

Hybrid Funding Agreement Template

Introduction

Sustainable peacebuilding in low-resource contexts often requires a thoughtful blend of external support and local resources. This Hybrid Funding Agreement Template provides a framework for structuring partnerships between communities and external funders that promotes local ownership, transparency, equitable benefit-sharing, and a gradual transition to self-reliance. The template is designed to be adaptable to diverse contexts while maintaining core principles of dignified partnership and sustainability.

Purpose of This Template

This Hybrid Funding Agreement Template helps:

- Create clear, balanced relationships between communities and external funders
- Structure funding arrangements that supplement rather than replace local resources
- Establish transparent processes for resource management and decision-making
- Design clear pathways toward greater local resource mobilization
- Document commitments and responsibilities from all parties
- Prevent dependency while maximizing resource effectiveness

How to Use This Template

This template includes:

1. A standard agreement format adaptable to different contexts
2. A simplified visual version for low-literacy settings
3. Optional clauses for specific situations
4. Implementation guidance and customization notes
5. Sample language for common funding arrangements

The agreement should be developed collaboratively between the community and external partners, with each section discussed thoroughly to ensure mutual understanding and consent. While maintaining legal validity, the emphasis should be on clear communication and relationship building rather than complex legal terminology.

PART 2: SIMPLIFIED VISUAL AGREEMENT FORMAT

[Note: This section would be implemented with appropriate visual elements, simplified text, and culturally relevant symbols. The outline below describes the content and approach.]

PEACE PARTNERSHIP AGREEMENT

[Visual: Handshake symbol bridging external and community partners]

Date: [Calendar visual] _____

WHO IS INVOLVED

Outside Helper: [Organization symbol] Name: _____ Contact Person:

Community: [Community symbol] Name: _____ Representatives:

OUR PEACE WORK

[Visual: Peace symbol with brief description space] We are working together for:

_____ This will help peace by: _____

WHAT EACH PARTNER WILL CONTRIBUTE

Outside Helper Will Provide: [Visual: Resource symbols with spaces to fill amounts]

- Money: _____
- Training: _____
- Equipment: _____
- Other Help: _____

When the resources will come: [Visual: Simple timeline with key dates]

Community Will Contribute: [Visual: Resource symbols with spaces to fill amounts/descriptions]

- Community Funds: _____
- Meeting Places: _____
- People's Time: _____
- Local Knowledge: _____
- Traditional Practices: _____

How community contributions will grow: [Visual: Stepped chart showing increasing community contributions]

- First Stage: _____
- Second Stage: _____
- Final Stage: _____

HOW WE WILL WORK TOGETHER

Joint Decision-Making: [Visual: Group decision symbol] Who makes decisions:

_____ How decisions are made: _____

Important Responsibilities: [Visual: Two columns with task symbols] Outside Helper Will:

_____ Community Will: _____

Working Timeline: [Visual: Simple calendar with major activities]

CHECKING PROGRESS AND LEARNING

How we will check our work: [Visual: Monitoring symbols with description spaces]

- Community checking: _____
- Outside checking: _____

Reports and Updates: [Visual: Report symbols with simplified schedule]

- Money reports: _____
- Activity reports: _____

BECOMING SELF-SUFFICIENT

Our Path to Self-Reliance: [Visual: Stepped transition showing decreasing external support]

- Beginning: ____ % outside funding, ____ % community resources
- Middle: ____ % outside funding, ____ % community resources
- Future: ____ % outside funding, ____ % community resources

Building Community Strength: [Visual: Growth symbols with description spaces]

COMMUNICATION AND PROBLEM-SOLVING

How we will communicate: [Visual: Communication symbols with description spaces]

If we disagree: [Visual: Problem resolution steps]

1. First we will: _____
2. If that doesn't work: _____
3. Final solution: _____

OUR AGREEMENT

We understand and agree to work together according to this agreement.

Outside Helper Mark: [Visual: Signature/thumbprint space with organization symbol] Name: _____ Date: _____

Community Mark: [Visual: Signature/thumbprint space with community symbol] Names:

_____ Date: _____

Witnesses: [Visual: Witness signature/thumbprint spaces] Names: _____ Date:

PART 3: OPTIONAL SPECIALIZED CLAUSES

Matching Fund Provisions

MATCHING FUND ARRANGEMENT: The External Partner agrees to match Community contributions according to the following ratio:

- [SPECIFY RATIO, e.g., "1:1" or "2:1"]
- Eligible community contributions include: [LIST ELIGIBLE CONTRIBUTION TYPES]
- Matching process: [DESCRIBE HOW AND WHEN MATCHING OCCURS]
- Verification requirements: [SPECIFY HOW COMMUNITY CONTRIBUTIONS WILL BE VERIFIED]
- Maximum matching amount: [SPECIFY CAP IF APPLICABLE]

Revolving Fund Provisions

REVOLVING FUND STRUCTURE: The Parties agree to establish a revolving fund with the following characteristics:

- Initial capitalization: [SPECIFY AMOUNTS FROM EACH PARTY]
- Recovery mechanism: [SPECIFY HOW FUNDS WILL REVOLVE]
- Fund management: [SPECIFY GOVERNANCE AND ADMINISTRATION]
- Reinvestment priorities: [SPECIFY HOW RETURNED FUNDS WILL BE USED]
- Long-term ownership: [SPECIFY EVENTUAL OWNERSHIP OF THE FUND]

Social Enterprise Components

PEACE-POSITIVE ENTERPRISE DEVELOPMENT: As part of this Initiative, the Parties agree to develop sustainable revenue through:

- Enterprise activities: [SPECIFY INCOME-GENERATING ACTIVITIES]
- Revenue sharing: [SPECIFY HOW PROCEEDS WILL BE ALLOCATED]
- Reinvestment requirements: [SPECIFY PORTION TO BE REINVESTED IN PEACE ACTIVITIES]
- Enterprise governance: [SPECIFY HOW ENTERPRISE WILL BE MANAGED]
- Capacity development: [SPECIFY BUSINESS SKILLS TRAINING]

Resource-Based Revenue Provisions

NATURAL RESOURCE REVENUE ALLOCATION: The Parties agree to allocate a portion of resource revenues to peace activities:

- Resource type: [SPECIFY NATURAL RESOURCE]
- Revenue percentage: [SPECIFY ALLOCATION PERCENTAGE]
- Collection mechanism: [SPECIFY HOW FUNDS WILL BE COLLECTED]
- Governance arrangement: [SPECIFY OVERSIGHT OF RESOURCE-BASED FUNDING]
- Transparency measures: [SPECIFY PUBLIC REPORTING REQUIREMENTS]

Multi-Donor Coordination

COORDINATED FUNDING ARRANGEMENT: This Agreement forms part of a coordinated funding approach including:

- Other external partners: [LIST OTHER DONORS/PARTNERS]
- Coordination mechanism: [SPECIFY HOW MULTIPLE DONORS WILL COORDINATE]
- Shared reporting: [SPECIFY UNIFIED REPORTING APPROACH]
- Alignment principles: [SPECIFY HOW DIFFERENT FUNDING STREAMS ALIGN]

Low-Literacy Settings Clause

ORAL AGREEMENT VERIFICATION: For settings with limited literacy, add:

This Agreement has been read aloud and explained in [LOCAL LANGUAGE] to all representatives. The content has been verified through [SPECIFY PROCESS, e.g., "repeated verbal confirmation," "community discussion," etc.]. Audio recording of the agreement explanation and consent is maintained by [SPECIFY CUSTODIAN].

Crisis Contingency Clause

EMERGENCY ADAPTATION PROTOCOL: In the event of crisis or significant change in conditions:

- Notification: [SPECIFY HOW PARTIES WILL COMMUNICATE EMERGENCY CHANGES]
- Expedited decisions: [SPECIFY STREAMLINED DECISION PROCESS]
- Resource reallocation: [SPECIFY FLEXIBILITY PARAMETERS]
- Documentation: [SPECIFY HOW EMERGENCY CHANGES WILL BE RECORDED]
- Return to normal procedures: [SPECIFY PROCESS FOR RESUMING STANDARD OPERATIONS]

PART 4: IMPLEMENTATION GUIDANCE

Preparation and Development Process

Key Steps in Developing the Agreement:

1. **Joint Drafting:** Include both external and community representatives in drafting process
2. **Clear Language:** Use straightforward, non-technical language accessible to all parties
3. **Local Translation:** Ensure translation into local languages where needed
4. **Visual Supplements:** Consider visual aids for key concepts
5. **Thorough Discussion:** Allow sufficient time to discuss each provision
6. **Community Consultation:** Ensure broader community input beyond direct representatives
7. **Legal Review:** Consider simple legal review while maintaining accessibility
8. **Documentation Options:** Prepare both written and alternative formats as needed

Community Preparation Guidance:

- Conduct community discussions about external partnerships before negotiations
- Identify community priorities, non-negotiables, and flexibility areas
- Map existing community resources that could be contributed
- Establish community-approved representation for agreement development
- Consider decision-making processes for ongoing agreement implementation

External Partner Preparation Guidance:

- Understand community context, cultures, and existing resources
- Clarify internal flexibility regarding funding approaches and timelines
- Prepare to adapt standard funding requirements to hybrid approach
- Identify capacity building resources to support community implementation
- Determine appropriate balance between accountability and flexibility

Key Success Factors

Essential Elements for Effective Hybrid Funding:

1. **Genuine Partnership:** Treatment of community as equal partner, not beneficiary
2. **Mutual Accountability:** Balanced accountability in both directions
3. **Appropriate Pacing:** Gradual, realistic transition toward local resource mobilization
4. **Capacity Investment:** Dedicated resources for building local financial capacity
5. **Flexibility:** Adaptation to changing conditions and learning
6. **Balanced Recognition:** Equal acknowledgment of all resource types
7. **Transparent Communication:** Open sharing of constraints and possibilities
8. **Cultural Respect:** Alignment with local decision-making and resource practices
9. **Conflict Sensitivity:** Awareness of how resource flows impact conflict dynamics
10. **Long-term Perspective:** View beyond immediate project timeframes

Adaptation Guidelines

Customizing for Different Contexts:

1. **Post-Conflict Settings:**

- Emphasize transparent, conflict-sensitive resource allocation
- Include clear neutrality provisions
- Consider trust-building verification mechanisms
- Provide for dispute resolution that remains neutral

2. **Very Low-Resource Contexts:**

- Focus more on in-kind and social resource contributions
- Design simpler reporting mechanisms
- Consider longer transition timelines
- Emphasize resourcefulness and innovation

3. **Traditional Governance Systems:**

- Integrate traditional resource sharing practices
- Acknowledge roles of traditional authorities
- Incorporate customary decision-making processes
- Respect cultural protocols for agreements

4. **Urban Settings:**

- Consider more diverse community representation
- Address higher mobility and looser community bonds
- Leverage formal structures and organizations
- Explore business and market-based sustainability approaches

Common Challenges and Solutions

Navigating Typical Implementation Issues:

1. **Challenge:** Uneven capacity between partners

- **Solution:** Gradual capacity building with embedded support
- **Solution:** Phased transition of responsibilities
- **Solution:** Peer learning from similar communities

2. **Challenge:** Balancing accountability and flexibility

- **Solution:** Focus on outcome verification rather than procedural compliance

- **Solution:** Develop simple but meaningful reporting
- **Solution:** Create mutual accountability mechanisms

3. **Challenge:** Maintaining community ownership

- **Solution:** Ensure visible local decision-making
- **Solution:** Regularly revisit and reaffirm local priorities
- **Solution:** Celebrate and recognize community contributions

4. **Challenge:** Navigating power imbalances

- **Solution:** Establish clear decision rights in agreement
- **Solution:** Create safe spaces for open dialogue
- **Solution:** Use neutral facilitation when needed

5. **Challenge:** Transitions in community leadership

- **Solution:** Involve multiple levels of community leadership
- **Solution:** Document decisions and commitments clearly
- **Solution:** Build broad community awareness of agreement

PART 5: SAMPLE LANGUAGE AND EXAMPLES

Example: Matching Fund Arrangement

Current Situation: A community in northern Uganda has formed a reconciliation committee to address tensions between returned abductees and community members. The committee can mobilize community meeting spaces, volunteer mediators, and cultural reconciliation ceremonies, but needs resources for training, documentation, and support for particularly vulnerable participants.

Hybrid Approach: An international NGO proposes a 2:1 matching fund where they will contribute \$2 for every \$1 equivalent of community resources mobilized, up to a maximum of \$10,000. The agreement includes:

Community Contributions:

- Meeting venue valued at \$25 per meeting

- Volunteer time valued at \$5 per hour
- Local food contributions for dialogues valued at actual market cost
- Traditional reconciliation rituals valued at \$100 per ceremony

External Partner Contributions:

- Cash match at 2:1 ratio for verified community contributions
- Training in trauma-informed reconciliation approaches
- Documentation support for agreements reached
- Connections to regional reconciliation networks

Progressive Transition:

- Year 1: 2:1 matching ratio (community: 33%, external: 67%)
- Year 2: 1:1 matching ratio (community: 50%, external: 50%)
- Year 3: 1:2 matching ratio (community: 67%, external: 33%)
- Beyond: Community-led resource mobilization with technical support

Example: Resource-Based Peace Fund

Current Situation: A community in a mining region experiences tensions over benefit sharing from local mineral extraction. A company has agreed to support community peace initiatives through a percentage allocation from mining revenues.

Hybrid Approach: A resource-based peace fund combining company contributions with community resources, with operations governed by a joint committee. The agreement includes:

Resource Allocation:

- 1% of monthly mineral extraction revenue allocated to peace fund
- Community contributes meeting facilities and peace committee time
- Local government provides administrative support
- Civil society provides technical guidance and monitoring

Fund Governance:

- Joint committee with equal company and community representation
- Transparent decision-making with community consultation
- Independent annual audit and public reporting

- Capacity building component for financial management

Sustainability Mechanism:

- Investment of 20% of annual fund in community-owned enterprise
- Enterprise profits return to peace fund to reduce company percentage
- Gradual transition to community management over 5 years
- Diversification of funding sources beginning in year 3

Example: Revolving Peace Fund

Current Situation: A post-conflict community needs to rebuild markets and trade relationships between previously divided ethnic groups. Trust is limited, but economic cooperation could support reconciliation.

Hybrid Approach: A revolving fund providing small grants/loans for joint business initiatives across conflict lines, with returned funds supporting future peace-positive enterprises.

Fund Structure:

- Initial capitalization: \$20,000 from donor, \$5,000 from community contributions
- Zero-interest loans for cross-community business partnerships
- 10% of business profits contributed to community peace activities
- Loan repayments return to fund for next round of initiatives
- Progressive community management of fund operations

Governance Arrangement:

- Joint committee with equal representation from all community groups
- Transparent selection criteria emphasizing peace impact
- Business mentorship from local and external sources
- Community-based verification of peace outcomes

Transition Plan:

- Year 1-2: External partner leads fund management with community shadowing
- Year 3: Joint management with capacity transfer
- Year 4-5: Community-led management with external advisory
- Beyond: Fully community-owned revolving peace fund

PART 6: LEGAL AND ETHICAL CONSIDERATIONS

Ethical Partnership Principles

Core Ethical Standards:

1. **Dignity and Respect:** Recognizing the inherent dignity and agency of all partners
2. **Transparency:** Honest communication about limitations, expectations, and realities
3. **Fairness:** Equitable sharing of both benefits and burdens
4. **Sustainability:** Commitment to lasting positive impact beyond agreement period
5. **Do No Harm:** Conflict sensitivity to avoid unintended negative consequences
6. **Inclusivity:** Ensuring marginalized voices are represented and heard
7. **Reciprocity:** Mutual benefit and learning in both directions
8. **Contextual Appropriateness:** Adapting to local cultures and conditions

Minimal Legal Protections

While maintaining accessibility, ensure agreements include:

1. **Clear Identification:** Proper naming of all parties involved
2. **Specific Commitments:** Concrete, verifiable obligations of each party
3. **Timeframes:** Clear duration and key dates
4. **Modification Process:** How changes can be made legitimately
5. **Conflict Resolution:** Process for addressing disagreements
6. **Termination Conditions:** Circumstances and process for ending agreement
7. **Signatures/Verification:** Culturally appropriate validation of consent

Special Considerations for Vulnerable Contexts

For Conflict-Affected Settings:

- Include neutrality and impartiality provisions
- Establish safeguards against resource diversion
- Address security concerns for all parties
- Create conflict-sensitive monitoring provisions
- Consider confidentiality needs for sensitive activities

For Limited Rule of Law Contexts:

- Emphasize community-based accountability
- Include respected neutral witnesses
- Consider alternative enforcement mechanisms
- Build in regular review and reaffirmation
- Document oral commitments carefully

Finding Local Support

Consider engaging support from:

- Community paralegals or legal aid services
- University legal clinics with community experience
- NGOs specializing in community legal empowerment
- Traditional or religious authorities with mediation expertise
- Local government officials who understand both formal and informal systems

Conclusion

Hybrid funding agreements represent a bridge between external support and community self-reliance. By thoughtfully structuring these partnerships, communities and external supporters can combine resources effectively while building toward sustainable, locally-owned peace. The process of developing such agreements is itself an opportunity for building mutual understanding, trust, and clear communication channels that will support successful implementation.

This template provides a starting point that should be adapted to each unique context. What matters most is not the specific form but the quality of partnership it creates—one characterized by mutual respect, clarity, and commitment to sustainable peace.