

<https://dreilinden.medium.com/from-short-term-help-to-deep-dives-into-our-funding-strategy-six-months-into-our-covid-19-response-b2bb7807572c>

# From short-term help to deep dives into our funding strategy: Six months into our Covid-19 response

By Dreilinden Dec, 2020 Medium



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Dreilinden aims to have a holistic impact by bringing together its grant-making and investment practices. This mission has led us to initiate a series of profound discussions, many of which were, of course, disrupted or accelerated by the outbreak of the Covid-19 pandemic.

## Transformative change

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In the first half of the year, we felt like we knew what we had to do on the grant-making side: we had to provide more unrestricted support, and we had to do it fast. Dreilinden committed another €1 million for its [Covid-19 response](#) on top of the existing grant-making budget.

We reached out to trusted partners, added to existing grants to provide core support, and made money available through rapid response mechanisms arranged by representatives of the LGBTQIA\* movement, such as the [Collective Care Response](#) set up by Astraea Lesbian Foundation for Justice. As the [Urgent Action Fund](#) for Women's Human Rights wrote in its Covid-19 Response Report: "We believe that ensuring activists survive this global crisis is a political act."

Now, a few months later, we have recognised that the crisis is medium term, not short term, and that it will probably have many long-term consequences (see [here](#)). The economic impact of the crisis is already huge; in fact, in most of the regions in which we are active, the economic impact will probably outweigh the impact on health. On the political front, many governments are exploiting these unusual times as an opportunity to clamp down on civil society, with some even blaming the pandemic on LGBTQIA\* communities. Much movement-building work has migrated online — with the digital divide intensifying existing forms of exclusion as a result.

Our current approach goes beyond merely alleviating today's emergencies. We are asking ourselves questions like: Do we have to reconsider the hopes and aspirations that we have shared with the world's LGBTQIA\* communities over the past years? Are the worsening conditions affecting our goals? If so, how do we adjust our approaches accordingly? For example: Does it make sense to continue supporting property purchase schemes? Because of the pandemic, many groups can no longer convene in person — but at the same time we are hearing that there is increased demand for safe spaces given a heightened incidence of domestic violence.

Is building an NGO's infrastructure still the right approach in the face of the dire economic reality? From what we see and hear, the demand for human rights work is actually greater than ever. At the same time, we are very aware that individuals badly need funding to help them set up or expand their small businesses to enable them to earn a living. How do we best respond to the growing diversity of need?

Most importantly, where do we position ourselves, given the sudden increase in the number of people requiring basic assistance? Our communities are struggling to access humanitarian relief programmes, meaning that [human rights activists and NGOs are having to jump in to fill the void](#). These groups are delivering services that should properly be provided by the state and government agencies. There is not enough funding in LGBTQIA\* movements to pick up the slack, and any funding that the movements do have access to is desperately needed for human rights work. What can we do to facilitate access to humanitarian aid provided by government agencies?

## Relief work

LGBTQIA\* people are disproportionately affected by poverty under Covid-19 (see [here](#)). This situation is exacerbated by social marginalisation, including lack of access to relief programmes.

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Relief efforts are often based on traditional family models and/or are delivered by faith-based organisations that exclude our communities outright. Even relief organisations that regard themselves as strongly human-rights-based usually do not know how to reach out to our communities.

[Approaches](#) are being tested as to how humanitarian aid can be inclusive and responsive to the requirements of LGBTQIA\* communities. As in all aspects of our work, we find it particularly important to work with what is already there. Firstly, humanitarian funders can draw upon an ecosystem of LGBTQIA\*-led intermediaries and NGOs that can channel funding to where it is required most. Secondly, there are certainly LGBTQIA\* people working in humanitarian relief organisations (because we are everywhere) — are there LGBTQIA\*-sympathetic groupings within those organisations? (And, if not, can we aid their formation?) Thirdly, are there donors who support both relief work and LGBTQIA\* communities? Can they make inroads?

It is necessary for us to find the time and space to reflect. We need to sit down together and talk things over in light of the changing context: we must assess what is going on, learn new skills, and decide on the best way to move forward together. How can we best support LGBTQIA\* communities to access help locally? How can we make use of our social capital as donors? How can we help raise awareness of LGBTQIA\* marginalisation both during and after the Covid-19 pandemic?

## Decentralised response

With such an uncertain future ahead, we have to act strategically, based on our principles and what we know or assume about the situation. Reos Partners has [published the results of a scenario planning exercise](#) on the future of iNGOs under Covid-19, outlining four scenarios. In the scenarios most relevant to our work, one aspect really stood out: resilience can best be built through decentralised responses.

We have tried to follow a decentralised approach ever since our founding. By “decentralised” we mean a varied response, decided by individuals on the ground. We are convinced that sustainable solutions are best developed by the people closest to the issues, and that it is our role to back them up. Several civil society leaders we have talked to during the past weeks said that what is required now is long-term unrestricted support for grassroots organisations. So this is the challenge for funders: given the limitations on our funding capacity, we must gain an even better understanding of how we can best support activists and organisations to enable them to fulfil their role in responding to the crisis in the optimal way.

A decentralised response could include autonomous resourcing for the movement. During the pandemic we have witnessed [many autonomous efforts](#) — people raising funds among their own networks to provide care for the most marginalised.

## Months into the crisis, how is our impact investing programme going?

Our pilot programmes in South Africa have been severely challenged by the outbreak of the Covid-19 pandemic.

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Our due diligence processes came to a complete standstill. Our investment partner had to refocus on its existing portfolio, and thus put our alliance on hold. That left us having to reconsider our options and find a new investment partner. While there were many promising candidates, we were concerned about the prevailing lack of diversity, and so we kept looking. This is a cumbersome and time-consuming process. At times we are warranted in asking the questions: Are we asking for too much? How might we compromise? Should we even compromise?

Due to the lockdown, the [mentorship programme](#) we launched as a follow-up to the [Queer Pitch Days](#) had to move online. As a result, we were worried about whether we would be able to gain a good rapport with the cohort, and whether the discussions would be as deep and as detailed as we had hoped.

Many of the entrepreneurs were (and in some cases still are) dealing with a tremendous amount of pressure because of the immediate threat to their livelihoods posed by the lockdown. We could see that they desperately needed financial support, but we struggled to work out how to respond equitably and effectively. How do we strike a balance between being supportive and avoiding a situation where they are left with a mountain of debt should their business model no longer be viable after the pandemic is over?

The ecosystem-building initiatives that we were hoping to launch with [QWB+A](#) in 2020, currently dubbed “Q Network”, have been delayed. Potential co-funders were preoccupied with their Covid-19 response and were generally re-evaluating their strategies (as were we). Which LGBTQIA\* grant makers are open to considering entrepreneurship as a strategy and would be willing to offer support through funding? Can we encourage organisations that support entrepreneurship to get involved with LGBTQIA\* communities?

In Mexico, we had to completely redesign our approach.

Travel and in-person pitches were out of the question. We became much more reliant on our two Mexican partners to assess the impact and financial viability of an investment. How can we ensure that we share values with our partners? When, how and to what extent do we get personally involved in the processes?

We no longer offered debt, equity or hybrid investment structures, but decided to focus on one structure only: a revenue-based lending facility. Are we still facilitating financial inclusion with this focused approach, or is the product actually exclusionary?

Most of the information about the lending facility is communicated through webinars and infographics on the pages of our partners. Loan application processes are also electronic; entrepreneurs apply via the website of our partners. Given the increasing digital divide and the difficulties of arranging in-person meetings, are we reaching those people most at risk of marginalisation?

Having a secure income plays a vital role in the wellbeing and sustainability of LGBTQIA\* communities. Our fledgling programmes bear promise. They are new, they are optimistic, and they are already producing some positive stories. We are determined to pursue those programmes, despite all the challenges.

## **The crisis has revealed interconnections**

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While the global Covid-19 pandemic has changed the ways in which we collaborate and connect, it has also taught us a lot about how interconnected we are globally. How can we put the idea of “Leave No One Behind” into practice? We need to talk about how we can use our interdependencies to create solutions rather than allowing our world to become narrow and fragmented due to tighter borders and self-serving interests.

## About Dreilinden

*Dreilinden is a Hamburg-based foundation dedicated to advancing societal acceptance of gender and sexual diversity. Founded in 2007, Dreilinden has been at the forefront of supporting sexual orientation, gender identity and expression, and sex characteristics with grants and investments. Kindly note that Dreilinden does not accept any grant applications at this time.*