirements, produce visible deliverables, and distribute political risk in ways that protect donor institutions from criticism. That the same system demonstrably undermines the outcomes it is meant to produce is a secondary consideration when institutional self-protection is the primary one. Reform requires donor organisations, and the individuals within them, to accept a different kind of accountability: one measured by whether education systems improve, not by whether work plans were executed. That is a harder case to make internally, but it is the only case worth making.

## **A Note on my Own Experience at TDSO**

*The arguments in this brief are not abstract. TDSO's own trajectory as an organisation is a direct product of the funding model it advocates. From an early stage, TDSO was supported by investors (we use that word deliberately, because return on investment matters, not financially, but in terms of sustainable impact) who understood and practised a different approach. They supported without imposing. They monitored without directing. They gave advice without deciding. They measured what mattered: not the number of activities completed, but whether teacher development systems were genuinely strengthening. The result is an organisation that has delivered meaningful and, at times, extraordinary outcomes across the region, and that has grown into a team of more than 55 high-performing education professionals. That growth was not despite the absence of control; it was because of it. TDSO exists as evidence that the model this brief calls for is not idealistic. It works.*

## **About TDSO**

*The Teacher Development Support Organisation (TDSO) works to strengthen teacher professional development systems in partnership with local education authorities, civil society organisations, public training institutions, and school communities. This policy brief reflects TDSO's direct experience of operating within the current funding environment and its commitment to advocating for funding practices that better serve the needs of practitioners, institutions, and learners.*

**More information on TDSO can be found on [www.tdso.ngo](http://www.tdso.ngo)  
You can contact us by email ([mark@tdso.ngo](mailto:mark@tdso.ngo))**