There are increasing calls, both internal and external, for institutional philanthropy to change its way of working. What form should this change take?

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No transformation will ever be universally adopted, nor even welcomed, by all denizens of the sector, nor will it be brought about by any sudden upheaval.

When I first took the job of Alliance features editor, my biggest anxiety was that there would not be enough copy to fill the pages of the special feature. This was quickly replaced by the fear that all the topics would blend into one, with the same preoccupations, the same remedies recurring each quarter. That is one of the reasons that I and the guest editors in this issue decided to focus more on the practical aspects of transformation – the managerial side of institutions, the vehicles that can be used to put into practice the principles at stake in making changes – than on those principles themselves. The principles are of course crucial but they have been discussed and will continue to be discussed in many forums. That said, it would be impossible and short-sighted to neglect them altogether and they find their place in the following pages either explicitly or by implication.

When the news of the storming of the Bastille which prefaced the outbreak of the French Revolution in 1789 was brought to Louis XVI at Versailles, he asked the messenger: ‘Is it a revolt?’ With a perspicacity which has never ceased to astonish historians, the messenger replied, ‘No, sire. It is a revolution.’ In a similar way, transformation seems to imply more than change, though maybe not quite a revolution. Philanthropy is not a country subject to one set of laws. No transformation will ever be universally adopted, nor even welcomed, by all denizens of the sector, nor will it be brought about by any sudden upheaval – although the pandemic clearly catalysed change in the behaviour of any number of philanthropic institutions and individuals. But change is certainly happening – or it would be more accurate to say, changes are happening. How far they will go, how widely adopted they will be and what motives lie behind them will vary and whether they can fairly be called ‘transformation’ will depend on what you mean by the term. The articles that follow can’t possibly exhaust that variety, or even indicate its extent. What they might illustrate, though, is that neither ideology, self-reflection, external pressure, nor technocratic means (foundations rethinking their due diligence, reporting requirements and operating practices) – none of these things alone will be enough to bring about the large-scale change in the sector that many want to see. We’re encouraged in this line of work to think that change is complex and we are fond of telling each other so. The means of and motives for making it turn out to be hardly less so.

INTRODUCING... Guest Editors
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We know that the work of transforming philanthropic foundations is most impactful and lasting when driven internally with strong collaboration, alignment and commitment from a foundation’s board, leadership team and staff.
Remaking institutional philanthropy to serve the purpose it needs to serve requires an honest, ‘warts-and-all’ self-assessment by those involved.

The rallying cry for philanthropy to change has been resounding and gaining momentum over the past few years. It comes from non-profit leaders, academics, the general public and, what we find most heartening, from those engaged in the philanthropic sector itself – and it is a call heard around the world. The call for transforming philanthropy often centres on giving more boldly and democratising decision-making by including more diverse and proximate participants in those decisions. Many recommend a greater focus on risk, impact and on the need to rethink our definition of evidence to include a wider array of experience. We believe this push to reform philanthropy has been constructive and has motivated the philanthropic sector, and in particular institutional philanthropy, to become more reflective in its practices and increasingly embrace new ways of working.

Our world needs active and engaged stakeholders right now working together to solve our numerous challenges, so we applaud this push for the philanthropic sector to evolve and play a more supportive role to the non-profit sector in enabling change. Many working in the professional philanthropic sector, in fact, agree with the need for change and have been actively engaged in finding innovative ways to drive it. We have, thus, in this issue of Alliance, invited colleagues involved in several exciting initiatives to share their views and experiences of how philanthropy is evolving. The efforts described in this special feature are largely being driven by the sector itself, transforming philanthropy from the inside out, which we believe is promising in terms of supporting sustainable, lasting change.

This effort to clarify and align around our principles is helping us make bolder decisions in our grantmaking.

Transforming philanthropy from within
A consistent call for action throughout this special feature is to shift more resources and decision-making power to smaller organisations proximate to the issues being addressed. We know that transforming philanthropy requires a willingness to listen to constructive feedback, reflect on internal practices, and embrace shifting power imbalances in our sector. As our colleagues shared how they are responding to this call to transform philanthropy, we noted their ideas and initiatives centred around a few consistent themes, namely:

**Collective action:** Several contributions highlight how collective action initiatives are key to driving greater impact. For example, WINGS, consisting of over 200 infrastructure organisations across nearly 60 countries, is launching a new initiative called Philanthropy’s Transformation (see p54), which will seek to curate our collective wisdom, tools, resources and ideas to encourage further reflection and drive internal transformation in organisations. Catalyst 2030, a community of over 2,000 members, including social entrepreneurs and funders in 114 countries, makes the case that in order to put a dent in the major problems we face globally, collaboration is necessary, but step one is for funders to support and fund collective action (see p40). Its global membership has drafted an NGO Call to Action Urgent Letter which calls on donors and funders to remodel their traditional practices to more effectively support grassroots organisations and sustainable social impact.

**Shifting power and resources:** A consistent call for action throughout this special feature is to shift more resources and decision-making power to smaller organisations proximate to the issues being addressed. The Girls First Fund, focused on ending child marriage, describes how it has developed an effective ‘funding plus’ model, that provides grantee partners not only with the funding appropriate to their needs, but with targeted mentoring and knowledge-sharing to grow their organisations’ capacity to end child marriages and influence positive change in the perception of gender issues at all levels (see p52). The Indian Life Skills Collective, which champions life skills for India’s young people, shares its unique model that has the potential to transform the effectiveness of philanthropy by bringing different skills and resources to bear on one problem and has funders and non-profit partners sharing governance and decision-making power in their effort (see p50). And finally, Renée Horster, a member of Resource Transformation, a group of young people dedicated to redistributing inherited wealth to movements fighting for social and ecological justice, challenges us with the idea that devolving power and giving agency to communities is important but not sufficient. We must also change the economic system that allows for wealth creation in the first place (see p56).

**Changing practices:** But the view from the other side is important, too, so we asked a number of recipient organisations what changes they have seen from their funders and how far those changes have corresponded with the changes they would like to see. Non-profit leaders are encouraged by many of the recent changing practices, but also see room for further improvement. No surprise that the increase of more flexible and unrestricted grants during Covid was welcomed by civil society organisations and the hope is this trend of more flexible funding continues. The contribution from Philanthropy Together suggests that many of these new practices that institutional philanthropy is embracing is really a return to some time-honoured traditions in philanthropy. It sees collective giving practices especially as a positive regrounding in trust-based, abundant, participatory, community-led change (see p48). Grantbook shares its recommendations for how to ensure one’s grantmaking operations are supporting one’s values and strategy by equally leveraging people, process and technology choices, iterating on them in lockstep to guarantee they are promoting partnership with grantees (see p59). And, finally, leadership in foundations needs to rethink its role in the light of these transformations: it is more about humility, listening and respect for equity. Again, change from the inside out.
From our own experiences, we know that the work of transforming philanthropic foundations is most impactful and lasting when driven internally with strong collaboration, alignment and commitment from a foundation’s board, leadership team and staff. At Echidna Giving, a private fund focused on supporting gender equality in education globally, we have recently undertaken a strategic alignment effort that refined our principles and increased our programmatic areas for grantmaking. The board of directors and staff started with updating our principles and clarifying how we expect to live them in our internal and external relationships to ensure they are the drivers of all our programmatic and operational work. Our final new Echidna Giving values are:

- We support organisations and work with them to build the field of, and to enable systemic change in, girls’ education.
- We are guided by the ideas, knowledge and expertise of those closest to the problems our grantmaking is helping to address.
- We invest in building understanding and strong relationships with our grantees, our board, and each other.
- We are comfortable taking measured risks and prioritise learning about what is and is not working and iterating to improve.
- We believe in the value of diversity, equity, and inclusion. Our work focuses on gender equity for marginalised populations, but we continuously examine our practices and approach in light of this commitment.

Finally, in our conversation with Romy Krämer, managing director of the Guerrilla Foundation, and Kavita Ramdas, previously the director of the Open Society Foundations’ Women’s Rights Program and the senior adviser to the Ford Foundation’s president, we touched on all of these themes and more as we unpacked how to support foundations from within in their transformation (see p42). We discussed how challenging it is to be voices for change within foundations and the need to have healthy, internal debates on how we approach our work that holds our own institutions more accountable for standing in solidarity with our grantees and embracing more boldly our role as foundations to be key risk capita for social change.

Above:
#TrustCreatesImpact
workshop.
This effort to clarify and align around our principles is helping us make bolder decisions in our grantmaking, seek out a wider diversity of grantees, and build stronger, long-term relationships with them. Of course, we know that our actions speak louder than our words, so the real work continues to be in ensuring we centre our approach around the trust-based philanthropic model rooted in meaningful partnership with our grantees and that we reduce bureaucratic processes wherever we can. We give flexibly and multi-year, generally require only one written report annually, instead placing the emphasis on low-stake check-ins to learn about how a grantee’s work is progressing and start our relationships with a new grantee orientation so we discuss expectations and share the best way to communicate with each other. We ask for feedback from our grantees throughout the year and, every three years, we conduct an anonymous grantee perception survey through the Center for Effective Philanthropy (CEP). Last year, in our CEP survey, our grantees described Echidna Giving staff as ‘transparent, friendly, constructive’, and ‘clear and flexible’, and see our relationship as ‘trust-based’. They also provided valuable feedback on ways to improve such as providing more ‘non-monetary’ support, which includes things like making introductions, providing advice (when asked) about strategic or organisational issues, offering referrals to other funders, etc. The key is that we are working to create an environment of open, two-way communication since we can only reach our goals through strong collaboration with our partners. Our experience at Echidna Giving has underscored that we must work from the inside out in creating an approach where our principles, strategy, processes, grants and relationships are mutually reinforcing.

At Wider Sense this transformation is demonstrated in the collaborative initiative #TrustCreatesImpact, whose backbone organisation we are. The initiative brings together more than 30 foundations from Germany and Switzerland that are exploring the road to transformation based on a set of 10 theses on how philanthropy should look in the future. This initiative covers such issues as listening, diversity and also investing ethics. The many workshops and conversations between foundation staff show again and again that this transformation is not an easy journey, but it is recognised by the network as one that will make philanthropy more reflective, more participatory, more inclusive.

We look forward to continuing to support efforts transforming the foundation, and the wider philanthropic sector. We hope you enjoy this Alliance special feature and that it inspires more initiatives to push for progress in the philanthropic sector. The time is now to be a constructive, supportive partner to the non-profit sector and to put all our available resources to work to solve today’s complex, global problems.
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How collective impact can shift funding practices

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To make a dent in the major problems we face, collaboration is necessary. But first of all, we need to get funders to support collective action.

The achievement of the UN Sustainable Development Goals (SDGs) is a distant prospect. Prior to Covid-19, estimates suggested we were already over 50 years behind the 2030 target date. The impact of the pandemic on global well-being and livelihoods pushed this estimate back another 10 years. As political tensions, conflict, and the impacts of climate change rise across the globe, the concept of a near future free from hunger, poverty and inequality seems a far cry.

Why are we so far behind? In 2014, the UN estimate of the annual funding gap for developing countries to achieve the SDGs was $2.5 trillion. This figure has since risen and, worse yet, the gap is intensified by how existing funding is allocated and deployed. Currently, the majority of funds go via international intermediaries who are detached from the communities they seek to support, rather than direct to local actors within those communities. A recent Share Trust report estimated that if we were to shift the current funding system and invest directly into local actors, international development funding would be 32 per cent more cost efficient.

In practice, this requires embracing ‘systems change’ approaches to philanthropy and development. That is, funding the root cause, not the symptom of an issue, collaborating with actors across industries and sectors, and preparing for long-term engagement with all those involved. Crucially, it means moving beyond the usual suspects (international intermediaries and INGOs) and ensuring those closest to the issue are involved in the solution. This means thinking bigger than short-term or even medium-term fixes. To draw on the development sector cliché, we need to look beyond both giving a man a fish (short term) and teaching him to fish (medium term) to thinking about the system as a whole and how we employ entrepreneurs, and NGOs who are creating solutions to the greatest challenges of our time. On the other, are the donors and funders that direct resources to support and scale these solutions. If we are to enhance the efficiency of funding (by going local), and achieve the SDGs (before 2092), it’s time to move beyond this siloed approach to development and for donors and doers to work collectively to drive impact.

So what is the first step towards collective impact? Both donors and doers need to shift their mindsets and approaches to international development. This means moving beyond project-based funding, transactional relationships, and the typical ‘us vs. them’ power imbalances. We need to understand one another as equals, as co-creators of solutions to community needs.

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better fishing practices, ensure greater nutrition for communities and sustainable livelihoods throughout the supply chain.

Working together we can realise this future. How do I know? Because we are already seeing huge developments in philanthropy in our work at Catalyst 2030. Catalyst 2030 is a community of over 2,000 social entrepreneurs, impact actors, and donors spanning 114 countries, working in collaboration to achieve impact. We are working together to shift systems in countries, regionally, and globally. We are showing that global and inclusive collaborative action is not only possible but deeply needed in our fractured and divided world, especially if we are to have any hope of achieving the UN SDGs.

Our community is paving the way to a new funding paradigm rooted in systems change, equality, and local leadership. This approach has already led our members to develop a methodology for mapping the ecosystem required to create systemic transformation; recommendations on how to embrace complexity and move towards a shared understanding of funding systems change; the creation of a Funder Self Assessment Tool to support funders to make this shift; a learning group of more than 80 donors to put these recommendations into practice; an Urgent Letter, gaining over 1,100 signatures (with 77 per cent of signatories coming from the Global South and over 30 donors), calling on funders to shift their practices; and a series of national and regional donor-led conversations to respond to the calls in the Urgent Letter.

However, with the scale of the challenge at hand – a $2.5 trillion funding gap, 32 per cent loss of funds caused by excluding local actors, and 60-year delay in achieving the SDGs – it is essential that more actors join this movement. All of us have the same vision – to create the greatest impact we can with the resources we have. With such inefficiencies in our current approach, it’s time for all of us, both donors and doers, to step back and reflect. Is our current use of resources really creating the impact we want to see? Are we listening to one another and working in true partnership towards shared goals? Are we shifting the systems that are holding a problem in place, or are we applying band-aids to their symptoms?

Donors and doers, we ask you to consider these questions, to work in partnership, and to join the movement to shift funding practices. Working together as a collective, we can create a future in which zero hunger, no poverty, and true equality are not such a far cry from reality.

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If we are to enhance the efficiency of funding (by going local), and achieve the SDGs (before 2092), it’s time to move beyond this siloed approach to development and for donors and doers to work collectively to drive impact.

Above: Catalyst 2030 members in Latin America discuss systemic change.

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$2.5 trillion

UN estimate in 2014 of the annual funding gap for developing countries to achieve SDGs – the figure has since risen.
‘Walking the talk’
Don’t just state your values – live them.
Romy Krämer of the Guerrilla Foundation and Kavita Ramdas, independent philanthropy adviser and founder of KNR Sisters Consulting who also has long experience of institutional philanthropy, discuss their views on transforming philanthropy with guest editors, Erin Ganju and Michael Alberg-Seberich.

Erin Ganju: To start, could you share a bit about your own backgrounds?
Kavita Ramdas: I began my career in philanthropy with the John D and Catherine T MacArthur Foundation, then I led the Global Fund for Women, which was a very different experience. I think all of us who work in philanthropy should first have to raise money. And then I ran the Ford Foundation office in New Delhi before I came back to the US and worked with another women’s rights organisation, Madre, and then, the Open Society Foundation. Most recently, I was CEO and president of a family foundation, from late 2021 to early 2022.

Romy Krämer: Before I started setting up the Guerrilla Foundation with the funder, Antonis Schwartz in 2016, I’d experienced philanthropy only from the perspective of a grant seeker. This gave me a healthy criticism of institutional philanthropy and the ability to not be restricted by ‘how it should be’ when building the Guerrilla Foundation as a funder for European grassroots social justice movements.

EG: What do you see as the most important ways in which foundations are being challenged to meet the moment?
KR: You don’t have to be a Marxist to understand that the accumulation of capital in the hands of a small group of people is what makes philanthropy of the kind we have today possible. For me, there was a huge contradiction from the beginning. I grew up in the Global South and my first experience of philanthropy was getting a scholarship to study in the US – on the one hand, it was inspiring that individual women would give to support other women to learn, but at the same time international students would get trotted out as examples of philanthropy. It represents the gross inequality that exists in our world. I think it’s important for those who work in this field to recognise that we’re dealing with huge contradictions. Even though I’ve done it now for a long time, there are moments when I feel like a hypocrite. At the same time, all revolutions have been funded. Gandhi was funded by Birla, an Indian industrialist. I feel we have to be more honest about the fact that we deal with these contradictions and to face them in ways that are more respectful to the people with whom we are trying to do this work to change our world into a more equal and fair place.

RK: I agree 100 per cent and I think we need to fund more revolutions. I guess the challenge for transforming the sector is, how do you not get co-opted? I see a couple of issues for grantmaking organisations apart from the obvious dissonance between investment and grantmaking strategies. First, we’re looking for a level of professionalism in grantees – which is a major challenge to money flowing into grassroots social movement organisations that are key drivers of change but receive only minuscule funding. People need resources to do that kind of work but don’t have time to construct the perfect theory of change, write lengthy reports, etc. Second, mainstream philanthropy shies away from funding learning and exploration – why are only white men in start-ups
We need to fund more revolutions. I guess the challenge for transforming the sector is, how do you not get co-opted?

allowed to ‘fail forward’? Another challenge is that funders are looking for innovation. We have so many solutions, we’re just not giving them money in a sustainable way so that people can plan over several years. Then there is the issue of programme silos that prevent intersectional movement building. Guerrilla is one of the few funders focusing on what I think are really the basics – systems change, movements, funding people and not projects. The last point is the fear of being political. Funders on the right fund right-wing politicians unabashedly, they fund disinformation campaigns, they fund radical religious groups that target LGBTQI people, that work against abortion, and they are winning. We have to implement a political strategy, too.

KR: My big learning about how differently you could fund came when I left MacArthur and moved to the Global Fund for Women. I felt it should not be a Northern-based foundation that gave money to women in the Global South, but a foundation that was really owned by the women of the Global South. It was my first experience in trust-based philanthropy. At the MacArthur Foundation, I often felt my job as a programme officer was to read proposals and find the holes in them – this theory of change is weak, they’re too small, and so on. Yet one grant application at the Global Fund was from five women in rural Peru who signed their request to start a literacy centre in their community with thumb prints. Five years later, we got a final report in which they signed their own names. You want impact evaluation? That’s it! That is so rare in private philanthropy and it used to be much more common in what we call public foundations, because they could take more risks but I think it’s much rarer there now, too.

Michael Alberg-Seberich: Do you also see positive developments, examples where there is change happening?

RK: Definitely, there is more of a structured discussion around trust-based and participatory grantmaking than when I started. When we co-started FundAction in 2017, it was one of the very few participatory funds in Europe. Now there’s much more interest – Joseph Rowntree just released their grassroots social movement fund, for example. That gives me hope, though I have to remind myself, it’s a tiny bubble and many don’t walk the talk. The more powerful narrative is that of philanthrocapitalism, of effective altruism, impact measurement and linear theories of change – I hear that a lot when I speak to people with wealth who are just getting into philanthropy. That kind of bullshit does not challenge but cements the power that these people have in deciding what the important issues are, what theory of change makes sense and where money should flow. This needs to stop.

KR: For me, Mackenzie Scott’s giving has been a bright light. The fact that the gifts have been given to groups as general support without restrictions. We on the left have really suffered from this lack of making long-term, serious investments and as you say, Romy, if you’re going to try and give people who haven’t had a voice a voice, then it’s political, you’re talking about power. What is depressing is that she’s still often the only one. Another bright spot is public foundations, particularly feminist funds, and also the fact that in Canada, the government has put money into the Equality Fund, because this distinction between governments and
philanthropy is also problematic. The reason private philanthropy has such vast resources, is because the wealthy are not sufficiently taxed.

Finally, the participatory piece of this is so important. It isn’t enough to put a few grantees on your board. I would like to see legislation, whereby if foundations are getting a tax break, they need to have 33 per cent activists and social justice leaders on their board – at least. We should not allow the Gates Foundation to get away with the situation where there were three people on their board. You would never give a grant to a non-profit organisation if there was a husband, wife and their best friend as the board members.

EG: What are some of the practical things in a foundation that you can do to drive this change?
RK: I want just to take one step back – for me, the bright light is initiatives like Resource Generation in the US, Resource Justice in the UK and Resource Transformation in the German-speaking countries (see p.56), organising people with wealth to talk about redistribution because if you have money, it’s been extracted from society. It’s important to make that clear and that discourse hardly ever happens in institutional philanthropy. Then, what you can do as someone in a funding organisation depends on its size and your position. It’s been comparatively easy for us to transform Guerrilla.¹ We started with a classic private foundation hierarchy – me, as managing director, above that the funder, and a small team. Now, we’re transforming our foundation into a participatory and collective endeavour in line with our values and political goals. We’re moving towards self-organisation, towards abolishing leadership, and we decouple wealth from power. People in our funders circle, which is a collective body that resources the Guerrilla Foundation, join knowing they do not get decision-making power. They join to redistribute, learn and to participate in other ways.

KR: In the US it’s even worse. Foundations are at least minimally regulated, but today, even really wonderful philanthropists are giving their money through LLCs which are basically private companies. There’s no accountability, no transparency, nothing. And I find it very strange that there’s all this discussion about efficient giving, measuring impact, etc, for non-profits but there’s no corresponding measurement of transparency on the other end. On the question of what you can do inside foundations, first, foundations must show more courage. In India, a foundation had made a grant to a journalist who was challenging human rights violations and promoting religious tolerance. Years later, that former grantee was being politically persecuted, but lawyers were more worried about protecting the foundation. Even the most committed foundations often fail to stand...
in solidarity with the activists they support when the going gets tough. Second, is on being more transparent with the communities we serve. At the Open Society Foundations, many of us pushed for ‘walking the talk’ more. We were asking grantees to reflect on issues of inclusion and diversity, but we were less willing to look at whether we apply the same principles that we demand of our grantees. Those are two things we can begin to do as foundation leaders that demonstrate a different approach.

RK: I recently met someone from a very big German corporate foundation who was talking about them funding systems change, so I asked him what do you fund that fundamentally challenges the basis of your existence as a foundation? He couldn’t name one project! We have to be prepared to work ourselves out of existence if we really mean what we say about changing the system. Losing our jobs is nothing compared to the risks being run by the people working for social justice.

MAS: Romy, interestingly, risk is one of the issues that goes through most of the pieces in this feature, whose risk is it and of what kind?

EG: Another common theme of the special feature is collective impact, the idea that we can do more together, but it’s difficult. Do you have examples where that has worked well or some of the core principles of working together?

KR: I think the most impressive examples of collective impact have been inside the feminist funding movement. A long time ago, the Ms Foundation for Women was looking at issues around economic power for women and for workers and it was difficult to try and persuade the relatively conservative board members at the MacArthur Foundation at the time to fund in this space. But because it was a group of funders and we were putting a relatively small amount of money into it, it gave the foundation a chance to put its toe into something that they thought was too political. If it’s done well, it can increase the tolerance for risk. I would contrast that with the early experience of the ClimateWorks Foundation, where the funders came together before working closely with climate activists, and certainly not climate justice activists. While that has changed over time, with its support for Greenpeace, a good example of collective impact would have funders and the people who are making the change jointly making decisions, as is the case with the Global Greengrants Fund, currently headed by Laura Garcia. If collectiveness is only on the side of the people with money, and does not include the people who have the expertise and who are taking the risks, it does not work.
RK: I completely agree. In 2016, we got together with a couple of other funders to set up FundAction and, being new to philanthropy, I thought that’s how we work. Only later was I disappointed to find out that it was absolutely unique for a big fund to work with a tiny organisation like mine to design a participatory fund that is now run by activists. Collective impact sees participation as a tool, not a political goal. There’s no idea of fundamentally transforming power relations in society.

KR: We are completely unwilling in progressive philanthropy to understand that all social change is deeply political change, yet the right totally gets that this is about power. So I strongly agree that we have to be willing to be much more direct, and I agree with you, Romy, that that also includes us at a personal level. If we’re not willing to challenge colonialism and sexism inside our organisations, then we’re not going to be willing to challenge it inside the sector as a whole.

MAS: What’s your key takeaway for how foundations can focus on their own internal transformation?

RK: Two thoughts: don’t make your internal transformation the only focus and forget the people that you’re actually accountable to. There is a very big funder out there that has been doing that for the last three years and I think it’s destructive, with people living three years of insecurity over whether this organisation is going to keep funding their ecosystem or not. Guerrilla completely transformed most of its processes and setup in the last year and still made more grants than the year before. It was extremely stressful but it’s our responsibility to give out that money. The other is, create organisations that live their values and their political goals and build them in their structures. Before coming to this call, I had a very difficult conversation with a team member. We have to build organisations that can hold tension and make space for people as whole humans. I respect them for who they are and believe we have to find a way to do this together and so I’m living that value.

KR: A really important takeaway is the willingness for philanthropy to be more exposed. That includes allowing people to apply for funds. The thing that drives me crazy is when funders say they don’t want to go to an event because people are going to ask them for money. Why work in this field? If you can’t find ways to be open and listen to people, you’re erecting a fence and saying: we are privileged, we will decide who we want to give money to, and nobody can ask us for money. We’ve already closed ourselves off from the people we claim we want to serve.

1 tinyurl.com/guerrillaresourcingtrial
Trends in collective giving: regrounding in our roots

A decade is changing institutional philanthropy from the outside in. Whether through a giving circle, philanthropic collaborative, giving project, or other models, this inclusive and democratic approach to philanthropy is raising questions of power, voice and agency, asking, Who is included in decision-making? How are those decisions made? What is getting funded? And because the movement of hundreds of thousands of people all around the world practising collective giving is a grassroots, decentralised force, there is constant innovation at the edges as groups push on how far this model can go.

Innovation usually involves new discoveries, but for the field of collective giving innovation means a return to the roots of the practice of communal caretaking and a recognition of the legacy and history of centuries of practice, a resurgence of a time-honoured tradition. As a global field catalyst for the collective giving movement that stands on the shoulders of this history, Philanthropy Together changes narratives, elevates strong models, and pushes boundaries to build a thriving field. From our global vantage point, here are five ways we’re seeing collective giving innovating by returning to its roots:

1 Returning to trust as the pathway to sustained impact: The Trust-Based Philanthropy Project centres trust instead of oversight and bureaucracy in philanthropic practices to push aside outdated narratives of strategic and technocratic philanthropy in favour of a people-first model. But centring trust is really a return to the oldest versions of collective giving, like Tandas, Sous Sous, Gehs, and dozens of other models around the world, because as Waymakers Collective puts it: ‘Building community comes before building community-controlled philanthropy.’ Institutional philanthropy is slowly catching onto this approach (albeit far slower than we’d hope or imagine) but collective giving groups have been early adopters and long-term practitioners of the approach. RadFund in New York City leads with trust-based giving practices ‘to challenge structural inequality and to fight for racial and economic justice’; collaborative fund Asian Venture Philanthropy Network (AVPN) gives large-scale unrestricted funding to grassroots organisations to ‘strengthen their capability within their ecosystem’.

2 Returning to an abundant vision for what it means to ‘give’: The concept of giving is still often synonymous with charitable financial contributions, but collective giving is pushing on preconceived notions of what it means to be generous. Often called the 5 Ts (treasure, time, talent, testimony and ties), those involved in collective giving are encouraged to use their unique abilities to contribute to the causes they care about. Models like Giving Projects actively teach how to become a donor organiser, and hundreds more include the 5 Ts as active parts of their mission, such as the Circle of Joy in Atlanta who ‘lead with treasure and follow with time and talent by granting to non-profits every two years’. Social Venture Partners International has 40 affiliates around the world that recognise how ‘pooling time, talent, and treasure is a critical first step to changing systems. Collectivism and collaboration must be prioritised over individualism and monolithic voices.’

3 Returning to non-rigid definitions of generosity: Collective giving as a practice can’t be put in a box – there is no single model or right way of doing it. Hundreds of groups are leading with different experimental combinations of what it looks like to give, decide and learn together. LUNAR is one such project describing itself as a ‘community building and investment vehicle for Asian-Americans to support the movement for Black and Indigenous-led liberation’. In 2021, it held a 12-week transformational learning, community-building and wealth redistribution circle and then raised $100,000 to support Black and Indigenous communities all building towards a $20 million integrated capital fund.

4 Returning agency to leaders on the frontlines: Many community-led collaborative funds are pushing the bounds of how participatory grantmaking – in which control over how money is allocated rests with frontline community leaders rather than wealthy donors or...
Collective giving is pushing the way that traditional philanthropy is approached. Just imagine the potential for creating a more just and equitable society as these concepts continue to gain momentum. If you are keen to hear more ways collective giving is pushing philanthropy forward, you can join the next virtual We Give Summit in May 2023. For details, go to: wegivesummit.org.

Above: Giving circles leaders from Community Investment Network.

The concept of giving circles – where small groups of people come together to pool gifts and make decisions on which organisations to support – is increasingly being adopted by foundation executives – can make systemic change. Collaborative funds like Emergent Fund use an Advisory Council of ‘movement leaders, visionaries, well-trusted organisers from the communities that the fund was created to serve... [because] expertise in communities and the best opportunities to help them require whole lifetimes of lived experience.’ Flow funding models like River Network’s Climate Justice Flow Fund Circle devolve leadership to ground level, giving money to ‘four Flow Funders to support Flow Fund Recipients in their communities on projects that address the impacts of climate change and promote social and water equity.’

Technology is modernising the pooling of collective gifts. There is one innovation – in the generally accepted sense – in the field: the rise of technology to support pooling of shared gifts and other fiscal sponsorship needs. Platforms like Grapevine support hundreds of giving circles in the US in pooling and distributing donations. Open Collective is a network of fiscal hosts that enable thousands of mutual aid societies and community initiatives around the world, and JustFund is innovating a common proposal and focuses on a ‘human-centred approach to grantmaking.’ These platforms support new collectives in getting started and overcoming the fiscal barriers of pooling money, so that more time can be spent building community and trust, moving money and engaging in democratic discussions.

By regrounding in trust-based, abundant, participatory, community-led change, collective giving is pushing the way that traditional philanthropy is approached. Just imagine the potential for creating a more just and equitable society as these concepts continue to gain momentum.

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Much more than the sum of its parts

Collaboration has the potential to transform the effectiveness of philanthropy by bringing different skills and resources to bear on one problem. So how do you make it work?

The past decade has seen a substantial growth in collaboratives formed to solve chronic social challenges. A Bridgespan report on philanthropic collaborations mentions over $2 billion flowing annually to collaboratives for social, economic and environmental issues. The momentum evidenced in this recent surge signals greater potential for collaboratives in the future. This growth is also seen in India and the Life Skills Collaborative (LSC) is an example. The LSC is focused on championing life skills of India’s young people. It has brought together 18 organisations (funders, not-for-profits, for-profits) and four state governments and is working to solve three key challenges in the life skills space – building a common vocabulary for life skills, developing robust, scientific and contextual assessments and capturing the voices of India’s young people on their understanding of life skills.

Our work at the Life Skills Collaborative suggests the potential for collaboratives to increase philanthropic impact in two key areas:

1. **Solving complex problems.** Collaboratives work well for problems that are large, complex and cut across sectoral, functional and geographic areas. A collaborative allows diverse skills and perspectives to come together and solve the different parts of the problem.

2. **Bringing about systemic change.** Bringing about systemic change requires conceptual frameworks to be developed or a revamp of existing methods. Building these in a collaborative allows for diverse inputs from partner organisations to be tested and applied to a far broader reach. We have seen strong buy-in from the government, as the collaborative approach adds credibility.

We have also seen that the public goods created under a collaborative have more acceptance by different stakeholders in the ecosystem as these goods are seen as an outcome of collective work and not owned by any one organisation.

If collaborative work is the way of the future, then the big question is how does one set up a successful collaborative? Our experience of building the LSC has highlighted the following as critical elements of a successful collaborative: trust and transparency among all stakeholders; shared ownership of overall objectives; effective and sufficient communication; and the need to maintain momentum. These have been made possible by ensuring a balance of power among collaborative members, a design which ensures collaborative decision-making and a strong backbone agency.

**Balance of power across stakeholders**

At LSC, both the funders and the practitioners play an equal role in driving the agenda of the collaborative. All operational and strategic decisions are made by the steering council which has equal representation from the funders and practitioners. This sharing of power has enabled trust-building within the collaborative.

Work at LSC is divided into tracks comprised of multiple organisations. The design of the deliverables involves organisations in each track and these are linked to the payment milestones. This ensures that each organisation takes ownership of all deliverables of that track. Additionally, a rotating leadership allows each practitioner organisation to lead the work of the track at some point. The senior leadership of the track-lead organisation has a seat at the steering council so membership of the steering council is also...
rotational and every organisation has the opportunity to be part of the overall decision-making for the LSC. This has facilitated ownership of all aspects of LSC’s work by each organisation. Practitioners not only take ownership of their areas of work but also for the overall success of the LSC.

Communication is key to the process. The LSC’s design facilitates constant and effective communication through track meetings, cross-track and working group sessions. The flow of information is not only top-down or bottom-up but also cross-sectional because of cross-track discussions. Working groups with members across tracks enables an environment which fosters transparency. The minutes of the steering council meetings are shared with all members of the collaborative, allowing all decisions to be available to everyone.

**Collaborative design and decision-making**

The LSC funders invested in almost a year-long effort, along with practitioner organisations, to define the scope, nature and goals of the collaborative. This ensured that both the funders and practitioners were equally invested in the final project design. This design also allowed for adaptation and modification along the way and permitted the steering council to recommend course correction, when needed, without derailing or halting the work. This flexibility allowed the practitioners to innovate.

**A strong backbone agency**

In a collaborative, the backbone agency plays the role of an executive, facilitator, negotiator and ecosystem builder. It is really the secret sauce. In LSC, the backbone agency ensures that there is clarity of roles for each organisation, establishes and maintains the structure that allows transparency and trust and keeps the cadence of the steering council rotation to enable ownership building. It is part of all key track, cross-track and working group meetings allowing it to keep the focus on the process as much as the outcome. Visibility of the process maintains alignment among the decision-makers by demonstrating how the outcomes are being achieved. Finally – and crucially – it keeps the momentum going by making sure that each deliverable achieved is celebrated with all members.

All indicators show that the future of social impact is collaborative-driven. If we take away any lessons from life skills, it is that collaboration is a key life skill and that we all need to learn and institutionalise collaborative working.

“Collaboratives work well for problems that are large, complex and cut across sectoral, functional and geographic areas.”

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**Above:** A collaborative workshop with government and LSC experts in Mizoram state, India.

**Left:** Roundtable discussion at the 2022 India Life Skills Summit, New Delhi.
Girls First Fund (GFF) and our partners are already proving that these shifts are not just possible; they are more effective. Created as a donor collaborative in 2018, GFF aims to radically expand resources to underfunded national and community-based organisations. To date, we have redistributed nearly $15 million to 177 grantee partners in six countries. Using a funding plus model, we provide our grantee partners with core, flexible and long-term financial resources alongside targeted mentoring and knowledge sharing to grow their organisations’ capacity to end child marriages and influence positive change at the individual, community and policy levels.

This has required courageous leadership from our donors, team and partners to challenge the prevalent perception that directly moving money to local organisations and groups is risky because they lack financial and operational capacity. On the contrary, our experience has justified our faith in our partners’ abilities to catalyse important shifts towards localisation. Our portfolio increasingly connects small grassroots organisations with national-level organisations who are working on legislation and structural changes, so that they can leverage each other’s strengths. Our strategic partnership with Girls Not Brides further increases the networks of our partners, contributing to stronger national movements. The change that this model creates locally is an invaluable contribution to the ecosystem and ongoing efforts to end child marriage.

More than one click of the fingers
Our decision to provide multi-year grants to our partners is rooted in the knowledge that change takes time, especially where social norms are concerned. This has meant providing core and flexible funding for structural and other organisational development needs that are not often considered for such organisations, enabling them to develop creative strategies.

Donors can make a difference on key issues by providing local organisations with the direct support they need

‘Everything came early in her life... other than happiness. Stop child marriage now.’

Rishikesh, Nepal (December 2022).

What happens when community-based organisations are directly supported to end child marriages, centre the needs of girls like Rishikesh, and ensure that they enjoy a happy childhood?

There are increasing calls in philanthropy for better funding of social justice work and trusting communities to create and drive their own solutions. We at the Girls First Fund (GFF) and our partners are already proving that these shifts are not just possible; they are more effective.

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One of these partners is the Association des Blogueurs pour une Citoyenneté Active – ABCA (the Association of Bloggers for Active Citizenship) based in Niger. The group uses creative approaches and digital tools to raise awareness on issues of gender equality and women’s empowerment.

Samira Sabou, president of ABCA reflects: ‘No-one can change religious and traditional beliefs and practices with one
click of the fingers or with short-term projects. Only a long-term vision can allow us to evaluate the changes in this regard. Therefore, the Girls First Fund model of multi-year funding is exceptional. Their support and funding model have contributed to the growth of ABCA in many ways including increased visibility and support for consistent actions in our various intervention areas.

Sabou highlights an example of the innovative strategies ABCA uses to work around the resistance they often face. In Niger, young people only had access to religious and cultural teachings on issues around sexual and reproductive health, including child marriage. The government, she says, had tried to include sexual and reproductive health education in the school system, but this was met with strong resistance from Islamic groups: ‘At ABCA, we decided to include this education in our e-campaigns and sensitisation activities, working in partnership with the relevant government ministries and other stakeholders. We are influencing real transformations in the beliefs and behaviours of communities through these efforts,’ she says.

Towards gender transformation
Through our funding model, organisations like ABCA and our other partners in Nepal, Niger, Democratic Republic of Congo, Uganda, Dominican Republic and India are confidently supporting girls, enhancing their skills and moving the needle towards gender transformation. Where previously, girls have been seen as victims of child marriage and other forms of gender-based violence, our partners are supporting girls in their communities to position themselves to lead critical changes in social norms for their own protection. Adolescent girls are now working closely with key partners including their parents, religious and traditional leaders, healthcare providers, judicial actors, and governments to effect and sustain change. In 2023, we will expand this support to Guinea Conakry and Guatemala.

At the Girls First Fund, we are fuelled by the changes our partners are already reporting from their communities in many different areas including access to quality education in and out of school; economic empowerment and livelihoods development; girls’ leadership and advocacy; access to SRHR information and services; engaging families, men, and boys; and the use of digital and mass media for public outreach.

For girls like Rishikesh and with partners like ABCA, the Girls First Fund will continue to localise grantmaking methods and demonstrate that funding practices can be different. When we trust communities as the experts of their own circumstances and the solutions they require, we begin to equalise relationships between funders and their partners, relinquishing power back to communities where they can begin to build a world where happiness comes early for every girl.

Above left: GFF activity in Nepal.
Philanthropy at the crossroads

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The truth of philanthropy’s intentions is contained in actions, not words

From the pandemic to nuclear and technological threat, inequality and climate change, we are confronted with a polycrisis, many elements of which are rooted in our predominant economic and social models, which poses an existential threat to humanity.

What does this mean for philanthropy? Some might say, nothing. Challenges evolve, new ones appear, and philanthropic actors are doing their work on what is of interest to them in the best way they can. But can we practise the love of humanity – the original meaning of philanthropy – and ignore the existential threats it is facing? We believe not. This does not mean all philanthropic actors should follow the same agenda and priorities. Philanthropy has and should have as many forms as there are philanthropic actors. But given the present moment, we believe that all of them, regardless of their size and mission, should urgently revisit their ways of working. Each of us should ask ourselves how we can contribute to bringing about the kind of transformation the world needs to overcome the threats we are grappling with.

For some, it may be through a new way to trust the communities they support, for others it may be by making sure the schools they build are climate-friendly and contribute to the local economy, for others still it may be through a better alignment of their investments with their social mission. In all cases, it is about understanding that to transform our world we need to transform ourselves and look inwards. Many are already reflecting and acting, and we can learn from them.

Some of the questions we can ask ourselves on this journey include: are we paying enough attention to cross-cutting issues such as climate and equity; are we using all our assets – financial and non-financial – to make the difference we want around us; are we consistent in our mission and values across all dimensions – governance, management, relationships, influence, investments, and the way we produce wealth in the first place; are we using all the means that can increase our effectiveness; are we contributing to developing new models that lay the
foundations for a more resilient and sustainable future?

As a network of close to 200 changemakers and philanthropy developers across nearly 60 countries, WINGS has decided to start a new initiative called Philanthropy’s Transformation to encourage our field to engage in such reflections and access the existing resources and ideas within the philanthropy sector that can guide donors across the spectrum of philanthropy towards transformation. We have immense power in our hands which we must use to ensure that we not only achieve our individual goals today but that we remain able to achieve our missions tomorrow. To further these aims, we established an advisory group of prominent philanthropy practitioners including academic centres such as the Stanford Center on Philanthropy and Civil Society (PACS), individual philanthropists from emerging economies and leaders of key global players such as Giving Tuesday. We’ve also commissioned research and analysis that will lead to the design of a set of recommendations about key principles and actions for philanthropy’s transformation. The high-level principles guiding the work are to act as an enabler of others, to align our assets and to integrate the big global issues threatening humanity into our work.

We will also create an online community of practice that will harness our collective intelligence by curating best practices, ideas, reflections and research from across the sector and that will encourage capacity-building, collaboration and support.

Thus far, initial desk research has been completed, a diverse team has been established and has had several online meetings, several principles have been defined, a partnership has been established with the Centre for Strategic Philanthropy at Cambridge University and there’s been a launch of the project with WINGS members and case collection has started.

Historically, we’ve seen how groups of very different approaches and objectives have been able to unite at times of great adversity. Can we imagine a coming together of the field, in all its diversity, beyond partisanship, under the common banner of transformation? What is at stake is no less than our common future. The #PhilanthropyForClimate movement that aims at engaging our broader sector in climate action and which already has more than 600 signatories around the world, many of whom are non-climate funders, is proof that we can come together and transcend our individual missions and take action. And this is because acting on the climate emergency is a condition for all the rest of our philanthropic work to continue.

Our hope is that we can show that our field has started the journey and prove wrong those who think that philanthropy is merely effective at maintaining the status quo.

Networks and support organisations that WINGS brings together have a crucial role to play, not only by continuing to serve donors in their work but by leading and influencing our field and the norms that shape it. This is our greatest hope: that we harness, amplify and extend the progress philanthropy is making towards building a new future in which people and the planet thrive. One in which our love of humanity remains of the highest value.

Above: ‘Philanthropy’s Role in Realising the Localisation Agenda’, run as a side event at the UN General Assembly.
Left: WINGS delegation at the 2022 Effective Development Co-operation Summit, Geneva.
Importantly, I am not doing this alone. I am part of a movement of young people across the US, Canada, the UK and mainland Europe, who believe that they unjustly have access to wealth and are ready to do something about it. The group I am part of is called Resource Transformation and was founded in 2020 by and for people in German-speaking Europe, following the example of Resource Generation in the US. We educate ourselves on wealth inequality, engage in critical reflection on class privilege and encourage and support each other in boldly redistributing wealth to movements fighting for social and ecological justice.

Resource Transformation members redistribute wealth following certain principles: give to grassroots groups that are led by those most affected; make long-term commitments; give to regranters with participatory decision-making processes. All of this matters and all of this has been said before.

At Resource Transformation, we do not want to stop there. We want to be a part of changing the conditions that enable us to redistribute in the first place. We believe in a future in which land, power and wealth is shared equitably. As people with access to wealth, we are not best positioned to say when that is the case. Privilege also brings with it limitations in perception, knowledge gaps and lack of experience. The decisions about how resources are shared need to be made collectively, with those that are most directly harmed by unjust distribution at the centre of the process. The result of the decisions can look like government reparations to countries that have been harmed under colonial rule. It can also look like progressive wealth and inheritance taxes, maximum salaries and collective or public ownership. Essentially, it would look like a world in which everyone has access to the resources they need for a good and dignified life. Our role as people with
access to wealth is to engage with the movements and communities imagining and working towards these visions from a place of experiential knowledge and support them in whatever way we can.

The importance of centring those most affected is becoming more readily accepted in philanthropic discourse, yet time and time again, I hear from grassroots activists that funding patterns have not changed and that there is still a painful power imbalance between funders and movements. It seems like philanthropists are not yet fully committed to transformation and most changes remain on the surface. What I have learned from being in community with other young people navigating the complicated feelings of giving money and power away and dreaming of a more equitable world, is this: to collectively change the economic system, we need to be open to personally change in the process. We need to not only be ready to move money, but to redefine our relationship to the wealth we have access to and to what it represents. It means letting go of aspects of our class status, investigating the implications of our lifestyle and consumption patterns, making choices about how we relate to our birth and chosen families and honestly consider what work we find meaningful and how we want to show up in our communities.

Transformation happens both collectively and individually. For an unjust capitalist system to be changed on a societal level, we need to be open to changing our relationship to capitalism on a personal level. As social activist and philosopher Grace Lee Boggs put it: ‘We have to change ourselves in order to change the world.’

At Resource Transformation, one way this personal transformation shows up is in facing the harm that was done in extracting the wealth we now have access to. We trace back the history of where the money came from. We shine a light on the moments in our money stories where people worked under dehumanising conditions or where natural resources were depleted and communities displaced. We look at what was disrespected, hurt and lost in the process. This requires letting go of the story we were told about where we come from or, in some cases, the ignorance we chose, because we suspected that the truth might be too painful. Often it is an experience that brings up discomfort, disillusionment and grief. Edgar Villanueva ends his book Decolonizing Wealth with seven steps on How to Heal. This is the first step. If we try to jump ahead without taking the first step, transformation will become very difficult.

We believe it is important that our money stories are told honestly. In wealthy circles, which includes philanthropic circles, wealth creation is too often regarded as the success story of one ingenious, business-minded individual, leaving out the patriarchal, white-supremacist, capitalist structures that enabled it. By not telling the full story, we reproduce these structures. We exclude those whose ancestors had a different experience of the story, to whom our money story has been a story of marginalisation, enslavement, oppression or forced migration. The unwillingness to look at the full picture compromises our ability to be truly transformative. When we are honest and are willing to grieve, another conversation becomes possible.

In the context of philanthropic institutions, grief can show up in similar
but different ways. Maybe it means becoming transparent about the money story of a cherished funder and acknowledging it publicly. Maybe it means giving up the role of an expert or leader by handing over decision-making power to grassroots activists. Maybe it means coming to terms with the reality that a foundation has been set up primarily to avoid taxes and entering the unfamiliar discourse around tax justice to engage in repair. Maybe it means facing the eventual loss of a beloved workplace, as the organisation decides to spend down an endowment. None of this is easy. In fact, it will take a huge amount of effort and willpower. And it will only be possible in community, in close relationship with grassroots movements and with a strong connection to an inspiring vision of collective liberation. But it has the potential to free up our creative resources and enable us to collectively use them to build a new, radically different and more just kind of philanthropy.

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Alliance

Alliance magazine is conducting an equity, diversity, and inclusion audit this year, in partnership with expert organisation Impact Culture.

We want to better understand how to:

• Be the most inclusive platform possible
• Provide a space for a diverse range of voices
• Identify current barriers to inclusion

Our research will be done through surveys, focus groups, and workshops, and we will share key findings later in the year.

For more, go to: tinyurl.com/allianceaudit
Transformation: no digital silver bullet

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The magic lies with your changemakers, not your technology

Foundations around the world are abandoning stagnant legacy systems in favour of trust-based approaches. What’s more, many are foregrounding the experience of changemakers (the grantees actually executing the impact goals) when making concrete operational choices — going beyond lofty vision statements. Whether they are leading with trust or leaning into Changemaker Experience (CX), these are shifts to truly transformational philanthropy: an approach aimed at dismantling the very systems that gave rise to many wicked global problems (including the system in which philanthropy exists) which is heartening to say the least.

Over our decade serving foundations, Grantbook has witnessed grantmakers of all sizes move through the somewhat predictable phases of grantmaking maturity – emergent, efficient, effective, empathic – and ultimately into truly transformational work that is empowering and equitable, rooted in a model of partnership as opposed to patronage.

‘There is not enough grant money anywhere to solve the world’s problems... We focus on the “how” because that’s where system-change lives,’ says Maya Winkelstein, advisory board chair of Open Road Alliance. We agree. So often change gets stuck in bold vision and strategy statements. The hard, painstaking work of drawing that strategy down through the myriad people, process and technology choices is where intention comes fully to life, and where real transformation begins.

Grantbook’s own journey into maturity as an organisation mirrors that of many of the foundations we serve. In our early years, our projects and teams were focused on helping foundations become more effective and efficient (largely through the selection and configuration of their technology). As we gained more and more knowledge in the sector, we widened our focus, realising that we could not truly help foundations fulfil their goals if we weren’t also helping them improve their grantmaking through process and people choices. Technology decisions cannot live in a vacuum. More often than not, what appears to be a technology issue is actually masking a process or role gap. For example, an extensive and complex application process that aims to ask every conceivable question can become a barrier to frustrated (and busy) changemakers. Simplifying the application by gathering alignment from team members on key questions can solve this ‘tech’ issue with an improved process. The diverse work we do with our clients means we stay open to solutions in multiple arenas without over-indexing on the power of technology. While the tech vendors in the philanthropy sector may be innovating the technology itself and while there are several examples of creative uses of available technology tools, a foundation’s digital strategy is typically not the place where more innovation is required. Let innovation be the purview of your changemakers while you double down on aligning your technology more powerfully with your purpose.

For technology to support innovative and transformational approaches in grantmaking organisations, we recommend the following:

Ensure your technology is supporting your values and intentions, not actively thwarting them. Audit your operational procedures and technology choices to identify how they may be obstructing innovation.

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The path to maturity

**Transactional**

Emerging  Efficient  Effective  Empathic  Empowering/Equitable

**Transformational**

Source: Grantbook

(or negating) your strategy and values. A thorough tech audit is what led a progressive, relatively young European foundation to realise that, despite a very progressive theory of change and a true desire to enact systems change for youth, its own grantmaking procedures and tech systems were actually holding it back. Over time, it had developed a complex application review and approval process, while simultaneously building out technology infrastructure that had little integration. Attempting to reconcile the complex grantmaking process and disconnected digital tools pulled the team’s attention and energy away from the relational work with their grantee partners, ultimately leading to decreased efficiency and overworked staff who felt more and more removed from their core purpose and values. One way to solve this problem is by creating a dedicated IT governance committee, consisting of both IT and grantmaking team members, to curate technology choices based on strategic and operational goals. This avoids the pitfalls of choosing technology in a haphazard, non-intentional way, while engaging the right people in decision-making.

**Commit to the journey – it won’t happen overnight.** Changing the practices, processes and tools that have formed the bedrock of how you operate is hard, unglamorous work, but it’s where authenticity and commitment to real change happens. While an ongoing practice of improvement is ideal, many organisations find themselves with practices that have gone unexamined for years. A large American foundation found itself in this situation and made the commitment of time and resources to prioritise grantee partners as well as improving internal processes and trust-building. Over a three-year period, it was able to bust pervasive myths, harness momentum to change policies, and implement these changes to its processes, technology and training so they would become ingrained in day-to-day work. As a result of lower approval thresholds, rolling approvals and a rapid response process it can now approve grants faster, it has reduced the burden of grant proposals with streamlined questions including for renewals, and has shifted in many grants from written reporting to a relational, check-in-based approach.

Wherever possible, build your systems and processes around the changemakers you serve. Foregrounding their needs ensures you are devoting maximum resources towards impact goals, which will then have a powerful prioritising and aligning influence on the rest of your operational choices. Starting with your impact goals and the stakeholders who will deliver on your theory of change will allow you to elevate the experience of your digital ecosystem. When working with The Northpine Foundation, for example, a very young but highly agile foundation based out of Toronto, we uncovered a need for a more grantee-centred process that put its changemakers in the foreground. Through service blueprinting, a powerful tool for grounding a grantmaker’s work in the changemaker experience, and interviews with impact managers – some of whom represent community members with direct experience – we designed a lean grantmaking process. To operationalise this more streamlined and grantee-friendly process, we co-created a standard set of questions to help those impact managers make decisions at each phase of this process.

The above examples of how foundations of different ages and sizes are operationalising innovative approaches highlight the importance of clarifying your strategy, people and process choices prior to your technology needs. So often we fall into the trap of over-indexing on technology, imbuing it with magical powers or hoping it will be the silver bullet that addresses all the messiness and complexity that often underscores our work. The goal, when examining whether your grantmaking operations are supporting or thwarting your values and strategy, is to ensure that you are equally leveraging your people, process and technology choices, iterating on them in lockstep to guarantee they are promoting partnership with grantees.

So, in 2023, take a step back, audit your operational choices and ask: ‘Is this role, process or system empowering or impoverishing the changemakers you are seeking to uplift?’

The path to maturity

**Transactional**

Emerging  Efficient  Effective  Empathic  Empowering/Equitable

**Transformational**

Source: Grantbook
Pressure has been growing on philanthropy to change its practices. We asked a number of recipient organisations what changes they have seen from their funders, how far such changes have gone and what they would like to see in the future.

Christoph Schmitz of Acker eV notes ‘a big interest in genuine partnerships, not only between non-profits and foundations, but between individual foundations themselves.’ As Dr Denise Raquel Dunning, founder and executive director of Rise Up, a global organisation advancing gender equity observes: ‘At Rise Up, we have experienced first-hand how funders are not just providing financial support – they are actual allies in the work we do to advance gender equity in the US and around the world.’

Atti Worku and Katie Bunten-Wamaru of the African Visionary Fund (AV Fund) have observed ‘a marked increase in the diversity of speakers at large, previously impenetrable, philanthropy conferences and meetings – more people of colour, more Global South leaders, and more varied forms of expertise being highlighted.’ However, they also add that ‘increased visibility does not automatically mean increased power’. One of the problems they highlight in this regard is what they call the ‘tension between a foundation’s desire to partner with an institution like ours, and the level of control they or their board are willing to give up.’

A ‘yes-and’ approach
The most positive development they see is funders taking what they call a ‘yes-and’ approach... “yes”, we will move money through proximate intermediaries, “and” we will leverage those networks to find and directly fund African-led organisations.’ These are the funders they see as making ‘the most progress towards equity in their giving’.

Many NPOs were able to offer specific instances of exemplary funder practices from their work. Andrew Youn of One Acre Fund, which works with smallholder farmers in sub-Saharan Africa, held up the Audacious Project which ‘looks for
like that. Preparing a presentation, juggling meeting times with everyone and taking the time to sit down together sometimes is no small feat. Preparing a reduced, written report might take less time.

Of course, Covid-19 played a big part in either suggesting or enforcing changes in philanthropic practice. ‘During the pandemic,’ says Dr Murali, ‘many donors and foundations proactively removed all restrictions on their donations, leaving it up to Room to Read to decide how to best leverage the gift.’ This was particularly valuable for an educational organisation, which had to adapt quickly to school closures. It enabled the option to create, for example, ‘educational content for public radio and television, and deliver learning kits to students’ homes,’ recalls Dr Murali.

The pandemic also produced other innovative approaches. Youn says that one such approach was what he calls ‘surge grants’, grants designed to meet ‘very specific, time-bound programme opportunities… in my genuine opinion, these often present out-sized impact opportunities: for example, we recently had a donor surge to support a promising but risky growth phase for our farmer climate change adaptation strategy.’

Other causes have also contributed to these changes. Worku and Bunten-Wamaru believe that the resurgence of successful organisations that are approaching key inflection moments, and help to fund a transformative new growth strategy. In our case, their support enabled us to grow 6x over five years to serve 1.2 million farm families per year.’ Schmitz praises the Weniger-ist-mehr project, a joint initiative of 30 foundation professionals in Germany and Switzerland, which is focusing on the reduction of bureaucracy in grantmaking.

Dr Geetha Murali of international educational non-profit, Room to Read, has also seen the growth of multi-year commitments: ‘The London Stock Exchange Group recently made a three-year donation of more than $900,000 to support our work across India, Sri Lanka and the Philippines,’ while Warburg Pincus invested $1.2 million over three years. She argues: ‘These longer-term investments are especially beneficial when we are looking to scale our programmes or expand into a new region.’

Flexible reporting
‘Small to medium-sized private foundations are especially demonstrating more openness to trust-based philanthropy principles like providing unrestricted funding and becoming more flexible on reporting requirements,’ say Worku and Bunten-Wamaru. There is one reservation here, noted by Schmitz. Acker eV is in discussion with a funder about replacing the written annual report with a semi-annual meeting. However, Schmitz adds: ‘It also takes time and effort to prepare for a progress meeting of the global Black Lives Matter movement ‘illuminated the blindspots that philanthropy has when it comes to systemic racial inequity and catalysed an effort to remedy the donor community’s role in injustice. There are things considered unacceptable now, that would have been completely typical and common five years ago.’

While Dr Murali acknowledges that the pandemic was the trigger for many changes, donors have ‘recognised that this type of flexibility empowers organisations to have a greater impact as needs fluctuate – and they always do’. She concludes: ‘The shift in attitudes on the part of funders extends beyond that,’ and she notes ‘a broader understanding of social change as a collective responsibility. This has given rise to more innovative cross-sectoral approaches to addressing societal needs such as ‘ESG frameworks, B Corps and social impact bonds’. Others see new blood changing practices. Schmitz notes ‘a new generation of philanthropists, that are doing things differently… and they look towards project horizons that encompass a longer period than just the next one or two years. While Covid forced a new flexible way of working’, Youn believes it’s this new generation of philanthropists ‘who are less tied to conventional norms that are creating the most innovation.’ Dr Murali also sees that ‘younger generations… are developing a strong sense of social consciousness early and are looking to engage with causes earlier in their lives, leading to larger gifts during wealth transfers and longer giving trajectories that are more focused on specific missions.’

Younger generations... are developing a strong sense of social consciousness early and are looking to engage with causes earlier in their lives, leading to larger gifts during wealth transfers and longer giving trajectories that are more focused on specific missions.
Think big, not small!
So what do NPOs take from this and other experiences about the best way for funders to support their mission?

For Worku and Bunten-Wamaru, ‘first and foremost, giving unrestricted funding... Unrestricted funding is how the philanthropic community can create a more balanced power dynamic and foster partnerships that acknowledge proximate partners as experts in the field.’ In addition, Schmitz believes ‘it would help if projects wouldn’t have to be “new and innovative” to be interesting for foundations. If organisations are interested in changing the system, rather than funding one “new” project after another, that does help a lot.’

‘Add a zero,’ urges Youn. ‘If a foundation has a few outstanding organisations, I would encourage them to think about what it would look like to do a 10x larger annual donation over a multi-year period, working together with the organisation to understand their expanded vision. We should be encouraging our social change leaders to think big, not small!’

Dr Dunning echoes many in the sector in hoping the trend of fewer restrictions will continue. She expects to see ‘more foundations and wealthy individuals following in MacKenzie Scott’s footsteps by prioritising larger grants, increasing flexibility, and reducing constraints.’ Rise Up received a generous no-strings gift from Scott which proved a ‘game changer’, allowing the organisation ‘the freedom, resources, and trust to take bold action and put more money into the hands of local leaders and organisations.’

Schmitz is more cautious about the speed and degree of change: ‘It is not like the entire sector suddenly turns around 180 degrees; the sector itself still changes incrementally.’

Despite seeing 2020 as ‘a major turning point for democratising philanthropy’, Worku and Bunten-Wamaru foresee what they call the ‘traditional’ pattern of grantmaking continuing for two main reasons: ‘First, while social enterprises are gaining more mainstream appeal, traditional, community-rooted organisations that do not fit an enterprise model still need support to continue making real, lasting impact. Secondly, foundations and private philanthropy organisations still continue to store financial assets in the form of endowments and DAFs, which still operate in a traditional model of disbursing a small percentage of funds for charitable purposes as opposed to investing in impact development bonds, loans or transformative giving.’

Tradition is not always a bad thing. In Youn’s words, ‘core transformative growth in social change can often be nourished the most effectively through straight grants.’ The big question for NPOs is, what conditions do they come with?

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Above left: Katie Bunten-Wamaru and Atti Worku.
Above right: Geetha Murali.