A person in a blue and white plaid shirt is shown in profile, looking at a tablet computer. They are also holding a stalk of grain in their other hand. The background is a blurred field of grain under a warm, golden sunset sky. A yellow graphic element is overlaid on the top right of the image.

# Narrowing the gap between policy intent and impact

January 2023

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. Above the 'Y' is a yellow triangle pointing to the right.

**EY**

Building a better  
working world

# Table of contents

- 1** Introduction
- 3** Why are grants and relief funds important in the world today?
- 7** What are the challenges to maximizing the impact of grant funding?
- 11** How can governments and international organizations maximize the impact of grant funding?
- 17** Summary
- 18** Contributors



# Introduction

## Foreword

The global community faces a mounting list of challenges, from humanitarian relief in complex political environments to the rising demand for collective action on climate change. These macro-level concerns create an imperative for business, philanthropic, political and other leaders to work multilaterally to drive positive change. Grants and relief funds are vital tools to solve the world's most complex challenges. Efficient and effective management of the grants and relief funds lifecycle is no easy feat, but by harnessing the latest technologies and learning from experience, we can have a transformative impact on the communities we lead and serve. In the spirit of public-private cooperation and underpinned by our purpose of Building a Better Working World, we offer key considerations and recommendations for reimagining global grant and relief funding.



**Julie Linn Teigland**  
EY EMEIA Area  
Managing Partner

DONATE

---

US\$349b-\$1t

estimated funding needs for recovery  
and reconstruction in Ukraine

7.8m

Ukrainian refugees were  
dispersed throughout Europe

6.2m

Ukrainians were displaced in-country

---



# Why are grants and relief funds important in the world today?

## A tool for driving impactful change

In the last 20 years, grant funding, along with global economic growth, has contributed to meaningful improvements in wellbeing and livelihood for people and communities around the world. Maternal and child mortality rates have fallen by almost half, the proportion of people living in extreme poverty has fallen by almost half, and life expectancy has increased, along with access to health care and primary school enrollment rates. Grant funding has also contributed to research advances that have resulted in new medical treatments, sustainable energy solutions and other scientific breakthroughs.

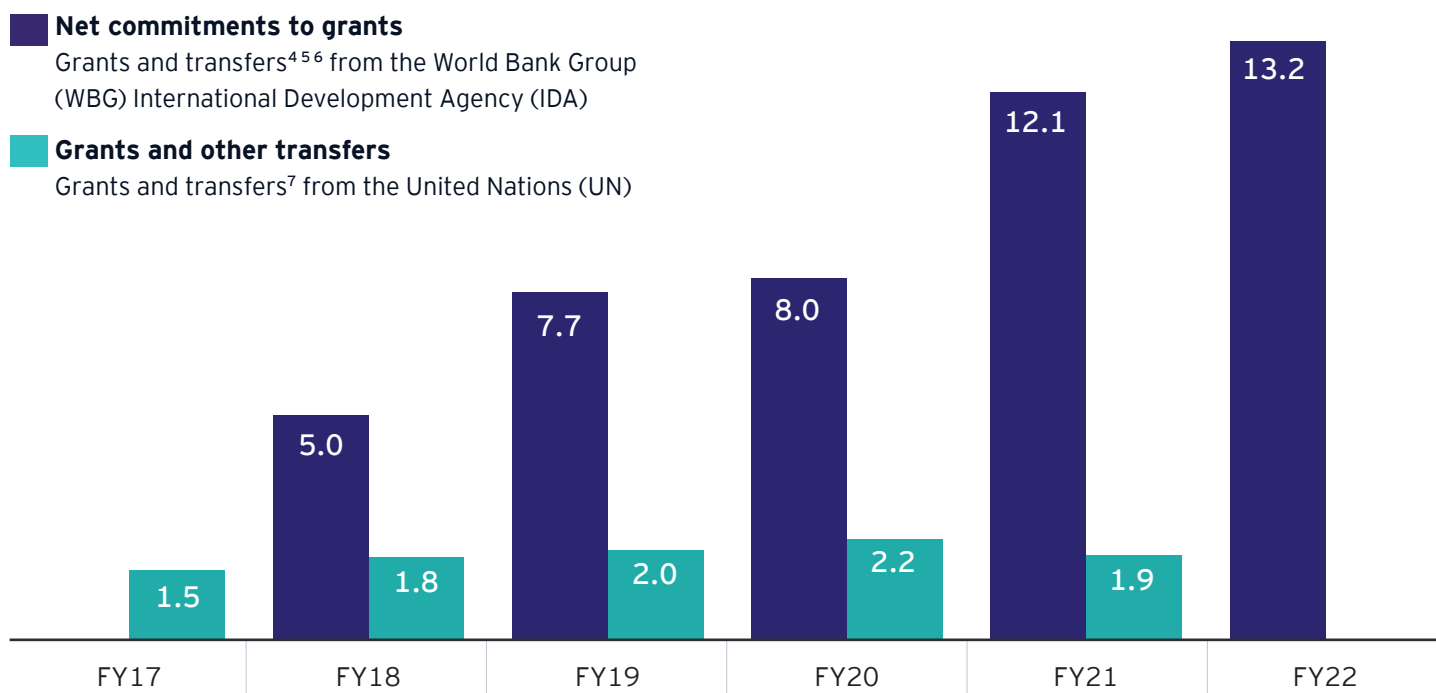
Grant funding of all sizes can be used to improve individual health and wellbeing, drive community development and advance public policies from local to international levels of government. For example, the European Commission (EC) created an €806.9 billion stimulus package under Next Generation EU, a temporary measure that provides immediate economic recovery across European Union (EU) Member States in response to the COVID-19 pandemic.<sup>1,2</sup> Moreover, from 2020 to 2021, grant funding in the United Kingdom (UK)

was comprised of 1,938 different funding programs totaling £258 billion (or 23% of total UK government expenditures).<sup>3</sup> These programs spanned priorities from the COVID-19 emergency response (e.g., job retention, small business and self-employment support) to direct funding of the education system. The versatility of grant funding equips governments, nongovernmental organizations and public philanthropies with a powerful tool to contribute to global goals for development, sustainability, health and prosperity.

As the world becomes increasingly interconnected, issues that could have once remained localized crises have become matters of global concern. We need to think and act differently to preserve global security, reduce poverty, improve health and quality of life for all people and drive sustainability. Against this backdrop, we have recently seen significant increases in grants from major institutions and sovereign governments as a vehicle for distributing relief funding (Figure 1).

**Figure 1:** Aggregated five-year grant funds flows

Billion US\$



**Figure 2:** Grant funding by type – UN

Top categories of spending for major international donors like the UN include disaster relief, health programs, economic growth and peacebuilding, as shown below.

**UN: 2021 grant mechanisms (millions US\$)<sup>8</sup>**

Grant mechanism	2021 allocation
Trust fund for strengthening the Office of the Emergency Relief Coordinator (includes grants and transfers to implementing partners through the multi-partner trust funds of over US\$270 million)	731.9
Central Emergency Response Fund	563.4
United Nations General Fund	197.9
Trust fund for the Peacebuilding Support Office	190.2
Voluntary trust fund for assistance in mine action	57.3
COVID-19 response and recovery multi-partner trust fund	22.0
United Nations Fund for International Partnerships	10.7
Trust fund for counterterrorism	9.1
Other funds	83.8
<b>Total grants and transfers</b>	<b>1,866.6</b>

## Multilateral grant funding

By virtue of their scale and volume, geographical profile and diversity of administrative expertise, multilateral grants and funds are a critical driver of impact for global challenges.

Below are three examples of large multilateral funds:

**The Global Fund:** Launched in 2002, this entity raises and invests over US\$4 billion annually to fight AIDS, tuberculosis and malaria while also reinforcing resilient and sustainable systems for health.<sup>9</sup> More than 80 countries, including the United States (US), France, Norway, the UK and Japan, have made or pledged contributions to the Global Fund to accelerate the fight against these three diseases.<sup>10</sup>

**The multi-donor trust fund (MDTF) for Ukraine:** In 2022, the World Bank established an MDTF to help administer donor grants to provide essential services to Ukrainian people impacted by Russia's 2022 invasion of Ukraine. By March 2022, grants totaling US\$134 million had been collected through contributions from the UK, Denmark, Latvia, Lithuania and Iceland to provide wages for hospital workers, pensions for the elderly and other social programs for the vulnerable.<sup>11</sup>

**Global Shield against Climate Risks:** Together with the Group of Seven (G7) political forum, the Vulnerable Twenty (V20) Group of Finance Ministers, which is composed of 58 climate-vulnerable economies, launched Global Shield against Climate Risks in 2022. This initiative provides prearranged financial support designed to be deployed quickly to address the impacts of climate-related natural disasters. Initial contributions include approximately US\$180 million from Germany and more than US\$42.5 million from other countries.<sup>12</sup>

## Grants are more important than ever

As the connectedness of the global community increases, so too must its problem-solving methods. Increasingly connected economies, fluid international travel and the free, fast sharing of information on the internet mean that governments and organizations face pressure from the global public to act decisively in the face of an increasing number of events with global impact. Conflicts in remote regions of the world have ripple effects across the global supply chain, prompting sovereign governments and international organizations to deploy grant and relief funding in novel ways to prevent broader repercussions.

The proliferation of events with global consequences – including regional conflicts, natural disasters and public health crises – continues to accelerate under the looming specter of climate change. Governments and international organizations are recognizing the imperative to work collectively and pool resources to address global challenges.

We recognize three core drivers that demand collective public action and support through large tranches of grant funding:

### Support for equitable pandemic recovery

In addition to crippling economic sectors in both developed and developing countries, the COVID-19 pandemic exposed and exacerbated inequities across the globe. The level of funding in response to the global crisis was unprecedented, revealing a dire need for new systems that can efficiently and securely distribute relief funds to a wide range of intended recipients. As the global community continues to deploy equity-centric economic recovery measures in response to the pandemic, addressing current economic, public health and social inequities will be key.

A few staggering COVID-19-related statistics:

- ▶ In just the first two months of the pandemic, US\$10 trillion in fiscal support was announced globally
- ▶ In 2020, the World Bank pledged US\$160 billion in grants and



It is a pivotal time for the world as we face a generational storm of environmental, economic and humanitarian challenges. As governments and organizations step up to provide global leadership and financial support, we must learn lessons from the past to administer funding effectively and maximize the opportunity to deliver long-lasting impact.

International organizations will depend even more on grant and relief funding due to three key current realities: 1) the effort to support an equitable post-pandemic recovery; 2) the relief and reconstruction needs that will stem from current active armed conflicts; and 3) the increasing effects of climate change, along with efforts at adaptation and mitigation.

**George Atalla**

EY Global Government & Public Sector Leader

other forms of financial support to help developing countries respond to the health, social and economic impacts of COVID-19.<sup>13</sup>

- ▶ It is estimated that soon after the onset of the pandemic, 100 million additional people across the globe were pushed into extreme poverty and food insecurity.

### **Post-conflict relief and reconstruction efforts**

Ongoing armed conflicts around the world, including those in Ukraine and Ethiopia, will necessitate extensive relief and reconstruction funding in the coming years.

Ukraine and Ethiopia face significant challenges:

- ▶ In Ukraine, the 2022 war has forced nearly one-third of Ukrainians from their homes, dispersing 7.8 million refugees throughout Europe and displacing 6.2 million people in-country.<sup>14</sup> It's estimated that recovery and reconstruction needs in Ukraine will amount to anywhere from US\$349 billion to US\$1 trillion, with funding to be provided via grants and loans across various sectors.<sup>15</sup>
- ▶ In Ethiopia, the United Nations International Children's Fund's (UNICEF) Humanitarian Action for Children 2022 program saw its annual budget increase by more than 100% year-over-year to US\$532.3 million.<sup>16</sup> This is primarily due to both the expanding conflict in northern Ethiopia and the increased financial burdens caused by climate-related factors. To date, the program has raised 38% of the funds needed to provide children and their families with critical lifesaving support.

### **Climate change mitigation and adaptation**

Vulnerable populations are susceptible to the far-reaching consequences of climate change. Not only do they face the physical and financial toll of extreme weather incidents, but they also suffer long-lasting impacts such as displacement, forced migration and food insecurity.

A few instances of climate-related emergencies:

- ▶ Climate change-driven natural disasters occur more frequently today than in the entire period from 2000 to 2009, totaling hundreds of billions of dollars in damages.<sup>17</sup> To enhance resilience against these disasters, the US government announced a US\$5 billion grant program under the Federal Emergency Management Agency in 2021.
- ▶ At the 2022 United Nations Climate Change Conference (COP27), total pledges toward climate change mitigation and adaptation efforts from bilateral donors amounted to approximately US\$4 billion. COP27 commitments included country pledges to support climate-related loss and damage (to the Global Shield Initiative or the Santiago Network for Loss and Damage), large-scale plans for just energy transitions for countries including Vietnam and Indonesia and a US\$3.1 billion global "early warning" system for natural disasters and extreme weather events. Initiatives like these – which aim to provide coordinated global support for countries adversely impacted by climate change – can only be achieved by collaborating to deploy funds with speed, precision and agility.







# What are the challenges to maximizing the impact of grant funding?

## Typical challenges in the administration of grant funding

Governments and international organizations face several common challenges in the administration of grant funding, including issues surrounding governance and compliance, grant program strategy and design and program execution. These common challenges introduce heightened risk of fraud, error and reputational damage, limiting the effectiveness, longevity and continuing impact of grant funding. These challenges are further multiplied in global grantmaking when managing multiple stakeholders.



Major domestic and international funds have never attracted as much fraud and misuse as they do today. Buoyed by successes during the pandemic, bad actors are targeting high-profile and high-value funds at an unprecedented rate. As governments and international organizations provide funding to new recipients in novel ways, having robust lines of defense is crucial for safeguarding the allocation, disbursement and tracking of funding.

**Maryam Hussain**

EY Global Fraud and Corruption Investigator

### **Governance and compliance**

Grants and relief funds often lack an effective governance regime with continuous monitoring. Many high-profile issues with grant programs occur at the strategic decision-making level, where the governance does not enable changes to be made in an agile way. This limits the ability of funders and fund managers to coordinate and prioritize across portfolios, take preemptive steps when faced with risks or make proactive decisions to increase the effectiveness of grant and relief funds.

Transparency is another common challenge: when programs are not designed with transparency in mind, they face an increased susceptibility to fraud and reputational damage. The single largest factor influencing public confidence in grant and relief funds is the transparency of spending. Stakeholders need reassurance that their money is being used to benefit the right people and deliver the desired impact.

A major audit undertaken by a national Defense grant program in 2020 identified widespread failures in the management of over US\$130 million in grants, particularly in program governance. The audit identified poor record keeping, minimal program updates to leadership, and lack of grant alignment to strategic goals, which reduced transparency and ability to monitor and measure grant execution.

### **Program design**

Strategic principles and desired outcomes for grant and relief funds are often designed at the policy level. While these desired outcomes are important for goal-setting, they are often disconnected from actual program results. Well-intentioned policy concepts may fail in practice due to a lack of understanding of real-world user behaviors and delivery environments. Grant programs built without an understanding of stakeholder requirements may result in a lack of

uptake. Similarly, without the ability to absorb meaningful program success metrics and understand performance indicators, grantors may not collect sufficient data to evaluate program success. If outcome indicators are not well-designed and underpinned by corresponding database and technology support, then measuring impact, making insight-led decisions, and proactively managing the program become increasingly difficult.

Additionally, a program without a robust up-front risk assessment to inform the design of its end-to-end control framework faces an increased risk of fraud and error.

Some large grant programs offer numerous smaller-scale grant opportunities designed to benefit at-risk communities. However, many of these large grant programs often fail to adequately address the structural and capacity barriers that members of these communities encounter when they attempt to apply for and implement these grants. To address the real-life needs of the recipient, one US agency designed a grant program to allow nongovernmental organizations (NGOs) to regionalize efforts and apply on behalf of an entire community. By keeping real-life capacity constraints of the recipient in mind, the granting agency successfully reached its intended recipients and improved participation rates in the program.

### **Program execution**

Grantmaking organizations measure programs and their impact in years and decades. This means supporting technologies evolve slowly, relying on legacy systems and manual activity. Not only do these manual processes decrease the efficiency and agility of fund administration, but they also reduce the effectiveness of controls and increase the risk of fraud and error. Siloed data storage likewise impedes effective risk management and insight-led decision-making.

Another key challenge is the implementation of rigorous end-to-end controls. Without focused, routine and rigorous pre-award due diligence and robust post-award monitoring, the risk of fraud and error substantially increases.

In one example, a country's social development grant program was found to have paid out almost US\$900,000 to beneficiaries whose demographics did not meet program requirements. Part of the problem stemmed from the department operating with an outdated data system that contained many flaws and gaps, which some employees were able to exploit for fraudulent activities. Human error during data entry also likely prompted many of this program's issues.



## It is harder to administer grant funding than ever before

Given a global push toward multilateralism, an increase in public visibility and scrutiny of grant spending and heightened risk and complexity of grant programs, the burden of effective grant and relief fund management weighs heavier than ever. This translates into pressure to clearly demonstrate cost-effectiveness and value delivered, both of which require a level of insight into impact and results that is, at best, infrequently available using traditional grant mechanisms.

Part of the complexity grantors and donors face is rooted in a growing consensus that including local leaders in programs designed to impact their respective communities improves outcomes. But these people may be hard to reach and located in hard-to-

reach places, making a high-quality digital, mobile-first experience critical to program success. This emphasis on local participation also means that grantors and donors must track the journey of their funding through additional layers of sub-disbursement, making it easy to lose sight of exactly how, where and when the money is used.

The risks surrounding fraud and data leakage are likewise unprecedented: not only do grantmaking organizations and donors need to contend with designing programs that can successfully address complex challenges, but they must accomplish this in an adversarial environment, faced with the constant threat of bad actors subverting the intended aims of the program through theft of data or of the funding itself.





# How can governments and international organizations maximize the impact of grant funding?

## Core principles for successful grantmaking

Effective grant and relief funds management can streamline the financing of critical public services, such as health care, education, disaster response and public safety. In the US alone, domestic grantmaking has more than doubled in the past four decades, skyrocketing from US\$315 billion in 1980 to US\$721 billion in 2019.<sup>18</sup> Grantmaking has also been the primary relief and stabilization mechanism for many governments throughout the COVID-19 pandemic, demonstrating the utility of grant programs as a tool for addressing complex, once-in-a-generation catastrophes.



“

The more we can remove barriers to access for grant programs, the more we can improve equity of access; likewise, reducing administrative burden, both for grantors and recipients, improves overall quality of outcomes by allowing each party to focus on impact, rather than administrative tasks.

**Giacomo Giacapelli**

EY EMEA Innovation and Experience Design Principal

It is vital that grants and relief funds reach their intended recipients quickly and securely, with minimal risk, maximum impact, and complete transparency. We have identified four principles essential to effective grants and relief funds management.

Solutions should be:



These principles are outlined in further detail throughout the rest of this section.

**Designed for users**

When designing a grant or relief program with its users in mind, the concept of “users” includes all stakeholders in the funding lifecycle – grantors, independent donors, recipients, subrecipients, end beneficiaries, support staff and more. By clearly understanding and codifying the operating environment for each type of user, we can improve access to hard-to-reach people in hard-to-reach places, act quickly to address new challenges and reduce complexity and manual burden for funders and recipients.

*Improving access*

Improving access to hard-to-reach places and people is broadly acknowledged to increase the impact of a grant program. Whether a program is intended to provide emergency relief funding, offer educational opportunities, provide social support, rebuild a community after a disaster or address another kind of community need, its success can be measured by how much it helps its most vulnerable beneficiaries. Prioritizing underserved populations directly



increases community participation, thereby maximizing its allocated funding by reaching as many eligible participants as possible.

For example, when working with a US government agency to aid childcare providers during the COVID-19 pandemic, the EY team designed the grant formula and outreach strategy to help maximize equity and help make funds available to all eligible community members, regardless of familiarity with the grant process or comfort with technology.

Enabling mobile application processing and features that are not dependent on high-speed internet will also improve funds access among hard-to-reach people. Mobile accessibility features and offline application capabilities both help remove barriers that might otherwise block users in remote or under-connected areas from applying for funds: access to a mobile device and a cellular data connection instantly opens the door to participate in the grant process. Meeting applicants where they are extends program reach and maximizes the number of applicants who can participate in a grant or relief program. This accessibility encourages local ownership and participation in solving community challenges, accelerating capacity-building efforts and encouraging self-sufficiency.

### *Acting quickly*

Furthermore, our greatest global challenges do not remain static: as the world changes, a grant or relief program (and its underlying funding mechanism) needs to support quick changes and grow alongside new challenges. Recalibrating to meet the ever-changing environment is the only way for a long-term program to remain successful. New challenges could naturally arise throughout a grant program's lifecycle: application demand could suddenly increase due to changes in eligibility criteria; the situation prompting the grant funding could worsen or accelerate; funding deadlines could change, and more. For example, in an evolving situation like the COVID-19 pandemic, conditions are in a continuous state of flux. Policies change quickly, hotspots develop and demand urgent attention and relief, and public opinion shifts rapidly. Grant programs designed to address fluid challenges need to operate equally flexibly.

### *Reducing complexity*

Finally, a program's requirements, timelines, application processes and evaluation mechanisms should be transparent to applicants and comprehensible to the average user. The fewer barriers that exist between applying for funding and receiving it, the more likely that program is to

receive applications from members of its intended demographics. Potential applicants will be deterred from applying if the process is too complex or overly tedious, so governments and other funding organizations should prioritize simplifying their processes and documenting clear instructions for both recipients and administrators.

From automatic language translations to mobile device optimization, there are an array of innovations that organizations can harness to reduce a program's complexity and manual burden. Interventions to streamline the application process ideally engage users in the design and testing phases to correctly prioritize useful features, such as mobile accessibility, dynamic data entry and accessible design (e.g., colors, fonts and screen readers). Leading practices for reducing complexity and manual burden for internal users (e.g., grant program administrators) also include creating and configuring review checklists to display application materials, streamlining document inspection (which also benefits the program by adding an extra layer of data protection). Automation should also be introduced to streamline document consumption and intelligence, which helps to accurately extract data from key documents, simplifying processing and informing future actions, evaluations and opportunities for efficiency.

### **Powered by technology**

Efficient and effective management of grant and relief funds demands the help of reliable, secure technology. Using the right technology can help grantors improve quality through integrations with other systems, rapidly configure new programs, use data to improve targeting and cross-program impact, automate compliance and monitoring to focus on driving impact and quickly scale using the cloud.



To enable effective grants management, harnessing technology is no longer optional for governments and other grantmaking organizations. From seamless systems integrations to scaling through the cloud, technology capabilities are at the core of managing grants in a secure, reliable and user-friendly way.

Technology helps us shorten funding timelines, improve impact measurement and data quality, and reduce vulnerabilities and exposure to bad actors — all while reducing manual effort for both grantors and recipients. Introducing technology into the grants value chain lets stakeholders focus on making change, not filing paperwork.

### Amy Fenstermacher

EY Americas Grants and Relief Funds Management Leader

#### *Integrating across systems*

Enabling grants management systems with integration capabilities – both with third-party systems and with customer data sources – reduces user burden from the perspectives of both administrators and grantees/recipients. Integrations provide users with the ability to rely on pre-validated and consolidated information. From geo-mapping services to unemployment data to accounts payable systems, integrated data enables automated risk assessment and entity validation. System integrations reduce unique data entry in favor of relying on known data sources to provide critical information, which both improves data quality and reduces opportunities for fraud. An interconnected system can pull data from authoritative (pre-vetted) sources and integrate them into the platform, thus improving the trustworthiness of the collected data.

A government or other granting organization can use a grants management platform that comes pre-built with native integration capabilities to communicate with other sources. Open web standards enable connectivity to any source that also uses these open web standards. These sources could belong to a

third party, such as geo-mapping services that pinpoint application locations or to risk assessment and entity validation providers. Other data sources could include payroll systems or authorized vendor repositories. Granting organizations with effective integration strategies and technologies can enjoy greater confidence in the accuracy, actionability and accountability of decision-making.

#### *Using data*

Data can benefit grant and relief programs in other ways as well: a platform with robust and secure data collection capabilities can inform reporting and ultimately improve future grant targeting to increase cross-program impact. For example, geo-mapped dashboards can measure a program's equity of access and funds distribution, which can help administrators identify opportunities for program improvement. When programs publicly share success metrics and improvement opportunities, they can help future programs take the requisite actions to rectify identified inequities and distribution shortcomings.

Trusted data sources and verifiable analysis should form the backbone of grant program reporting. Performance

dashboards can provide an organization with insights into risk areas, including projected lag times, missing documentation, lack of responsiveness from inspectors and contractors, and duplicative or questionable costs. This information may enable the development of a targeted compliance framework or perhaps inform new policies and outreach materials for future use (or use by another program).

#### *Harnessing automation*

Additionally, automation-enabled application review processes help grantors balance expedient funds distribution with fraud detection and monitoring imperatives. Automating compliance and monitoring can help reduce unnecessary overhead by eliminating the need to apply blanket risk and compliance conditions to all applicants. Automatic configurations can reduce the effort required for grantees and administrators, allowing administrators to focus their attention on driving impact. While some applicants – such as businesses without formal accounting systems or entities new to the granting process – may require additional administrative support, these determinations can be more easily made on an individual grantee basis using automated processes. By improving capacity through increased automation, administrators can divert resources and attention to helping grantees requiring additional assistance.

#### *Scaling with cloud*

In answer to the recent increase in demand for grant and relief funding, operating in the cloud allows grant management teams to handle unexpected spikes in application volume. During the COVID-19 pandemic, for instance, server-hosted systems would regularly crash when inundated with unexpected user volumes (e.g., an organization is regularly running a relocation assistance program when a natural disaster hits the area, causing a rapid and dramatic influx





in applications). The ability to quickly scale – and contract when the volume is reduced – can enable organizations to support user demand fluctuations in an ever-changing environment. The cloud also allows grantors to take advantage of disaster recovery and high availability features, helping reduce the risk of data loss in an emergency. Add to these functional offerings the fact that cloud vendors typically employ scores of professionals dedicated to maintaining the security and integrity of customer data, and the cloud becomes an essential part of the grantmaking process. It adds an extra layer of protection against targeted attacks on data and program integrity.

#### **Focused on outcomes**

To optimally deliver against policy objectives, grantors must be able to make insight-led decisions throughout the lifecycle of a grant. This begins with effective program design. A clear statement of intended program impact

helps establish meaningful outcome indicators and measurements, which drive data architecture design.

#### *Driving outcomes with data*

Traditionally, data collection begins as applications or proposals for funding are submitted, leaving program participation and success to the mercy of public communication and awareness.

A more effective alternative is to use these outcome indicators to proactively target potentially eligible applicants, driving uptake in the geographic and social demographics where grant funding may be most impactful. These pre-program outreach efforts may also provide an additional benefit by helping to refine messaging, eligibility criteria and training materials based on feedback from those targeted.

Throughout grant program execution, complete, timely, accurate and integrated data enables informed and proactive decision-making. Data

visualization dashboards help monitor real-time impact and trends and can inform both operational decisions and policy decisions to improve outcomes. The operating environment for many grant programs is inherently fluid since the purpose of a grant or relief program is to effect change. Agile, data-informed decision-making is vital for the effective long-term management of grant and relief funds. This extends beyond individual programs: seeing a portfolio of programs as an integrated whole helps account for interconnected effects across multiple funding sources, program targets and recipient populations. Integration of data across a full portfolio of programs means decisions can be made holistically.

For example, we worked with a UK government department with grant programs covering a range of environmental and economic objectives, spread across multiple public agencies. We employed a value mapping approach



A relentless focus on outcomes is crucial. We must help ensure that every dollar of funding delivers maximum impact: protecting and preserving our environment, tackling humanitarian crises, and rebuilding economies and infrastructure. We can achieve this by establishing the right impact indicators, proactively targeting the right applicants, embedding a robust end-to-end approach to monitoring, and utilizing real-time integrated data to inform insight-led decision-making throughout the program lifecycle.

**Matt Wilson**

EY EMEA Grants and Relief Funds Management Leader

to define the intended departmental policy outcomes and map back to impact indicators and underpinning data sources. Through integrating data across all agencies and programs, developing multi-level data visualization dashboards and establishing a robust, central governance structure, we helped the department pivot to outcome-focused decision making.

#### *Value-added monitoring*

Grantmaking organizations should also seek to maximize the outcome of each individual grant award. This requires an effective monitoring capability with rapid feedback loops. Using remote monitoring, supported by geospatial technology and supplemented by data collected via the “Internet of Things” (e.g., drone footage or sensor readings to measure tangible improvements), can drive increased monitoring coverage, faster feedback and an improved grant recipient experience. In many instances, human points of contact will continue to be the most relevant data sources, making it important to provide recipients with the technical training to mitigate delivery risks and optimize outcomes. Regardless of the mode of monitoring, the grantmaking organization must be able to collect complete and accurate monitoring information frequently to prioritize project support requirements, escalate issues and address thematic risks while avoiding burdensome compliance-

centric exercises that do not serve the defined outcomes of the program.

#### **Ready for complexity**

Grant and relief funds programs need to be ready to address complexities as they arise. This includes managing risk and fraud through robust, AI-powered controls; building capacity with exceptional, directly experienced practitioners and tracking global trends to stay ahead of future roadblocks. Critical success factors include remaining adaptive to a changing environment, prioritizing data quality and utilizing multiple data sets.

#### *Risk mitigation*

Failing to properly mitigate fraud risk can have severe consequences on the success of grant and relief funding. Robust, AI-powered controls make it easier for administrators to identify fraud and automate the fraud detection process, freeing up resources and time for other processes that could get funds into the hands of beneficiaries that need help most. AI-powered controls lend confidence to risk mitigation efforts by introducing consistency and improving accuracy over time – minimizing the risk of human error, freeing up user and administrator bandwidth and contributing to program success. Additionally, it is essential to resource individuals with past success stories and relevant areas of expertise to work with local teams to help ensure that on-the-ground teams understand the best methods for distributing,

using and monitoring grant and relief funds. That’s important because these individuals will be responsible for building bridges with new community members and might serve as the “first face” of grant and relief funding.

#### *Trend tracking*

Finally, tracking global trends enables grantmaking organizations to more accurately forecast and plan. Understanding industry trends can help inform an effective strategy and support rapid action by planning for uncertainty and maintaining the ability to pivot based on changing conditions. When a government or funding organization can project trends for upcoming grants or funding areas likely to need support, grantors can then use cross-program data to better prepare to meet future demand. For example, during the COVID-19 pandemic, we worked with a local US government agency to distribute rental and mortgage assistance. In anticipation of future opportunities to act on perceived infrastructure gaps in the community, we asked rental assistance applicants pointed questions about household internet access that allowed us to build a map of “connectivity deserts” in the community. Later, when a law was passed releasing large tranches of funding for infrastructure improvement, we were ready with a proposed plan to meet identified needs based on data collected through our other programs.



# Summary

In an increasingly interconnected world, international organizations, private entities and sovereign governments must think differently and act collectively to address global challenges. As established mechanisms for exercising policy objectives, grants and relief funds will increase in both volume and complexity, making administration incredibly difficult. We propose four principles to characterize a successful solution for efficient and effective grants and relief funds management: 1) designed for users, 2) powered by technology, 3) focused on outcomes and 4) ready for complexity. Applied successfully, these principles will help distribute funding quickly and securely, minimize risk, provide transparency and maximize impact.



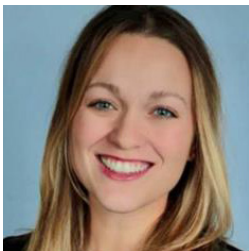
# Contributors



**Amy Fenstermacher**  
EY Americas Grants and Relief  
Funds Management Leader



**Matt Wilson**  
EY EMEA Grants and Relief  
Funds Management Leader



**Kendall Coats**  
Senior Consultant  
Government & Public Sector  
Ernst & Young LLP (US)



**Philip Barr**  
Senior Manager  
Government & Public Sector  
Ernst & Young LLP (UK)



**Sophie Sikina**  
Senior Consultant  
Government & Public Sector  
Ernst & Young LLP (US)



**Hailey Disch**  
Senior Consultant  
Government & Public Sector  
Ernst & Young LLP (US)

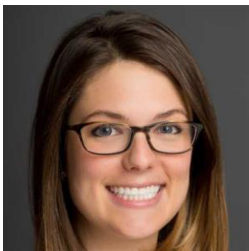


## Endnotes

- <sup>1</sup> "Economic Recovery: The Recovery and Resilience Facility," European Commission, [commission.europa.eu](https://commission.europa.eu), accessed 22 December 2022.
- <sup>2</sup> "Recovery and Resilience Scoreboard: Disbursements," European Commission, [commission.europa.eu](https://commission.europa.eu), accessed 22 December 2022.
- <sup>3</sup> "Government Grants Statistics, 2020 to 2021," Government of the United Kingdom, [gov.uk](https://gov.uk), 31 March 2022.
- <sup>4</sup> "Management's Discussion & Analysis and Financial Statement" (Financial Statements), International Development Association (IDA), [thedocs.worldbank.org](https://thedocs.worldbank.org), 30 June 2022.
- <sup>5</sup> "Financial Statements," IDA, [thedocs.worldbank.org](https://thedocs.worldbank.org), 30 June 2020.
- <sup>6</sup> "Financial Statements," IDA, [thedocs.worldbank.org](https://thedocs.worldbank.org), 30 June 2019.
- <sup>7</sup> "Board of Auditor's Reports," United Nations, [www.un.org](https://www.un.org), accessed December 22, 2022.
- <sup>8</sup> "UN Financial Statements, 2021," United Nations, [www.un.org](https://www.un.org), accessed December 22, 2022.
- <sup>9</sup> "About the Global Fund," The Global Fund to Fight AIDS, Tuberculosis and Malaria (The Global Fund), [www.theglobalfund.org](https://www.theglobalfund.org), accessed December 22, 2022.
- <sup>10</sup> "Government and Public Donors," The Global Fund, [www.theglobalfund.org](https://www.theglobalfund.org), accessed December 22, 2022.
- <sup>11</sup> "World Bank Mobilizes an Emergency Financing Package of over \$700 million for Ukraine," The World Bank, [www.worldbank.org](https://www.worldbank.org), 7 March 2022.
- <sup>12</sup> "V20 and G7 jointly launch Global Shield against Climate Risks at COP27," V20: The Vulnerable Twenty Group, [www.v-20.org](https://www.v-20.org), 14 November 2022.
- <sup>13</sup> "100 Countries Get Support in Response to COVID-19," The World Bank Group, [www.worldbank.org](https://www.worldbank.org), 19 May 2020.
- <sup>14</sup> "Financing and governing the recovery, reconstruction, and modernization of Ukraine," Dave Skidmore, David Wessel, and Elijah Asdourian, The Brookings Institution, [www.brookings.edu](https://www.brookings.edu), 3 November 2022.
- <sup>15</sup> "Ukraine Recovery and Reconstruction Needs Estimated \$349 Billion," The World Bank, [www.worldbank.org](https://www.worldbank.org), 9 September 2022.
- <sup>16</sup> "UNICEF Ethiopia Humanitarian Situation Report No. 9, September 2022," ReliefWeb, [reliefweb.int](https://reliefweb.int), 29 October 2022.
- <sup>17</sup> "Biden Administration Announces Nearly \$5 Billion in Resilience Funding to Help Communities Prepare for Extreme Weather and Climate-Related Disasters," The White House, [www.whitehouse.gov](https://www.whitehouse.gov), 9 August 2021.
- <sup>18</sup> "Federal Grants to State and Local Governments," U.S. Government Accountability Office, [www.gao.gov](https://www.gao.gov), accessed December 22, 2022.



**Tom Wainford**  
Senior Manager  
Government & Public Sector  
Ernst & Young LLP (UK)



**Elise Sidamon-Eristoff**  
Senior Consultant  
Government & Public Sector  
Ernst & Young LLP (US)



**Nora Vedder**  
Staff Consultant  
Government & Public Sector  
Ernst & Young LLP (US)

## EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

**How EY's Global Government & Public Sector can help your organization.** Around the world, governments and not-for-profit organizations are continually seeking innovative answers to complex challenges. They are striving to provide better services at lower costs and to create sustainable economic development, a safe environment, more transparency and increased accountability. EY combines private sector leading practices with an understanding of the public sector's diverse needs, focusing on building organizations' capabilities to deliver improved public services. Drawing on many years of experience, we can work with you to help strengthen your organization and achieve lasting improvements. Our Global Government & Public Sector brings together teams of highly skilled professionals from our assurance, consulting, strategy, tax and transaction services. We are inspired by a deep commitment to help you meet your goals and enhance public value, for today and tomorrow.

© 2023 EYGM Limited.  
All Rights Reserved.

Global SCORE No. 011350-22Gb1  
2212-4151401 (FSO)  
ED None

In line with EY's commitment to minimize its impact on the environment, this document has been printed on paper with a high recycled content.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

[ey.com](https://ey.com)



**EY**

Building a better  
working world

Scan QR code  
to learn more

