

Cambridge Judge Business School
Centre for Strategic Philanthropy

PHILANTHROPY AND COVID-19: IS THE NORTH- SOUTH POWER BALANCE FINALLY SHIFTING?

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Centre for
**Strategic
Philanthropy**



**UNIVERSITY OF
CAMBRIDGE**
Judge Business School

The Centre for Strategic Philanthropy (CSP) at University of Cambridge Judge Business School believes that change-makers from global growth markets are vital providers of solutions to societal and environmental problems, supporting global development. Consequently, the CSP aims to inform, cultivate and catalyse strategic philanthropy in and from these markets and encourage collaboration between international and local impact-orientated initiatives. The Centre is designed as a global convening body that can research philanthropy, encourage practitioner voice and disseminate best practice in three specific growth markets: the Middle East, Africa and South East Asia.

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The Centre for Strategic Philanthropy (CSP) at University of Cambridge Judge Business School believes that change-makers from global growth markets are vital providers of solutions to societal and environmental problems, supporting global development. Consequently, the CSP aims to inform, cultivate and catalyse strategic philanthropy in and from these markets and encourage collaboration between international and local impact-orientated initiatives. The Centre is designed as a global convening body that can research philanthropy, encourage practitioner voice and disseminate best practice in three specific growth markets: the Middle East, Africa and South East Asia.

This report – the Centre’s first – views the COVID-19 pandemic as an opportunity to assess the current state of emerging market philanthropy, identify future opportunities and challenges and provide a manifesto that can inform and improve its impact. The timing was challenging but provided a unique opportunity: our research began just as the world went into lockdown and given the gravity of the crisis and the huge potential of philanthropy to play an important role in addressing it¹, we were uniquely poised to generate insights into how COVID-19 had shaken up the sector. While this report is preliminary and qualitative, it provides important insights into fundamental issues and trends that can help inform the Centre’s longer-term research and education agenda.

Put simply, the crisis has provided a real-time ‘natural experiment’ laboratory for assessing some of the challenges facing the philanthropic community. The insights drawn from the interviews and data in this report suggest that coronavirus – for all its temporal and lasting pain – is a crisis that the philanthropic world should and must draw lessons from. While many of the issues identified in the report are not new, the scale of the crisis highlights that society has little time to waste in extracting the most from the dedication and capital that philanthropists are willing to invest in solving some of the world’s most challenging problems. The pandemic could thus be a catalyst for positioning philanthropy to respond even more effectively to the next unpredictable but not unforeseeable crisis.

In a recent [video interview](#) with the Centre’s founding patron, Badr Jafar, the co-founder of the Bill & Melinda Gates Foundation, Bill Gates, said: *“Given the scale and urgency of the pandemic, I think COVID will have a profound impact in several ways. For one, I think we’ll see philanthropists engaging in more active collaboration, not only with businesses and government but also with each other.”* This new report finds evidence that this is already occurring in the Global South, which is very promising.

We believe that our newly created Centre and its many supporters around the world can embark collectively on a journey of researching, understanding and promoting philanthropy in emerging markets that is focused, effective and impactful. This report is the first of many to come from the Centre on various topics. Over time, we hope to inspire others to fill the many institutional voids that exist in emerging market philanthropy and use the enormous potential of an inevitable inter-generational wealth transfer for maximum impact.

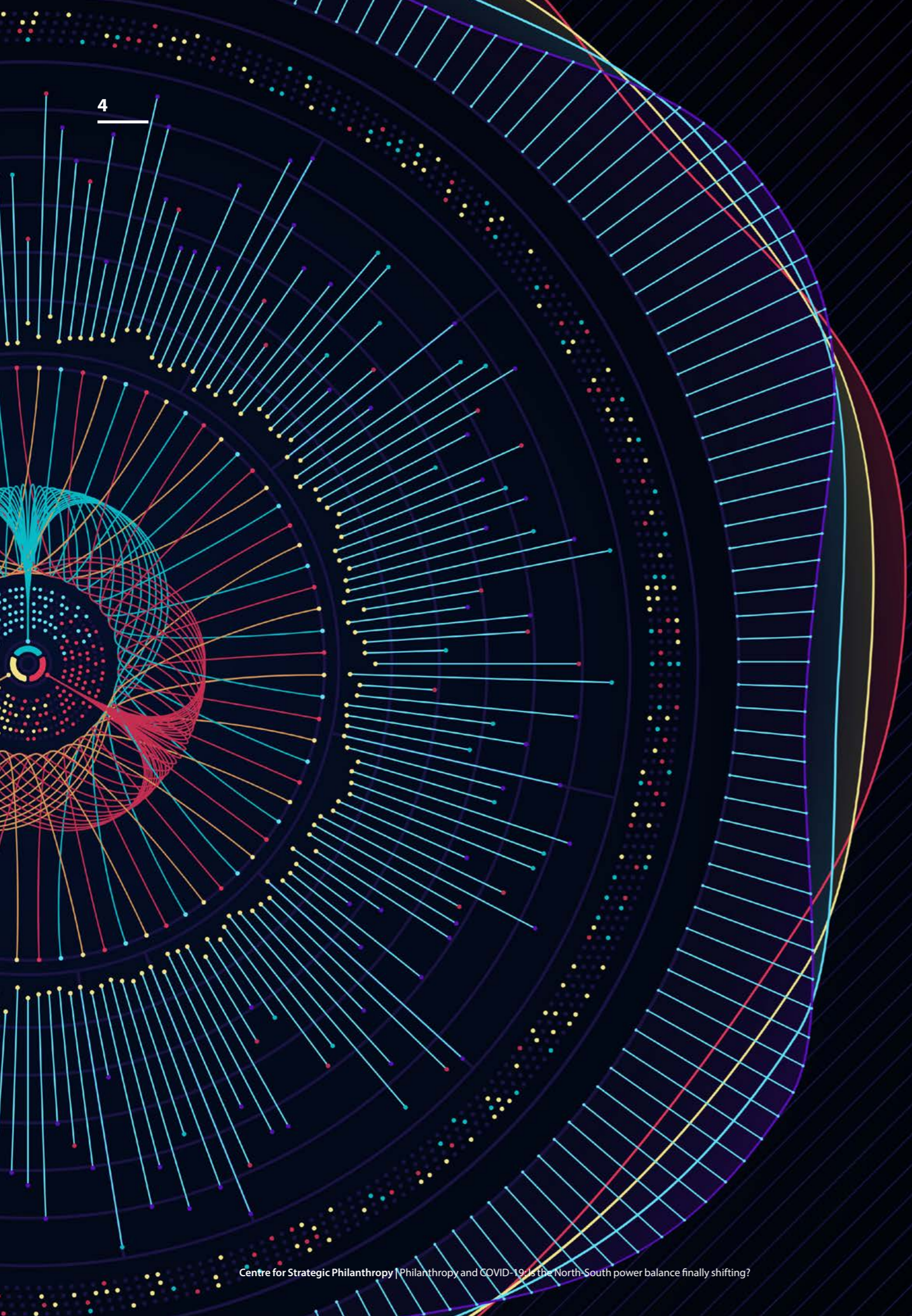
The time is ripe for a radical rethink of Global South philanthropy, not only in getting resources to where they are most needed locally but also in contributing to the UN’s Sustainable Development Goals (SDGs). We hope that this report will trigger an important debate about how delivery on the SDGs could be accelerated if philanthropic capital were systematically pooled to this effect. The challenge of the COVID-19 pandemic has further exacerbated the climate crisis and all global socio-economic development challenges from poverty to income disparity to sustainable growth. Time is of the essence. We hope that practitioners and grant makers² alike will take some inspiration from this report and help us work collectively and more effectively on our mission of improving the impact of philanthropy from growth markets. In turn, we hope this will help contribute to building a better, more prosperous and more sustainable future for all those that live in the world’s developing countries.



Kamal Munir | Academic Director
Centre for Strategic Philanthropy



Clare Woodcraft | Executive Director
Centre for Strategic Philanthropy



A graphic representation of Big Data

Noting preliminary lessons from how coronavirus has affected the philanthropic response to big societal issues, this report calls for three major steps to incorporate these learnings into the long-term approach of philanthropy to the grand challenges facing the Global South and beyond:

Fund Networks to build infrastructure, capacity and knowledge.

Increase partnerships between Global South governments and Global South philanthropists.

Build resilience by funding core costs.

The COVID-19 pandemic has served to lift the lid on various dynamics in the field of philanthropy that had come to be taken for granted over the past several decades. Foremost among these is the North-South relationship in philanthropy that has long been characterised by an unequal power balance. While there have always been high levels of philanthropy in the Global South, many resource-poor organisations have received their funding from well-resourced foundations based in the Global North. These foundations have set the parameters within which various programmes and interventions are identified and resources allocated to them.

In this report, we investigate how the current pandemic has affected this structure – and we have identified deficiencies in the current arrangements that cry out for rectification. In doing this, we carried out extensive interviews with leaders of social purpose organisations (SPOs³) and foundations in the Global South – including, for example, the West Africa Civil Society Institute, Indonesia for Humanity and the King Khalid Foundation – and combined these with large amounts of secondary data. Our findings reveal a deep sense of dissatisfaction with the status quo. It is clear that the urgency and unexpectedness of COVID-19 has shaken up the existing mechanism for identification of programmes and fund disbursement. As public health came to attract the vast majority of resources in this period, old understandings of who should play what role in the North-South relationship have been seriously called into question.

This interrogation of traditional arrangements has resulted in several promising developments in the months since the pandemic swept the world. To begin with, we found grantees and Global South SPOs to be asserting themselves on the basis of their superior knowledge of local needs and imperatives. Secondly, as a result of the unique conditions created by COVID-19, we also found grants becoming less restricted and grant-makers becoming more flexible in their allocation and approval processes – something that many have been advocating for some time. Thirdly, we found Southern SPOs creating intra-regional collaborative networks, working together to share knowledge, data and to pool capabilities in the wake of this unprecedented crisis.

Whether this ‘awakening’ on the part of local organisations will lead to more permanent changes remains to be seen – and that is why the Centre for Strategic Philanthropy decided that this report should be a manifesto for lasting change sparked by COVID-19 rather than a simple chronicling of events over recent months.

As the report says in its Conclusion:

“The shift in the power dynamic that our research revealed is clearly nascent, fragile and patchy. However, it shows some early indications of practices that if nurtured and retained could potentially transform the relationship between Global North and Global South philanthropic actors. This in turn could lead to positive operational and policy outcomes that can help deliver more sustainable and scalable social impact.”

Centre for Strategic Philanthropy

Noting these preliminary lessons from how coronavirus has affected the philanthropic response to big societal issues, the report calls for three major steps to incorporate these learnings into the long-term approach of philanthropy to the grand challenges facing the Global South and beyond.

The three key steps proposed by the report are:

Fund Networks to build infrastructure, capacity and knowledge:

Professional philanthropic networks in developing markets could significantly boost the development and the institutionalisation of Global South philanthropy. They can articulate the collective demands of the sector to local governments, global grant makers and the broader development community, creating stronger collective advocacy platforms. Investment in infrastructure including better data collection and analysis can help Global South philanthropy to align with the SDGs and channel Global South SPO input into policy frameworks.

Increase partnerships between Global South governments and Global South philanthropists:

Promising partnerships between governments and grant-makers in the Global South to respond to the pandemic underscore the potential for such South-South collaboration, which the report urges should become more prevalent. Such collaboration offers governments much needed additional capital and social innovation, while providing Global South SPOs and grant-makers an opportunity to align with national development policy and scale up proven successful initiatives faster.

Build resilience by funding core costs: The crisis has engendered simpler, faster and less complex application processes that have more rapidly freed up funding for more flexible purposes where previously it might have been earmarked. This is a welcome development and something that many in the sector have long advocated. Yet despite this pandemic-induced flexibility, the 'holy grail' of philanthropic finance – unrestricted grants for core costs – seems a long way in the future due to ongoing aversion to funding 'overheads'. This report argues that it is a pernicious myth that financing the core operations of SPOs is somehow less effective or less important than direct programme funding. The pandemic-induced focus on resilience underpins this point.

The famous ethnomethodologist Erving Goffman suggested that the best time to understand social life is when it is disrupted. This is the situation in which philanthropy finds itself today. COVID-19 has shaken up how philanthropic capital is deployed and reconfigured the roles that various actors in the philanthropic field play.

The famous ethnomethodologist Erving Goffman suggested that the best time to understand social life is when it is disrupted. This is the situation in which philanthropy finds itself today. COVID-19 has shaken up how philanthropic capital is deployed and reconfigured the roles that various actors in the philanthropic field play. This is particularly true in the case of the North-South relationship in philanthropy which has long been characterised by an unequal power dynamic. Global South philanthropy is as old as that of the Global North, with often long traditions of community support and local giving. However, the resource-poor nature of many Global South SPOs has meant that many are reliant on Global North foundations for funding. This in turn has meant that such northern foundations have tended to set the parameters around which various programmes and interventions are identified for funding and the way in which resources are allocated to them.

Our report therefore aims to understand how the unexpected arrival of COVID-19 and the uncertainty and urgency attached to it have affected this relationship. We have tried to answer this question by carrying out extensive interviews with leaders of SPOs and foundations in the Global South and combined this insight with large amounts of secondary data. Our findings reveal a deep sense of dissatisfaction and frustration with existing philanthropic funding practices. COVID-19 has shaken up this dynamic and challenged existing mechanisms for identifying programmes and disbursing funds. While public health has been the main beneficiary of philanthropic capital during this period, the traditional perceptions of roles and responsibilities for all aspects of philanthropy have been seriously called into question during the pandemic with a specific focus on the North-South power dynamic. Changing practices have emerged in response to the gravity of the situation and in response to increasingly vocal calls for philanthropic capital to be managed differently.

While the jury is still out on how permanent any of these shifts will be, they have already revealed tensions that simmered just below the surface for decades. These come out strongly in our research. Firstly, we found grantees to be asserting themselves on the basis of their superior knowledge of local needs and imperatives. Secondly, as a result of the unique conditions created by COVID-19, we also found grant-makers becoming less conditional in the way they allocated grant finance and approved funding. Thirdly, we found southern SPOs keen to create intra-regional collaborative networks and adopt more inclusive methodologies rather than revert to historical North-South power relationships for support.

COVID-19 | Is the North-South power balance finally shifting?

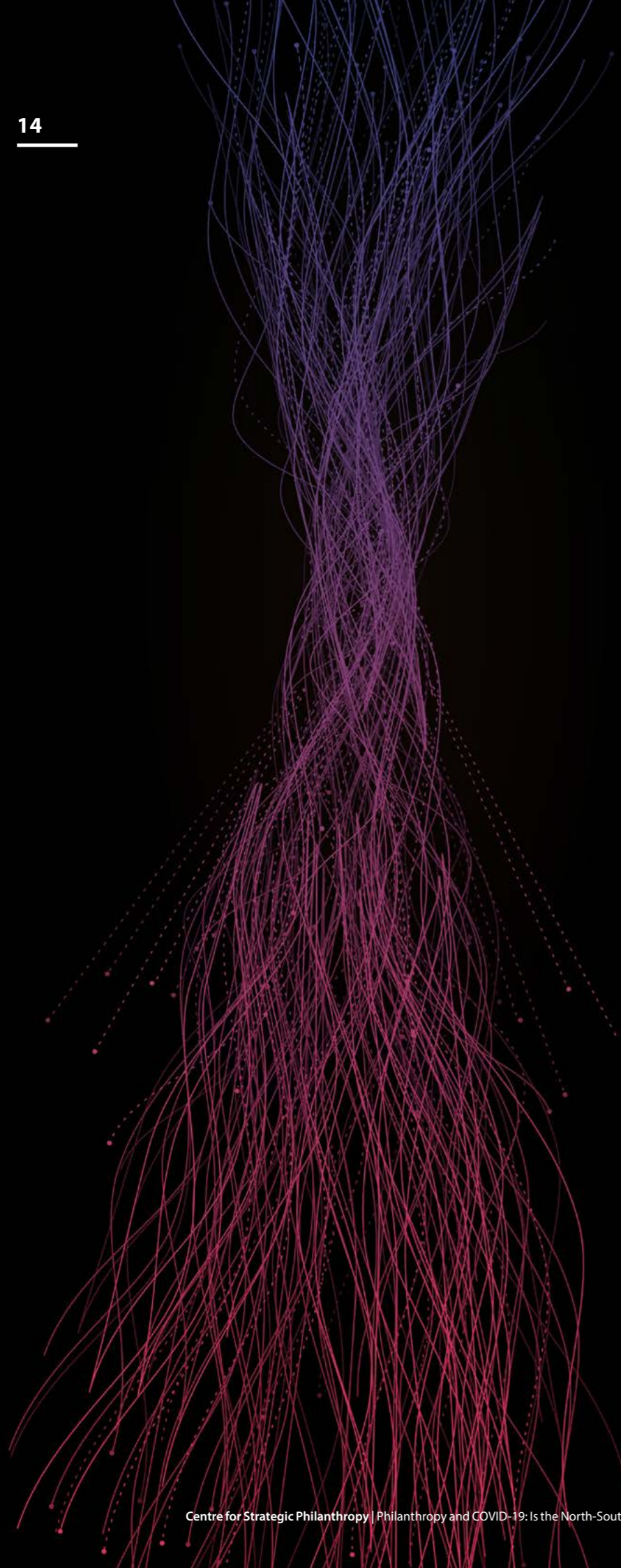


We found the markets of the Global South to be characterised by various institutional voids that prevented efficient diffusion of knowledge, long-term planning, good governance and eventually capacity development. We conclude by proposing how these voids can be filled by creating more conducive regulatory frameworks, using boards more effectively for access to knowledge and information and encouraging greater transparency through digital transformation. Filling these voids is essential if we are to build upon the newfound initiative and aspirations evident among the Global South SPOs.

The COVID-19 pandemic has revealed an implicit recognition from both the North and South that more input from grantees in complex emerging market contexts is needed to decide how philanthropic funds ought to be disbursed. This potential shift in the power relationship holds exciting new possibilities for enhancing Global South philanthropy and supporting local practitioners to create more sustained impact. Admittedly, our findings are preliminary but we will use them to inform the work of the CSP as we build our research agenda.

This study is mostly based on extensive interviews we conducted with grant-makers, grantees and intermediaries involved in the flow of philanthropic funds between the North and South.

Most of these entities are based in the core emerging markets that the CSP focuses on – the Middle East, Africa and South East Asia.



This study is mostly based on extensive interviews we conducted with grant-makers, grantees and intermediaries (see Acknowledgements for the full list) involved in the flow of philanthropic funds between the North and South. Most of these entities are based in the core emerging markets that the CSP focuses on – the Middle East, Africa and South East Asia⁴ – or have operations and extensive experience of working in these markets. We were keen to hear from grant-makers but we also wanted to hear from grantees (while acknowledging that in emerging markets they are sometimes one and the same – both giving and receiving grants) to ensure that we captured a balanced and comprehensive picture.

While we tried to maintain a gender and geographical diversity balance, the final sample of interviewees was based mainly on the ability of interviewees to free up time at the height of the crisis. We are hugely grateful to all those who gave us time despite being simultaneously engaged in dealing with a very difficult reality on the ground. All of our interviews were subsequently transcribed and all named quotes were shared with interviewees to establish their accuracy.

In addition to leaders of the organisations listed in the Appendix on p89, we also spoke to numerous industry experts through the course of the drafting of our report. Their thoughts and input also contributed to our analysis and thinking, although more broadly to the topic of sector practices rather than the specifics of their COVID-19 response. Most were happy to be quoted but some preferred to do so on the basis of anonymity so they could contribute to the report in an independent fashion divorced from any possible perceptions about their specific grant-making institution.

This data was combined with a wide range of desk-top research and informal discussions with sector experts. In addition, we participated in multiple sector webinars including two where the CSP had panellists contributing and one of which was organised by the CSP. Finally, we also drew on earlier professional engagement and outreach with grant-makers and grantees who had confidentially shared insights into the pre-COVID-19 challenges around the traditional grant making process.



The North-South relationship in philanthropy

Despite being central to contemporary critiques of philanthropy, the power balance between the Global North and South remains woefully under-emphasised and generally unarticulated.

3.1 The power balance and resource dependency

Despite being central to contemporary critiques of philanthropy, the power balance between the Global North and South remains woefully under-emphasised and generally unarticulated. Dambisa Moyo⁵ called out the phenomenon over a decade ago with her critique of aid structures and the lack of commitment from Global North donors to building local Global South institutional capacity. This argument continues to resonate but efforts to address the situation are increasingly overshadowed by the new global discourse around billionaires and the ‘tax vs philanthropy’ debate.

While this debate has validity in more developed markets, emerging markets present a dramatically different landscape. Fiscal structures are immature, tax incentives virtually non-existent and many governments often fear rather than encourage philanthropy because they worry about a potential rival for influence. While there has been a rise of notable foundations in the South, much of philanthropic grant-making depends upon global foundations. The UAE-founded Varkey Foundation’s input into global education policy is not insignificant.⁶ Saudi Arabia’s Prince Alwaleed bin Talal – the first Arab to sign the Giving Pledge – is one of the few Arab philanthropists with comparable wealth to some of his Global North counterparts. Nigeria’s Dangote Foundation – and notably its founder – are regularly cited as a catalyst for change on the continent of Africa. However, in the main, it is difficult to name a Global South counterpart that has significantly influenced operational best practice in philanthropic grant-making. Therefore, the North-South balance of power remains a crucial and central issue for philanthropy in the Global South.

That many economic relationships are characterised by an imbalance of power is nothing new. Power is a commodity that individuals and institutions can possess in varying measures. People in positions of authority are seen to have power over their subordinates just as those with various forms of capital (wealth) are considered to have more power than those who do not. Similarly in the organisational world different organisations experience various relationships of power with each other based on any dependencies they might have with each other. In the non-profit sector, this power can be exercised in more subtle ways. On the face of it, more powerful organisations may be helping less powerful ones, but they might, for instance, also be curtailing their potential in important ways and keeping them dependent. As Clegg⁷ (1989) and Foucault⁸ (1977) argued, power is a relational phenomenon. A much more subtle manifestation of power is systemic power that works through routine, ongoing practices to advantage particular groups without those groups necessarily establishing or maintaining those practices (Laclau & Mouffe, 1985). In other words, power is exercised not only when an actor’s decision is influenced by another but also when certain courses of action are prevented from entering the decision-making arena.

Until today most of the philanthropic capital deployed for developing economies comes from the Global North with the result that practices and institutional frameworks for deploying philanthropy in the Global South have been unduly influenced by entities not actually based in these markets. Moreover, as the OECD points out: *“The sources of philanthropic giving for developing countries are highly concentrated. Of the 143 foundations included in their global survey, the Bill & Melinda Gates Foundation (BMGF) was by far the most significant philanthropic donor, having provided almost a half of total giving (49%). In addition, 81% of the total philanthropic giving during 2013-15 was provided by only 20 foundations.”* Philanthropic flows are still modest in volume compared to official development assistance (ODA), accounting for five per cent according to OECD research done in 2018.⁹ However, given the dominance of Global North philanthropic actors in the funding for development space, their influence in defining industry best practice, short of a catalyst, will likely remain unchallenged. While this inflow of capital has no doubt made a valuable contribution to development programmes, it has also potentially resulted in a curtailed capacity for indigenous change in the Global South. We elaborate below:

3.2 Curtailed capacity for change

The lack of input from Global South SPOs into industry best practice has potentially undermined their ability to deliver sustainable impact and systemic change, notably by undermining their ability to advocate for and source funding for core infrastructure. This was driven home to us by Nana Afadziniu, Executive Director, West Africa Civil Society Institute (WACSI), a grantee in Ghana who told us:

“COVID-19 has exposed the ongoing fundamental weaknesses of international development funding [including philanthropy] that have failed to strengthen institutional capacity in the Global South as capacity-building investments have favoured Global North grantees. The Global South is unable to stand and deliver next to their Northern counterparts who, in comparison, have been given the support they need.”

Nana Afadziniu | Executive Director, West Africa Civil Society Institute (WACSI)

According to our interviewees, this lack of capacity in the Global South has been further undermined by a structural shift to ‘metrics-based’ philanthropy. While in principle a justifiable way of ensuring philanthropic capital is effectively deployed to those interventions that best deliver social value, the practice according to many experts has gone too far – leading to decisions around funding allocation that prioritise what can be measured rather than what is needed. This has been further exacerbated by the often complex

institutionalised grant-making processes of Global North grant-makers that may skew funding to more mature (and often better-resourced international) SPOs, further entrenching the problematic cycle of limited core funding leading to limited capacity.

The Metrics vs Needs Conundrum: While foundations formally acknowledge a specific sector focus in their work, many practitioners admit that often decisions about how and where to fund are based on what is most easily measured rather than what is needed. This sometimes means that pre-determined preferences are prioritised to the detriment of what actors on the ground might ask for. According to one Global North grant-maker, there has been a trade-off between the search for metrics and market-based needs:

“When you look at Global North grant-making over the past decade or so, I think the pendulum has swung too far in the other direction. While we were once obsessing over the lack of metrics and KPIs, today many grant-makers are so fixated with measurable outcomes and rigid KPIs that often they overlook the importance of funding the ‘soft’ aspects of Global South grantees such as basic infrastructure and overheads. It’s time to recalibrate this imbalance and make sure that the justifiable desire to track impact is not hijacked by an obsession with only giving for what you can measure rather than giving to what is needed. Otherwise we risk contributing to systemic institutional weaknesses in grantees who ideally should be freed up to allocate funding to where they think it is most needed while Global North philanthropists should be encouraged to embrace their license to take risks and be willing to fund some aspects of institutional development that may not be immediately measurable.”

Global North grant-maker

The downside of this practice might be further exacerbated by the inclination of many (notably high net worth individual) philanthropists from the Global North to give to those causes they are personally interested in, feel passionate about and have witnessed (during their business career which generated the wealth). This can sometimes come at the expense of what their Global South counterparts perceive as the most pressing areas that need funding and also underestimate the ability of Global South grantees to best identify market gaps.

As Shaheen Kassim-Lakha Director of Strategic Partnerships at Conrad N. Hilton Foundation highlights, citing the case of Africa, many emerging markets have deep expertise and experience in what works and what doesn't:

“Local philanthropy is at the core of African societies and I think by failing to capture that we are missing something. Yes, there is a lot for Global South practitioners to learn about our tax systems and incentives and about how we do this in the US, but there is a lot Global North philanthropists can learn from African philanthropy. But it requires a shift in the appreciation of how social impact institutions can look very different in those countries and how we can support them in their own image rather than in our own.”

Shaheen Kassim-Lakha | Director of Strategic Partnerships, Conrad N. Hilton Foundation

This focus on what is measurable to the detriment of local market insights often means that Global South SPOs skew their mission focus – irrespective of actual needs – to the preference of their grant-maker, thus disconnecting the volume and nature of philanthropic funds from the socio-economic reality on the ground.

As Chris West of Sumerian Foundation noted, there is a fundamental power imbalance:

“The supply [funding] side in philanthropy doesn’t operate under any commercial rules: it makes the rules of the game and is completely disassociated from what the target market [demand] side needs and it gets to decide who gets the money, in what form and using what process. If we can free ourselves from this thinking and instead ask ‘what does my target market need that’s going to deliver the impact that I want’ and then be flexible to that, you’re inevitably going to go down the path of much larger and much longer-term grant funding and potentially a lot more impact.”

Chris West | Sumerian Foundation

This equally can result in the unfortunate consequence of grant allocations being poorly aligned and not evidence based. Education and health are a case in point. They have long been the preferred sectors of international philanthropists.¹⁰ For health care the OECD’s work shows that philanthropy is the third largest provider of funding.¹¹ Global analysis suggests that 35 per cent of foundations are working on education initiatives.¹² While clearly these two sectors are of paramount importance, unless they are filling a specific gap (that has not been met by local governments) interventions that are not



0.007%	250,000
1.561%	375,000
5.032%	621,000
3.984%	369,000
2.416%	743,000
0.657%	405,000
0.103%	882,000



New philanthropists coming to market often choose their sector based on personal interest rather than market research that highlights a gap.

evidence-based carry a high risk of duplication. As Farida El Agamy, General Manager of Tharawat Family Business Forum noted, new philanthropists coming to market often choose their sector based on personal interest rather than market research that highlights a gap:

“We often observe that when people are starting out in philanthropy, they struggle to choose what to invest in, what to focus on. There can be a lack of strategic thinking that prevents new philanthropists from planning their initial approach, which can lead to rather emotional decision making. For example, we know that co-funding an existing proven initiative can really help improve impact exponentially and ensure that new investments build on existing successful interventions rather than to duplicate them. Unfortunately, in this sector, knowing what works and what doesn't is not as well developed as for instance in the private sector, which makes picking an effective approach to the right cause difficult. We need better data, best practice and a collaborative approach to help philanthropists move beyond emotional decisions to take a more informed approach about where to invest.”

Farida El Agamy | General Manager, Tharawat Family Business Forum

Moreover, the reason for these preferences is contradictory. Health and education are perceived as 'low risk' because outcomes are ostensibly easier to measure. Quantitative evaluation of 'lives saved' and children enrolled in education is easier than more complex institutional development evaluation. And yet, this low-risk approach obviates the tenet that philanthropic capital is essentially risk capital¹³ and should ideally be deployed in areas where others (and notably governments) fear to tread. SPO practitioners systematically decry their inability to champion more sensitive areas (especially in non-democratic regimes) of areas such as gender, human rights, corruption, justice or labour rights even though these might attain more positive and more systemic outcomes.

The OECD¹⁴ shows that philanthropy eschews its purported risk appetite not just by the sectors it chooses but also by the actors. *“Philanthropists favour investing in stable, middle-income economies and through large, established partners, such as international organisations and non-governmental organisations,”* notes the OECD, while calling for more partnerships that go beyond governments to work with *“social entrepreneurs and civil society organisations.”* While the report notes that foundations systematically engage with governments and donors (67% and 45%, respectively) when designing or implementing their programmes and projects, there is limited engagement with grassroots SPOs that might be better placed to design local solutions to local problems.

This is not a new phenomenon and reflects the earlier power dynamic of aid assistance where development practitioners from the Global South called out what they perceived to be inequitable institutional structures that allowed for the skewed nature of the Millennium Development Goals (MDGs – the forerunners of the SDGs) that were ratified in 2000. These, it was argued, lacked reliable local scientific data¹⁵ and sufficient consultation with local actors. While the production of the SDGs was heralded as more inclusive¹⁶, it was still dominated by large (powerful) institutional structures such as the UN and its associated bodies, the OECD and developing country governments – with significantly less input from civil society actors on the front line of development activity.

Indeed, Bhekinkosi Moyo, the Director of the Centre on African Philanthropy and Social Investment (CAPSI) acknowledges that his Centre, which started as a Chair inside the Wits Business School at the University of Witwatersrand in Johannesburg, evolved because there simply wasn't enough data and research on philanthropy and social investment that could *“paint the landscape of how philanthropy looks like on the continent ... using methods that appeal to African academics from a decolonial point of view.”* Moyo explained that, previously, knowledge produced on African philanthropy and social investment was mainly in the form of reports and internal strategies that might help with programming but would not be considered authoritative peer-reviewed research:

“There was a gap and our Centre wanted to fill that gap,” Moyo explained, noting that the Centre is helping *“to develop our own data set ... Currently we depend on various international banks and other data sets to interpret what is happening in Africa; we don't have our own local data set ... using African methodologies [that are] relevant for the people and by the people from different societies in Africa in their formations.”* Moyo noted that data is not a panacea but that it is *“important to produce knowledge that is relevant to the continent ... that will be useful for decision makers but also for the practitioners to have informed decision making and credible knowledge for the policies they might want to put in place.”*¹⁷

Bhekinkosi Moyo | Director, Centre on African Philanthropy and Social Investment (CAPSI)

Complex grant-making process: Global South grantees regularly cite the challenge of an often-complex bureaucracy that surrounds the grant-application process. As one Iranian grantee seeking funding for the Arts said:

“I find the criteria for funding often pretty opaque, hidden deep inside a website almost as if it's done to discourage applications. Very often I simply give up because the process is just too complicated even if it looks like the organisation is a good fit with my work. I've now turned to crowd funding.”

Iranian grantee seeking funding for the Arts

Rachel Huguet, Officer of Strategic Relationships at the Conrad N. Hilton Foundation, echoed this view, saying:

“The way philanthropy was historically set up – with lengthy applications, time-intensive processes and an emphasis on pre-existing relationships – has resulted in structures that can exclude people, even unintentionally.”

Rachel Huguet | Officer of Strategic Relationships, Conrad N. Hilton Foundation

Fundraising is notoriously time consuming, resource intensive and inefficient with overly high transaction costs. Clearly grant-makers need to uphold high standards of compliance and ensure that grants are effectively disbursed. As the UK's Association of Charitable Foundations (ACF) argues in its report¹⁸ on *Transparency and Engagement*:

“Charitable foundations may lack many of the lines of accountability and public pressure that others face – such as shareholders or customers – but are not immune from these trends. For foundations specifically, there is a growing interest not just in what they fund, but the source of their funding, where their assets are invested and how decisions are made. This means that foundations need to be more intentional about the decisions that they take – and the decisions that they don't take – and more confident in ‘telling their own story’ – so that actions and processes can stand up to scrutiny if and when it comes.”

United Kingdom's Association of Charitable Foundations (ACF)

However, too often this justifiable quest for transparency unfortunately results in overly complicated and slow application processes. As Rafia Qureshi, former CEO of Womanity Foundation and formerly at JPMorgan Chase Foundation (and hence experienced as both a grant-maker and a grantee) told us:

“Lead time is long and with large Global North grant-makers, you often need to factor in 12-18 months before you actually get the money into your account even if the grant itself is approved within a matter of weeks. For some under-resourced grantees it is just not time and cost efficient and they can’t afford to divert programme delivery resources to fundraising. It’s a constant decision-making dilemma – how to balance allocating resources to fundraising, to actually delivering on mission and creating sustainable social impact.”

Rafia Qureshi | Former CEO of Womanity Foundation, formerly at JPMorgan Chase Foundation

SPOs with solid reserves and access to reliable (e.g. endowment) resources can survive these dilemmas but more fragile grantees face the risk of going under (or being forced to significantly retrench) – and that was before the COVID-19 crisis. Even grant-makers themselves have criticised the random unsolicited funding approach that invites inefficiency.¹⁹ The consolidation of philanthropic resources to existing grantees (rather than potentially higher-risk new ones) further underpins this phenomenon, suggesting that successful grant application is skewed to those organisations who have already undergone the process or have existing relationships with donors.

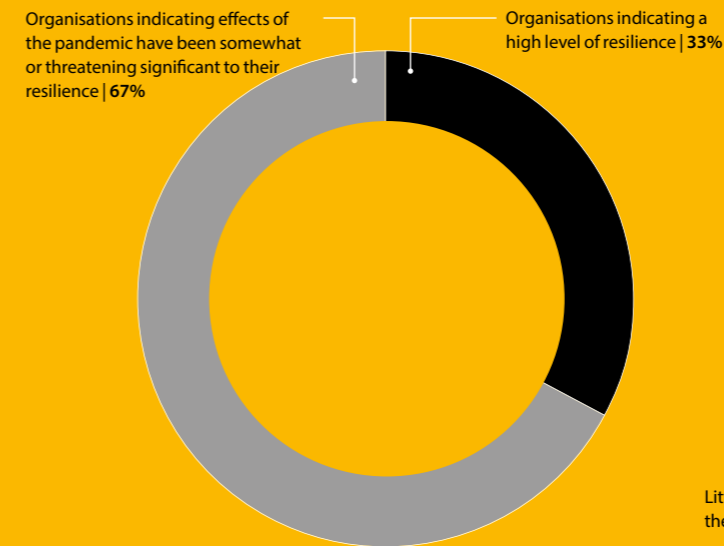
The initial response of philanthropic organisations around the world to the COVID-19 pandemic was encouraging, with – according to the Candid database at the time of going to press²⁰ – 1,180 funders committing \$16.5 billion in 20,311 grants to 14,748 grantees. Grants came from some of the top technology giants such as Jack Dorsey (Twitter’s CEO) and Google, as well as established philanthropic institutions such as the Bill & Melinda Gates Foundation.²¹ As Melissa Stevens, Executive Director of the Milken Institute Center for Strategic Philanthropy noted:

“Some family and institutional foundations doubled their grant-making commitments during this moment of crisis and/or transitioned their grants to general operating support (rather than program-specific support). We see this as a significant and positive development.”

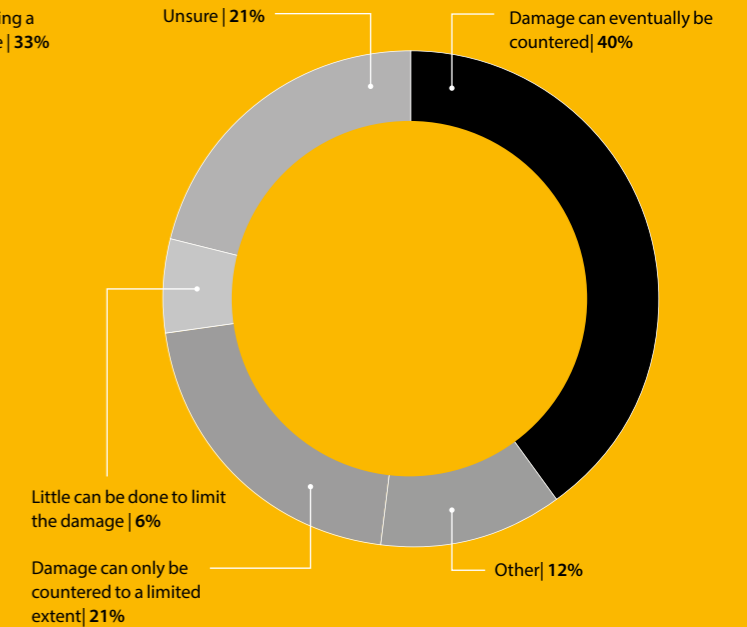
Melissa Stevens | Executive Director, Milken Institute Center for Strategic Philanthropy

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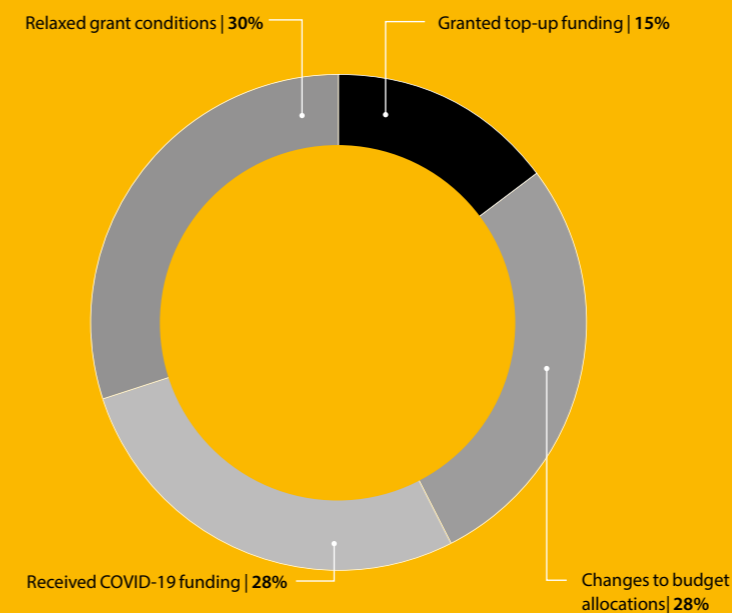
COVID-19 | NPOs resilience



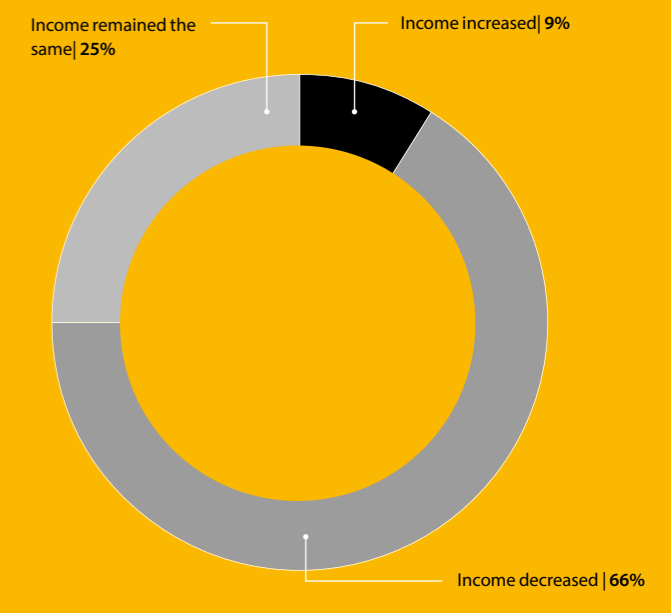
COVID-19 | NPOs ability to counter damage



COVID-19 | NPOs relief measures from donors



COVID-19 | NPOs impact on incomes



However, their giving was primarily associated with existing partners and SPOs who had already overcome the bureaucratic hurdle of being approved grantees. Moreover, many were now even less inclined to give to more risky emerging markets than in the past. Multiple practitioners that we spoke to said they had seen examples of global philanthropists retrenching funding for developing countries with a preference for (better resourced) grantees in domestic markets. As Naina Subberwal Batra, Chairperson and CEO of the Asian Venture Philanthropy Network (AVPN) told us:

“With all of the uncertainty in the US, the COVID-19 crisis, magnified racial inequalities and the political tensions, I think a lot of American funders have cut down their international spending and are investing more domestically. People are waking up to a new reality of large US foundations, which have been a large percentage of Global North funders, shifting the majority of funding to local [US] issues. Their global portfolios are drying up so we are all now looking at local funding and local collaboration albeit with a lot less money.”

Naina Subberwal Batra | Chairperson and CEO, Asian Venture Philanthropy Network (AVPN)

The concentrated nature of the COVID-19 philanthropic response on a small number of grantees²² reflects the systemic issue of a lack of core funding that limits the institutional capacity of Global South SPOs. In the absence of core funding, building technical expertise to better secure critical resources is difficult. This is further exacerbated by the external challenge of navigating complex, unwieldy and often changing external regulations. In many emerging markets, governments are getting to grips with regulating philanthropic capital but often struggle to find a healthy balance between enforcing anti-money-laundering and counter-terrorism measures with creating incentives (fiscal or otherwise) to encourage giving. Merely establishing a foundation or SPO in emerging markets is often challenging where autocratic governments may view civil society with suspicion²³ and as a potential source of opposition and hence discourage its activities. As Marwa El-Daly, founder of Egypt’s Waqfeyat al Maadi Community Foundation noted (as cited in the Alliance report on Arab philanthropy²⁴): the government “treats the civic sector as guilty until proved innocent, which is not very encouraging.”

This means that SPOs need strong business, legal, fiduciary and political acumen to even establish operations, creating additional burdens in already difficult working environments. Without this institutional capacity (or funding to develop it), their dependence on Global North grant-making structures is further entrenched. Indeed, even up-and-coming emerging market philanthropists often choose to register their giving entity in countries like Switzerland or Belgium rather than locally, further couching South-South

giving within Global North institutional constructs. As the Charities Aid Foundation (CAF) notes, in emerging markets “incentives for giving and philanthropy are often limited . . . [and include rules that mean SPOs] are not being granted tax-exempt status automatically after having registered to gain charitable status.”²⁵ This discourages philanthropic giving in these markets: the Foundation Center’s global map shows²⁶ that much of global foundations’ funding for COVID-19 is directed towards the US, China, India, Brazil and the UK rather than less well-resourced, more fragile nations. Our research even identified several examples of Global South grant-makers giving to Global North grantees even where local market needs were clearly more pressing.

3.3 Other outcomes of the North-South Dependency

As a result of their dependency on the Global North, Global South SPOs have been less able to mature institutionally as is manifest by their lack of long-term strategic planning, lack of data and knowledge-sharing, weak infrastructure and a lack of scalable innovation.²⁷ Specifically, Global South SPOs have been hindered in their work by a lack of technical expertise, the perpetuity of fundraising challenges²⁷ and a dearth of South-South collaboration.

Lack of technical expertise: No matter how quickly disbursed or how effectively deployed, capital is not the sole necessary component for significant philanthropic impact. Time after time, our interviewees pointed to the power of non-financial support in building capacity (in multiple areas from strategy to budgeting to marketing to HR) and they called for more non-financial contributions from donors as a means of building resilience and survivability. Our findings support the view of Olivia Leland, CEO of Co-Impact, who has said:

“Social change leaders lack easy access to the kinds of non-financial supports that can significantly accelerate systems change work. Expertise and capacity in diverse areas such as policy, law, technology, marketing and performance management can be essential ingredients for success. Additionally, the voice, networks and convening power of donors can be extraordinary assets to the cause. Yet, relatively few philanthropists today offer this kind of holistic support – and few change leaders have the resources to secure it on their own.”²⁹

Olivia Leland | CEO, Co-Impact



Our research showed that COVID-19 has exacerbated the problem and that grantees continue to call for more non-financial contributions from donors as a means of building resilience beyond the pandemic. Offering this kind of support, however, is not always easy. Some grantees may urgently need help to build their internal capacity but be reluctant to acknowledge this to their core funder. As Beau Crowder, former Director of Programs at Dubai Cares, told us:

“In general grant-makers do want to build true partnerships with grantees and be able to offer non-financial inputs, but whether it’s the power dynamic or other reasons these conversations don’t appear to happen much and if they do there is little continuity. It’s a tricky balance because grant-makers may want to provide support and advice, but also want to promote the autonomy of the implementer, not to make them feel the need or any pressure to change direction or modify programs because of external input. On the other hand, grantees may not ask for guidance as they perceive it might indicate institutional or technical weakness. I think philanthropy is a people business, it’s about trust and relationship building over the long term so that funders and grantees can marry expectations and understand their respective comparative advantages that each bring to the table.”

Beau Crowder | Former Director of Programs, Dubai Cares

Building technical expertise also requires building systems, notably for knowledge and data sharing and thus institutional learning. While philanthropic databases are thin everywhere – many practitioners chastise philanthropic organisations’ aversion to sharing or disclosing data – the problem is exacerbated in emerging markets. The OECD attributes this dearth of reliable and publicly available data to the limited obligations for disclosure, the private nature of existing sources of data and hence their lack of comparability and the limited amount of voluntary reporting.³⁰ Local practitioners also lament the suspicion with which authoritarian governments regard the third sector given its roots in civic engagement and thus potential political threat.³¹ This further discourages external engagement and data disclosure. Without open and accessible centralised data repositories, knowing where or how to best intervene is challenging and prevents SPOs from building the business cases for partnership and funding. This in turn limits the ability of Global South grantees to challenge pre-conceived Global North ideas about where the money is most needed.

Fundraising Challenge: Fundraising is perhaps the most-cited challenge facing SPOs. It was raised by all the organisations that we interviewed for this research. Even those SPOs with secured funding said that ‘fundraising capacity’ was a core challenge during the pandemic and one that was historically exacerbated by resource-poor grantees often poorly equipped to handle lengthy and complex application processes. As former CEO of Emirates Foundation Maytha Al Habsi noted:

“Filling out complex grant application forms was often a real challenge. The process usually involved providing huge amounts of historical data and we would have to allocate multiple team members to complete the process and even then potential donors would come back to us asking for more details. Also, usually each individual donor has its own specific process so once you’ve completed one, it doesn’t necessarily mean that you can complete another which makes it very time consuming.”

Maytha Al Habsi | Former CEO, Emirates Foundation

As Global North peers seek to reduce their fundraising costs by diversifying and accessing new funding options such as innovative or hybrid finance, Global South SPOs are mainly reliant on more traditional funding sources (e.g. grants) due to immature ecosystems and capital markets.³² And despite grant-makers recognition of the need to provide core costs to build institutional resilience (and capacity to focus on fundraising), in emerging markets, fears of opaque systems, poor regulation and corruption perpetuate the sentiment that all funding must be channelled directly to end beneficiaries. This hampers the ability of grantees to build systems and basic institutional infrastructure. Offering percentage (often seven per cent to 10%) offsets from programme funding for salaries and overheads, noted one of our interviewees, does not provide organisations with sufficient core funding to run their operations and build sustainable models.

In part the challenge is due to the nascent stage of the ‘impact’ ecosystem in emerging markets and few government incentives to encourage it. As Fady Jameel, President, International of Community Jameel noted:

“The question is how we can bridge philanthropy and the business sector? And I believe that we can with the new green sector revolution – there is a really huge wave of green investment causing people to make blended philanthropist investments with a view to making market-like returns while also creating social impact. But to increase investment in this space, we need to facilitate it and map out funds that incorporate issues like climate

change and encourage family offices to factor those into their business investments. We are in an age of pandemics and this is not the last one. Investing with impact is no longer a nice to have, it’s a must whatever the geographic source of the capital.”

Fady Jameel | President, International of Community Jameel

Even where funding is available, much is deployed on a short-term basis (12-18 months) when the reality of delivering socio-economic development outcomes requires a much more long-term approach. Shell Foundation, which focuses on energy solutions in emerging markets, has long advocated for “focus, patience and flexibility” and taking a “high risk approach given the time needed to achieve developmental returns.”³³ Unfortunately, COVID-19 may have reversed moves in this direction with many foundations turning to emergency response rather than long-term funding patterns. This lack of patient capital is a challenge globally with 50% of foundations having no paid staff and budgets of less than \$1 million³⁴ but is particularly austere in fragile emerging markets.

Overly burdensome bureaucracy and interference on the part of government entities further complicate fundraising and can provoke political sensitivities as SPOs effectively compete with governments for funds. As a result, mandatory government approvals for receiving funds are “remarkably time-consuming ... often ad hoc, unpredictable and dependent on the arbitrary decisions of government bureaucrats.”³⁵ This lack of a conducive regulatory framework means that many Global South SPOs operate informally, further exposing them to regulatory scrutiny and ironically maligning their ability to support the very development agenda of the governments seeking to curtail their activities. Despite the potential rapid growth of new emerging market philanthropists, our research showed that 40% of countries worldwide have a restrictive legal and philanthropic regulatory environment which is unconducive to philanthropy.³⁶

Dearth of South-South Collaboration: The philanthropic sector has historically been notoriously non-collaborative with few foundations working operationally together despite the growth of multi-sector partnerships. Experts regularly bemoan³⁷ the absence of collaboration that can lead to a potentially devastating waste of funding and missed learning opportunities and note that emerging market philanthropy should entail active and collaborative sharing of information with an ‘open’ rather than ‘proprietary’ mindset. The \$2.5 trillion SDG funding gap³⁸ further underpins the need for philanthropists to move beyond silos and recognise that no one entity can deliver social value at scale.

And yet 'going it alone' is still the norm with over half of global foundations confirming that collaboration is not common practice.³⁹ This bodes poorly for emerging market actors who might otherwise seek to leapfrog some of the growing pains of their Global North counterparts and develop new approaches to philanthropic interventions. From climate change to poverty alleviation, pluralistic partnerships are critical to delivering system change and a convergence of multi-sector actors along the 'Impact Investing Continuum'.⁴⁰ As Olivia Leland, CEO of Co-Impact, an entity explicitly focused on promoting co-funding, has noted:

"Most giving remains relatively small and fragmented and not aligned with what's required for large-scale and enduring impact. Even the most proven social change leaders struggle to piece together the funding and support to pursue enduring impact at national, regional, or global scale and have to spend extraordinary time and effort doing so. Most grants are less than \$10 million, short-term (1-2 years in duration), often restricted in use and highly fragmented (with many different funders each imposing their own requirements). This behaviour directly contradicts what practitioners tell us they need. It also contradicts what we are learning is required to achieve significant and enduring results at scale."

Olivia Leland | CEO, Co-Impact

While today there are moves to build a more collective approach, notably around addressing the SDGs, still much of this collaboration is among Global North grant-makers. In the Global South, weak infrastructure often prevents such partnerships since professional intermediaries and networks are less well developed and even seemingly innocuous groupings such as professional associations are discouraged when seen as a potential affront to government authority.⁴¹ Some progress is being made in this respect. The AVPN is now a well-established market leader (although it does include members from mature as well as growth markets). The Arab Foundations Forum (AFF) has served to unite regional practitioners around best practice and the newly formed Africa Venture Philanthropy Alliance is seeking to support the professionalisation of the sector in Africa. The Worldwide Initiatives for Grantmaker Support (WINGS) also helps unite Global South practitioners and intermediaries with their Global North counterparts. And the Centre on African Philanthropy and Social Investment (CAPSI) located at Wits Business School is a good example of efforts to bridge the gap in the study, research and practice of philanthropy in emerging markets. However, in comparison to their Global North networks, emerging market platforms are few and far between and often face financial sustainability challenges due to aversion to funding 'infrastructure' despite its criticality.⁴²

Our research revealed some early-stage trends that pointed to possible changes in the North-South relationship. These include the way in which the ecosystem is structured, funding is sought and granted and new forms of collaboration are emerging.

The institutional challenges described above are historically entrenched and broadly recognised by grant-makers and grantees alike. While some are undoubtedly not exclusive to less-developed markets, they are more challenging there given the disparity between the Global South and the Global North. Below, we describe the various ways in which the COVID-19 pandemic has been challenging the status quo. All these trends are in very early stages and there is no guarantee that they will be lasting; this report strongly advocates that measures be taken to forge permanent changes reflecting the lessons of these emerging developments.

4.1 A move from hierarchy to flatter ecosystems

Our research revealed some early-stage trends that pointed to possible changes in the North-South relationship. These include the way in which the ecosystem is structured, funding is sought and granted and new forms of collaboration are emerging. The shift to a flatter ecosystem has in large part been fuelled by an increase in local funding, local voices and calls for a shift to working with local Non-Government Organisations (NGOs) rather than international NGOs (INGOs). These in turn have seemingly led to some positive initial outcomes in terms of innovation, pragmatism and digitisation.

More local funding: Where historically SPOs operating in emerging markets might look by default to the Global North for expertise and finance rather than seek national or intra-regional solutions, our research suggested that there is growing recognition and appetite on the part of local SPOs to move towards a much greater reliance on local knowledge, data and funding. Adeso, a Somalian-based grant recipient, is a vocal advocate of this idea. Having all but given up on securing philanthropic funding due to Global North SPO aversion to giving to fragile states, Adeso's Executive Director Degan Ali sought other options:

"I was expecting more funding," she says. "I was expecting a conversation where they would say things like, 'OK, we know that you're implementing X programme, how much money do you need, what kind of flexibility do you need', but those kinds of conversation really didn't transpire."

Degan Ali | Executive Director, Adeso

An alternative opportunity, however, surfaced: local collaborative fund-raising, or as Ali says, *"an even more powerful thing"*. A network of Somali NGOs called Nexus that had come together earlier to provide thought leadership, humanitarian development and peacebuilding began its own fundraising as an alternative to large INGO consortia. Ali notes:

"When COVID came around, we organised our own money and started doing information campaigns. We immediately understood that we have to change [local giving] behaviours and work with religious leaders to record important [public health] TV and radio campaigns, all of which was self-financed. We are self-financing the largest public health survey in the entire country... this is not a survey done by the WHO or the Ministry of Health, or the World Bank. It's being done by nine Somali NGOs and is 100% self-funded."

Degan Ali | Executive Director, Adeso

Pak J. Satrijo Tanudjojo, CEO of Tanoto Foundation in Indonesia, noted that currently around 70% of philanthropic capital in the market comes from overseas, but expects that due to the pandemic this figure will decrease with potentially a rise in local contributions:

"In Asia, people give generously, albeit less strategically. If this high-potential funding is managed professionally and at scale – institutionalised – issues can be addressed at the systemic level. Post-pandemic, this style of [sporadic] giving inevitably has to change to respond to the forecasted reduction in international aid. It is a calling for local philanthropy to step up to narrow the resource gap, financially and expertise-wise."

Pak J. Satrijo Tanudjojo | CEO Tanoto Foundation in Indonesia

More local voice: Liza Kimbo, the Director of the South Lake Medical Centre (SLMC – a healthcare social enterprise) in Kenya highlighted the newfound confidence of local SPOs arguing that COVID-19 has emboldened them to be 'more direct' in specifying their needs.

"It's only really been within the last two months but what I am seeing is organisations being quite direct and asking to use the money in different ways.... COVID has put pressure on all organisations, especially in healthcare, such that people are more confident to say, 'Look, we were going to use that for this, but now we have a need in this area.'"

Liza Kimbo | Director, South Lake Medical Centre (SLMC) Kenya

She notes that this heightened voice is primarily for grantees who have already received funds, highlighting the inevitable power imbalances that financial resources create:

“There is a big difference between those who have the funds already and then the ones who don’t,” she says. “If you have the funds, it’s easier.” However, Kimbo still feels there is a momentum toward “pushing back” even if “the jury’s still out in terms of whether they [funders] are listening.”

Liza Kimbo | Director, South Lake Medical Centre (SLMC) Kenya

Some of Kimbo’s peers in West Africa have similarly encouraged local expression and activated local resources. While Ghana has seen the establishment of private and public sector COVID funds for providing PPE and other emergency response, some of its most dynamic response is coming from grassroots sources. Using WhatsApp groups as a means of communicating, WACSI’s Afadzina extols the value of civil society platforms:

“We know that if there is a voice for the vulnerable, civil society is one of the strongest,” she says, explaining that a fund was set up under the auspices of the civil society SDG platform in Ghana to which individual organisations and individuals contributed. “A lot of the funding that they gave – maybe over 80% – came from the pockets of staff. So it wasn’t from grants because they didn’t have grant funding to give. It came from staff and from internally generated funds from services the organisations had provided. It’s not a lot of money but it’s still very significant if you look at the fact that this is the first of its kind when it comes to civil society in Ghana – funding from organisations coming together.”

Nana Afadzina | Executive Director, West Africa Civil Society Institute (WACSI)

Similarly, the director of a Jordanian foundation spoke of the phenomenon of flatter community structures, suggesting that local engagement helps mobilise not only funding but also broader solidarity:

“Local NGOs who can sustain programmes and the outcomes of these programmes can unite to mobilise the community more broadly,” he said.

Director, Jordanian foundation

Naila Farouky of the AFF noted that COVID-19 coupled with the Black Lives Matter (BLM) movement helped embolden her discussions with global funders. She cites a pre-COVID experience with a major global funder that was building a project for locally led development. Having attended a pre-qualifying workshop, Farouky was struck by the prevalence of ‘white, US-based’ consulting firms rather than locally led grassroots social purpose organisations and the lack of diversity. *“They rejected us even though we were two of the only three locally led organisations,”* she says, decrying the lack of transparency around selection criteria. *“I wrote a scathing email to them,”* says Farouky. *“This is not acceptable in a time of Black Lives Matter and given the inequalities that COVID-19 has revealed.”* These two factors coupled with her conviction in local expertise led to new confidence to challenge old constructs.

More NGOs, Fewer INGOs: Many Global South SPOs expressed their frustration over the lack of recognition of their potential, notwithstanding ongoing institutional challenge. While this is not necessarily a new sentiment, COVID-19 brought it to the fore: Global South SPOs expressed their desire for greater recognition and trust in their ability, if properly resourced, to deliver effective outcomes.

Degan Ali of Adeso was dismayed by donor aversion to giving to fragile states such as South Sudan or Somalia and noted philanthropists’ preference for UN bodies and INGOs. Counter-terrorism measures clearly exacerbate the situation as they often discourage donors from giving to local SPO partners. And yet these local partners are often better connected on the ground than their INGO counterparts and could thus offer more accurate real-time information during crises.

The Jordanian foundation director agrees saying that local NGO capacity is undervalued and yet potentially more effective than delivery through INGOs:

“If you want cost efficiency and to build the real capacity of local communities, then you have to switch your policy to working with local NGOs.” He acknowledged the sometimes negative perception of local NGO governance and capacity but says this is not justified. *“We work at a national level, we have a board of trustees, we have internal auditors, we have external auditors, we have an executive committee and we have systems in place.”*

Director, Jordanian foundation



We want to develop a simple, transparent funding platform that allows donors to choose where their funds go, while achieving scalable, sustainable impact

As Degan Ali concludes, preference for INGOs just serves to “perpetuate the system of inequalities” and overrules a potential ‘jugaad-esque’ approach (flexible and frugal) to innovation through leveraging local knowledge and resources. Fuelled by the desire to reduce dependence on external sources of funding, global SPOs are increasingly developing new and unique approaches that work more effectively in their own – often complicated and challenging – regulatory and operational environment than those of their global counterparts.

Positive initial outcomes

More innovation: The COVID-induced recognition of the need for self-reliance led to new innovative ways of thinking with new momentum for localised responses even in the most challenged markets. Alfano, a foundation working in the Middle East which witnessed the horrors faced by vulnerable groups (especially in Lebanon and refugee communities) even before the COVID-19 crisis hit, has prioritised agility in responding to its constituencies. Already entrepreneurial in its thinking as a pioneer of the Venture Philanthropy model in the Arab world, Alfano quickly realised the need to raise new capital notably from its regional and diaspora supporters who were connected to local communities.

Alfano’s Executive Director Myrna Atalla described how the organisation launched an Emergency COVID-19 ‘Survive & Thrive’ campaign, allowing all levels of donors to specify the theme of interest or specific social enterprise they wished to direct their donation towards:

“Donors have varying interests and we tried to make Alfano a flexible platform for them. We have funders that want to support female farmers in Egypt and others who want to respond to the food crisis in Lebanon. While our mission is to support sustainable, regional impact in education, youth employment and women’s economic empowerment, we also respect that donor appetite, especially during crisis, is often more local.” Atalla acknowledges that there are limitations to this approach, including offering too much choice and limiting growth. As such, Alfano is exploring the creation of regional thematic impact initiatives as well as an impact investment vehicle. It hopes to aggregate donor interest beyond the country level while going ‘beyond-grants.’ *“We want to develop a simple, transparent funding platform that allows donors to choose where their funds go, while achieving scalable, sustainable impact ... so that we can remain an engine for innovation for the region.”*

Myrna Atalla | Executive Director, Alfano

Pragmatism: With grants coming back into fashion, COVID-19 was always unlikely to herald a new wave of ambitious financial experimentation beyond some simple debt restructuring and interest-free loans. Indeed, many funders chose to rescind more complex lending instruments and revert to grants. However, unexpected new thinking did emerge that responded pragmatically to local market structures. At a global level, the \$1 billion bond issue of the Ford Foundation provided global impetus for change. It was issued to protect (and leverage) its endowment and safeguard its annual budgetary commitment and a timely reminder for Global South SPOs to reassess the power of their balance sheet. Also in the US, questions were raised about how Donor Advised Funds (DAFs) could be mobilised more effectively for immediate response. As Melissa Stevens, Executive Director of the Milken Institute Center for Strategic Philanthropy, noted:

“There is still a great deal of capital that has yet to be applied to meet the need we are seeing... the pandemic has brought awareness of the vast amounts of philanthropic capital that is currently housed in DAFs which, despite accelerated spending, are growing faster than they’re disbursed.”

Melissa Stevens | Executive Director, Milken Institute Center for Strategic Philanthropy

In emerging markets, there were similar questions about how to best free up capital despite numerous regulatory restrictions on how foundations can deploy and invest their endowments. While foundations in more mature markets might be reluctant to pull money out of a long-term investment portfolio, this argument is moot for some of their Global South counterparts. Our research showed some grant-making organisations opting to create emergency funds from their endowments rather than simply use surplus programmatic budgets. In countries where foundations are banned from investing endowments in long-term high-yielding instruments, pulling endowment capital from low-yielding investment vehicles was a pragmatic option that allowed for quick access to new funding with limited opportunity costs. Some practitioners even suggest that this might represent a shift towards more innovative thinking about how to leverage endowment funds which – in the presence of regulatory restrictions – often languish in savings accounts or low risk investment products.⁴³

Digital transformation: While the reality of working in emerging markets where infrastructure challenges (connectivity) and conservative cultural norms mean that not everyone is a Zoom convert (in more conservative markets where the private sphere is sacrosanct we found female interviewees tended to prefer camera-free online interviews), it is safe to say that nearly all organisations in the sector were forced to deploy digital technology more rapidly. This was reactive, but some discernible patterns have emerged



that bode well for the long-term – notably in the areas of due diligence, operational efficiency and financial sustainability.

A more digital mindset helped improve data flows, enabling SPOs to understand their operating environment better and build more effective responses. It comprised digitising day-to-day operations (where even still possible) such as moving programmes (notably training) online; virtual working (expected to continue at least partially where transportation links are poor and time-consuming); and, sourcing, as well as analysing and sharing data – which is particularly welcomed in a sector often accused of opacity.⁴⁴ This can help Global South SPOs improve their funding eligibility where due diligence often requires digital data submission.

Since the crisis, many grant-makers have endeavoured to streamline due diligence, especially for small grants and have simplified their application process with less paperwork and shorter templates. One grant-maker quipped that their application form is now so simple that “*you couldn’t really even call it that anymore.*” Global South SPOs are thus benefitting as they automate their own internal ‘back office’ processes which can support not only electronic grant applications but also drive better accountability across the organisation, creating a virtuous cycle of improved eligibility. David Stead, the former Executive Director of Philanthropy and Development of the Charities Aid Foundation (CAF) agreed that digitisation can significantly help access funding:

“In emergency situations where we are trying to maximise the amount of funding that’s going out it’s about streamlining and making everything you’re doing as simple as possible.”

David Stead | Former Executive Director, Philanthropy & Development, Charities Aid Foundation (CAF)

Tools such as digital signatures helped grant-makers facilitate electronic signing of documents on different devices, leading to much easier contract management. Others leveraged the digitisation of operations to facilitate their due diligence. Alfanar realised that their online training could potentially serve as a useful precursor to potential funding since it allowed for a virtual assessment of needs and could help level up potential grantees’ capacities in advance of any Venture Philanthropy investments.

Cross-sector, cross-country and even intra-regional engagement has also improved thanks to increased digitisation. WACSI, that helps build third sector capacity in West Africa, used technologies such as WhatsApp and Zoom to share data and strengthen networks.

Afadzinu, the Executive Director, credits digital platforms with rendering meetings more efficient and less costly:

“Because of technology we have been able to reach out to a wider population where previously physical meetings were expensive, especially where people were coming in from different countries. Now we are able to reach out to Portuguese-speaking organisations with virtual technology, allowing us to translate into multiple languages.”

Nana Afadzinu | Executive Director, West Africa Civil Society Institute (WACSI)

4.2 Grants: From restricted to unrestricted funding

Our research showed that during the COVID-19 crisis, grantees witnessed positive new behaviours in the way in which grants are managed, approved and disbursed. Despite the foray into more sophisticated hybrid models in recent times – the ‘impact continuum’ ranges from traditional charity giving to impact funds, impact bonds, loan guarantees and even green sukuk⁴⁵ – COVID-19 reminded practitioners of the value of the humble grant notwithstanding the unwieldy bureaucracy that it sometimes generates. Indeed, the pandemic forced grant-makers to address some of the hurdles that have slowed down the approval and disbursement of what ostensibly should be a simple, quick and flexible option. As the crisis hit, we saw multiple grant-makers waive complex conditionality, speed up disbursement and generally render grant-making more accessible, efficient and patient. The pandemic also shed light on the power of grants as ‘first loss capital’ as grant-makers sought to leverage additional finance to create emergency funds. These new practices are welcome, although experts caution against becoming overly reliant on this single instrument and that the newfound flexibility might not last.

Less conditionality: Grant-makers told us that due to the pandemic they changed their procedures in order to release grant funding much more rapidly than usual⁴⁶ by simplifying their due diligence and removing onerous conditionality requirements that so often plague the sector. Many allowed the direct allocation of existing grant commitments to salary costs to avoid redundancies (given surplus budget thanks to the mothballing of programme activities), essentially creating furlough schemes where government ones were non-existent and defying long-held beliefs that real impact depends on grant funding going directly to support programmes rather than overheads. (Bridgespan and others have long criticised the non-profit starvation cycle that leaves “*many non-profits so hungry for decent infrastructure that they can barely function as organisations – let alone serve their beneficiaries.*”)⁴⁷

Noura Selim, the Executive Director of Sawiris Foundation, noted that her organisation kept this principle top of mind in their emergency response, which comprised three core actions – the first being to protect the lives of their grantees’ staff. The Foundation confirmed they would pay the salaries of project teams and asked its grantees to cease all non-essential project work to protect their staff:

“We didn’t want them to put people’s lives at risk,” says Selim, “just to show that they were doing the work. We didn’t have a problem covering administrative costs and told them we will revisit what activities are possible once they confirm what projects they are able to undertake... we told our grantees that we understand that there may be different budget implications, so we told them if you believe you will need additional budgets, please let us know.”

Noura Selim | Executive Director, Sawiris Foundation

Other grantees also confirmed similar behaviour from grant-makers who had allowed for the repurposing of funding rather than impose earmarking. Small grants, for example, were issued very quickly in the immediate aftermath for purchasing PPE and laptops for remote working even where this was not the official focus or earmark of the original grant.

COVID-19 clearly highlighted the value of unrestricted funding in a world seeking ‘resilience’ and as Chris West of Sumerian Foundation points out, has perhaps underscored – yet again – the importance of providing funding for core operational overheads. The longevity of the crisis, he notes, further reiterates the need for patience and flexibility:

“I suspect many will need more cash on very patient, concessional terms, whether that’s grant money or cheaper money. Fragility [in this sector] and change is natural – the difference now is the sheer scale of it. This reaffirms the importance of giving patient appropriate capital.”

Chris West | Sumerian Foundation

More simplicity: Many grantees confirmed that they had witnessed an accelerated pace of disbursements due to the pandemic that quickly dissolved earlier justifications about the need for (often slow and burdensome) detailed bureaucratic procedures. Indeed, we heard multiple examples of how disbursements that might historically have taken months being reduced to weeks if not days.

As Beau Crowder, former Director, Dubai Cares told us, crises can lead to a dismantling of administrative processing barriers:

“In a crisis situation you need to react with speed. If funding mechanisms are not in place to do this, then you have to rethink how you source, issue and monitor funding. An option to reduce transaction costs and increase response time with approved funds that are not yet disbursed, may be to set up a pooled funding mechanism with governance parameters that are agreed across the donors and centrally operated by a single philanthropic entity. Obviously, the issue here is for all parties and boards to rapidly agree on the governance structure. Something easier said than done!”

Beau Crowder | Former Director, Dubai Cares

Ford Foundation was held up as a role model for having adapted its systems and support processes to ensure that grantees received funding quickly and efficiently:

“They were extremely flexible and innovative” said Naila Farouky of the AFF. “They showed real leadership acknowledging that this is a historic moment of crisis the likes of which we haven’t seen since the Great Depression and as such they needed to be super flexible and quick to respond.”

Naila Farouky | AFF

Other grant-makers confirmed that they had renewed finance to existing grantees even if it was not necessarily on the cards, as Noura Selim of Sawiris Foundation confirmed:

“When the crisis hit we realised that there was a distinct possibility that some grantees would have to close. Many of them were struggling to keep paying their personnel and pay fixed costs. We realised that we needed to help so we sent them all a message saying that we understood that this was a complicated scenario and that we were worried about their survival. We said that we would later evaluate how the projects we had initially invested would be impacted and maybe how we can guarantee that at a later point we can at least finish that initial project.”

Noura Selim | Executive Director, Sawiris Foundation

More leverage: The crisis also made clear that the grant was a critical means of securing additional funders, as it reduced risk and created a source of first-loss capital, paving the way for more complex, longer-term instruments. Alex Jarman of Investing for Good notes that the crisis is forcing ‘impact first’ funders to work closely with their commercial investors while also acknowledging that all actors could do with more grant finance:

“It’s important to delineate between the [corporate] foundation providing grant capital as they have done for decades and then the same [commercial side of the] organisation providing impact/ repayable finance. Often, it’s a different team in charge of each of those with very different individual parameters, but we’re not finding that one is cannibalising the other. If anything, they’re reinforcing each other. If they’re making a grant, they’re more likely to make an investment on the basis that they have confidence in the underlying organisation through their long relationship.”

Alex Jarman | Investing for Good

Richard Gomes, Deputy Director at Shell Foundation, agreed that grants have come into their own as a source of first loss capital. With the hugely heightened risk of investing in emerging markets that COVID-19 has created, any instrument that can reassure more risk-averse investors to partner with philanthropic capital should be welcomed. Gomes highlighted the exacerbated challenge of securing funds for emergency response and agreed that committed grant funding can significantly help create co-investment vehicles:

“That’s where our catalytic and first loss funding is reducing their risk which is enabling capital flows,” he said, while noting that establishing dedicated funds is still a slow and challenging process: *“Many investors, particularly those who have supported impact sectors like energy access for many years, are keen to deploy capital but overcoming their risk and return criteria is time consuming. Grant funding is not a silver bullet but it’s a very helpful tool,”* Gomes said, noting that *“the social enterprises most affected by the crisis cannot wait weeks for investors to get approvals through the system, let alone the many months it typically takes. Much depends on leadership. If you believe that something’s needed, then money needs to come into the sector quickly, whether it’s into this [fund] or something else.”*

Richard Gomes | Deputy Director, Shell Foundation

Shell Foundation put most of its incubation programme on hold to commit grant funding to help fuel investor appetite confirming the preference for ‘first loss’ grant funding and a ‘returnable capital’ component as preconditions for non-grant investment.

Avoiding grant dependency: Having extolled the virtues of grants, however, experts still warn that grantees should be wary of the ‘one-trick pony’ that is grant finance and that can often entrench dependence on funders in the Global North, reducing voice and influence of those on the receiving end. Also, not all grant-makers are forward-thinking. At the (fortunately rare) extreme, some funders demanded rebates from grantees they felt could not deliver on their original programs due to the crisis. Others put grant disbursements on hold pending greater clarity on the scale and scope of the crisis, while others cut funding altogether.⁴⁸ Grantees may thus be increasingly wary of depending solely on ‘free’ money and seek to diversify their sources of finance over the longer-term, building resilience for the ‘next time’.

Janet Mawiyoo, the Executive Director of the Kenya Community Development Foundation (KCDF), reinforced the need for resilience:

“If funders decide they won’t give money to Kenya, it means we have to figure out our own ways of surviving. If we get help from somebody that is fine. But if we do not, we are not going to sit and die. We must find ways to go on with our lives.” Mawiyoo encourages locally driven initiatives to this effect that focus on more efficient operational practices such as working remotely, beefing up technology access and learning from regional peers that can improve SPOs’ long-term survivability irrespective of the nature of their funding.

Janet Mawiyoo | Executive Director, Kenya Community Development Foundation (KCDF)

The need for resilience is clear. Notwithstanding the newly simplified approach to grant management and associated improved accessibility, many grant-makers warned that grantees should not assume these practices are here to stay. One Global North grant-maker noted:

“As much as we would like to retain the speed and agility of COVID-19 grant-making, more bureaucratic systems are likely to kick back in post-crisis due to fears around accountability and the challenge of monitoring and evaluating in fragile states. We also worry about corruption and the general lack of transparency that is endemic.”

Global North grant-maker

4.3 Grants: A move towards unrestricted funding

Throwing off the shackles: The opportunity of co-finance

Our research suggests that dependence on grant funding in emerging markets could be offset by increasing the pool of capital available to grantees and encouraging local sources of private sector (rather than concessional) funding to support Global South SPOs. Tony Elemulu⁴⁹, founder of the Tony Elemulu Foundation, views [Africapitalism](#) as a philosophy that represents “the private sector’s commitment to the economic transformation of Africa through long-term investment that generates both economic prosperity and social value” – a powerful confirmation of this potential.

As philanthropists converge with traditional investors along the impact continuum they have the potential to create a more diverse range of instruments and a bigger pool of capital for social value creation. Efforts to unite multi-sector actors in this way are, however, a challenge in emerging markets where social investment ecosystems are fragmented and institutional voids mean few SPOs have sufficient financial expertise to adopt more sophisticated instruments.

Renewed South-South appetite for collaboration may present an opportunity to explore more complex hybrid instruments, especially if this is reinforced with a collective peer-building of technical expertise and associated pooling of grant funding that can help buy down the risk of new instruments. The full array of funding instruments on offer is growing with the industry lexicon now regularly including terms such as bonds, donor advised funds, mezzanine finance, angel philanthropy, impact investment and blended finance. Merging philanthropic capital with commercial capital may represent the Global South’s best opportunity for offsetting Global North dependence by mobilising new sources of private capital for development and system change.

As Co-Impact’s Olivia Leland has pointed out:⁵⁰

“Systems are complex ... no one actor can drive change. We need larger, less dispersed and more aligned funding.”

Olivia Leland | CEO, Co-Impact

Global North actors quickly rose to the challenge when COVID-19 hit, already being accustomed to multi-sector partnerships and securing capital directly from the commercial sector. The Bill & Melinda Gates Foundation and the Wellcome Trust worked with Mastercard (the corporation not the foundation) to launch a \$125 million fund for medical research. For Global South SPOs to follow suit, ongoing ecosystem barriers to co-finance in the Global South will need to be addressed, but co-funding and specifically peer-funding is clearly seen as a means of reducing dependence on the Global

“If funders decide they won’t give money to Kenya, it means we have to figure out our own ways of surviving. If we get help from somebody that is fine. But if we do not, we are not going to sit and die. We must find ways to go on with our lives.”



North – both within the third sector but even more broadly with the local private sector. Maria Anik Tunjung of Indonesia for Humanity (IFH) notes that COVID created an opportunity to work with Corporate Social Responsibility (CSR) funds which might not previously have been possible:

“There is a wider opportunity to talk with them [corporates] and it’s an opportunity for them too. Before [COVID-19] mostly they were just doing charitable activity like giving books to students, which is good but it was very difficult to talk about justice, for example, or domestic violence – they were afraid to touch these kind of issues. Now we are starting internally to see that we have to talk with corporate people.”

Maria Anik Tunjung | Indonesia for Humanity (IFH)

Tunjung said that previously they would have been seen as ‘opposition’ but as the role of corporates in helping create social impact – both in the crisis and more broadly in relation to issues such as climate change – becomes clear, IFH is keen to engage:

“They [corporates] are the ones usually exploiting and creating environmental degradation. Now there is pressure from the international community because of climate change to meet certain standards so we also must approach them. But the problem is we don’t have the skills... human rights organisations need new skills and capacity to talk to new players.”

Maria Anik Tunjung | Indonesia for Humanity (IFH)

Tamires Vilela of the Lemann Foundation also notes the advent of new inter-country collaboration across multiple sectors and increased engagement with the private sector:

“CSR was previously like separate groups of mini organisations thinking about what their own small programme would do so that they could have something to put in their annual report at the end of the year. Now we see these CSR funds working collaboratively more than ever and even converting factories to support the health sector by producing products like PPEs and masks. At the end of the day, they are adapting to do this relief response because they are the ones that have the capability. It’s been interesting to see the CSR world changing so rapidly.”

Tamires Vilela | Lemann Foundation

Filling the gap through Global South capital will definitely be a challenge. As Shell Foundation’s Richard Gomes points out, even where funding for emerging markets is available, it is not enough and necessarily demands a hybrid approach:

“The quantum of capital that you need to sustain all the social enterprises in our portfolio, let alone our sector, far exceeds what we can offer – so we have been working on ways to use grant capital to offset risk for other investors to come in earlier or for larger tickets.” Gomes notes that the high-risk environment created by the crisis has led to a stalling of new funding if not outright capital flight. *“Part of this relates to the practical constraints of getting into the field to meet potential investees or conduct due diligence and part is the difficulty assessing the effect of COVID-19 on markets that were already considered high-risk,”* suggesting that new philanthropic capital coming from these very markets could more effectively fill such gaps.”

Richard Gomes | Deputy Director, Shell Foundation

Shell Foundation has been working to create a fund with like-minded foundations, donors and investors, contributing insight from partners on the ground to help assess market needs, potential and risk, but has yet to secure investment from the Global South. Investment in the \$100 million resilience fund will likely come from development finance institutions and social investors and be anchored by first-loss protection from foundations and donors. Such initiatives thus generally still rely on Global North concessional funding or aid finance with little engagement with potential investors – e.g. Global South foundations, Global South CSR – from the target markets.

David Stead of CAF says simplicity is of the essence to avoid the [Paradox of Choice](#), noting that due to the crisis there has been increased interest in collective funding but that philanthropists (especially individual rather than institutional givers), find:

“it’s much more helpful... to have something specific to give to like a fund... to support international efforts.” Stead says that funders need help in identifying the most effective pooled platforms and in thinking through the decision-making process. Otherwise, he suggests, some philanthropic capital, whatever its geographical source, *“just gets stuck because people don’t know what to do and there are too many options,”* adding, *“I think people do need a little bit of a positive push in these situations.”*

David Stead | Former Executive Director, Philanthropy & Development, Charities Aid Foundation (CAF)



4.4 A Rise in local initiatives:

COVID-19 has brought about a new sense of community solidarity in emerging markets where often government responses were limited and third sector organisations were mobilised to fill the public service gaps – suggesting a new opportunity to build local intra-country or intra-regional relationships and redefine those with the Global North. The pandemic has encouraged new networks and a renewed appetite for South-South engagement with Global South SPOs increasingly empowered through peer-to-peer networks, a growth in professional association and more decentralised community engagement.

Peer-to-peer networks: Somalia's Adeso made extensive use of a network of volunteers to provide medical advice during the crisis. Degan Ali, the Executive Director, notes that these were volunteers working across the globe uniting Somalian public health specialists in Canada and the US with those based locally to provide telemedicine and support for local doctors:

“This effort, this volunteerism – basically Somalis relying on Somalis – was something that to me was another realisation [that we should] aspire to mobilise and work with other NGOs to understand that we have a lot of resources and power within ourselves. We don't need to always be these professional beggars waiting for donors. To me that has been one of the most positive consequences... there's a silver lining to every problem and I think that has been a great consequence of the crisis.”

Degan Ali | Executive Director, Adeso

Naila Farouky of the AFF (a professional network for philanthropic practitioners in the Arab world) highlights the opportunity for intra-regional support whereby regional foundations can share with their peers ideas on how to build strategies, how to design programmes and how partners:

“The crisis forced me to rethink our entire strategy and how the region is coping and how we can apply some of these new innovation principles.”

Naila Farouky | AFF

Janet Mawiyoo of KCDF also believes that COVID-19 has encouraged a much more horizontal approach to building interventions and collective learning. KCDF has been assessing needs nationally:

“We have looked at patterns around loss of livelihoods and loss of jobs [and then cross-referencing] them with the kind of geography in place, rail and road networks. A lot of infections have followed either urban centres or road transport routes, so we are looking at prevention and recovery in those areas in terms of activities. We are expanding our geography more from a point of view of being part of networks and groups that are sharing their experiences and consolidating data.”

Janet Mawiyoo | Executive Director, Kenya Community Development Foundation (KCDF)

Al Qassimi Foundation observed that collecting local data and mapping the market was a product of having to meet unexpected needs in the crisis. The foundation, which is normally focused on education, identified the need to support hidden fragile communities (and notably undocumented African immigrants), so legal advice was particularly in demand – and especially for those individuals unable to pay rent and faced with eviction. The Foundation scoured local professional networks to source charities offering legal advice and then connected them with needy communities, helping to broaden its own professional networks beyond their immediate sphere of operations.

A rise in professional associations: Farouky of the AFF said that the crisis revealed the role and true value of professional networks:

“This body exists for us to do wonderful things. It’s been kind of amazing – I feel bad saying that – but in a way, the crisis was critical in giving us a real sense of purpose. We are even more necessary than before as an organisation because we have access to this network and we can really help unite the various strategies that people are using to fortify the sector and to thrive. We can share information across countries and across organisations for those who are not going to have the opportunity to see each other in the foreseeable future. We have a purpose.”

Naila Farouky | AFF

In the past, it was difficult to convince funders of the value of intermediaries as they preferred to give to more tangible programme-based activities. “I had several run-ins with [global funder] programme officers who didn’t seem to appreciate the value of what we do,” said Farouky. While she confirmed that

funding challenges continue, she felt the voice of the organisation is now more powerful:

“We are the only Arab representatives of Arab philanthropy. We can provide input from the Arab region on what the region is thinking of doing in terms of innovating for adaptation and survivability. Now with the pandemic, we have an opportunity to be able to say, ‘OK, so we have a sector in a region that makes up about 10% of the world’s geography that has been fragmented but can now unite to assess how to best deploy philanthropic capital.’”

Naila Farouky | AFF

Al Qassimi Foundation’s Natasha Ridge agreed that COVID-19 brought local connections to the fore and that local presence and trusted professional networks were hugely important in addressing the ‘isolation’ that COVID-19 created:

“It cuts across the programmes and across personnel and all the internal and external stakeholders and I think the biggest opportunity is increased collaboration. On the one hand, you’ve got this sort of individual isolation and people struggling to make connections, to get jobs and/or just even do things that they always used to do in a different way. But then, on the other hand, you’ve got this great opportunity to really collaborate at a strategic level with governments and other stakeholders and with much larger audiences.”

Natasha Ridge | Al Qassimi Foundation

Rising community engagement: Al Qassimi’s Ridge noted a rise in local and wider community engagement that the crisis induced across the ecosystem:

“We are evolving our community and may have more community grants now. COVID-19 was a way of expanding the eligibility criteria so that more community organisations – not just those in education – could apply to build out an interactive programme or infrastructure they needed.”

Natasha Ridge | Al Qassimi Foundation

Jenny Hodgson of the Global Fund for Community Foundations reiterated this point and the importance of understanding the idiosyncrasies of communities and how the crisis shone a light on the value of 'local connections':

"We are increasingly looking like a hybrid form [of network] where some connections will relate entirely to Community Foundations in a kind of US sense, but actually a number of the 200 organisations we work with are trying to combine different elements of trust-building and local contributions using the mechanism of building philanthropy to do development. Essentially you need to create these local connections – people don't know what they don't know."

Jenny Hodgson | Global Fund for Community Foundations

Lemann Foundation's Tamires Vilela agreed that when civil society unites around common needs, philanthropic actors can be more effective. She cited the example of her foundation engaging with the local broader education ecosystem:

"We were working on national literacy standards and realised that without a united civil society, our advocacy would be hindered, so we helped spark a movement."

Tamires Vilela | Lemann Foundation

"This coalition achieved more progress in policy development than it ever could have if the players were acting independently," she said, adding that the COVID-19 pandemic has helped accelerate those policy changes. As the demand for remote education and virtual connectivity skyrocketed, the Lemann Foundation helped bring together players across the ecosystem – from the government to telecoms companies to TV broadcasters – to quickly produce equitable access to education across channels. The Foundation, which had been working for over a decade to bring the Internet to schools and promote online resources for teachers, is now witnessing major movement on both fronts because of the pandemic:

"Everything that we used to have to fight for is now urgent," Vilela said, *"and I believe this year we will see a huge advancement in digital inclusion in the educational sector in Brazil."*

Tamires Vilela | Lemann Foundation

Too often in emerging markets, collaboration is between local governments and Global North philanthropic capital under the rubric of the SDGs and through international collaboration with UN agencies.

While this trend has no doubt meant bringing much welcome additional funding resources to cash-strapped emerging markets it has likely done little to improve local input into public policy.

5.1 Why regional collaboration is needed

Too often in emerging markets, collaboration is between local governments and Global North philanthropic capital under the rubric of the SDGs and through international collaboration with UN agencies. While this trend has no doubt meant bringing much welcome additional funding resources to cash-strapped emerging markets it has likely done little to improve local input into public policy. When COVID-19 hit and international governments found themselves lost in the quagmire of developing appropriate domestic policy to deal with the crisis, many traditional partnerships came under fire with Global North constituents questioning the allocation of COVID-19 emergency funds to far-off markets when their own communities were also suffering. This forced an unprecedented shift towards more intra-regional rather than North-South dependence.

This was perhaps a first in 20th-21st century development policy where an international crisis was as omnipresent in the Global North as it was in the Global South. Many fear that Global North governments will cut their aid budgets and shift funding to local charities.⁵¹ Many international private donors whose fortunes were based on their underlying business success reined in thoughts of new funding commitments as they turned to the survival of their own business and associated community. Aurelia Kassatly, Senior Manager Private Clients at CAF UK who works with UK-based families, noted that amongst their clients:

“We are not seeing an overall reduction of funding by those who give internationally but equally we’re not seeing much growth beyond existing commitments. Individuals [who give] tend to turn to local causes and charities [notably related to emergency response health care provision, foodbanks etc].”

Aurelia Kassatly | Senior Manager Private Clients, CAF UK

This sentiment was echoed by various advisory groups historically working to convince Global North philanthropists to give towards SDGs rather than just operate in their home markets and further exposes the fragility of emerging market SPOs to the vagaries of Global North funding.

However, this new aversion to ‘giving for development’ has also seemingly created a new opportunity for much closer collaboration between **local** foundations and **local** governments.⁵² We found multiple examples of foundations which might have been historically working alone but thanks to the pandemic developed much stronger partnerships with local governments, which in turn seemingly welcomed their input as a source of social innovation. For instance, Malaysia’s YTL Foundation was instrumental in helping to build a nationwide virtual learning platform for children.

Its [Learn from Home](#) programme has essentially become *the* national platform for remote learning.

Indonesia’s Tanoto Foundation is working more closely than ever with government entities to help improve Early Childhood Education. We also saw examples of accelerated advocacy where historically the voice of local foundations in influencing local policy was less amplified compared to the voice of UN agencies. Brazil’s Lemann Foundation said that historically they had lobbied for changes in government policy through months of lengthy travel to remote local authorities with often limited outcomes; after COVID-19, a single Zoom call served to secure significant policy progress.

Jenny Hodgson, Executive Director of the GFCF, cited the importance of regional collaboration as a means of offsetting the dominance of Global North SPOs. She highlighted the ‘money is power’ dilemma, saying that a more effective framework for impact is one based on a mindset of asking “*how can philanthropic capital unlock people’s ability to do things for themselves?*” Hodgson believes that the crisis has triggered a ‘big side conversation’ around the centralisation and consolidation of power amongst a few but hopes that COVID-19 is ‘the moment’ where the right actors pull together and explore the opportunity of “*having a diverse set of actors coming together to mobilise both public funding for scale and philanthropic funding as the patient capital.*”

Maria Anik Tunjung also recognised the unique opportunity of the COVID-19 crisis for long-term resilience and more sustainable local models – across sectors and across ideologies – that local governments can help facilitate:

“This is about humanity. It’s the kind of transformation that might take many, many years but I also see there is a role for our government to speed up the process.” Tunjung noted that even prior to the pandemic, government entities were talking about ‘transformation’ but that these conversations were largely internal and not with broader civil society. “*They never talked with the NGOs,*” she said, “*we would read about it in the newspapers.*”

Maria Anik Tunjung | Indonesia for Humanity (IFH)

5.2 Potential outcomes of local collaboration

The shift towards more local and regional collaboration if nurtured and sustained is expected to bring about significant positive outcomes in the form of stronger local communities, more inclusive methodologies, more local knowledge and more solidarity.

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Stronger local communities: Partnerships are increasingly moving beyond the traditional realm of grant-maker and grantee to embrace a broader array of actors. Our research highlighted the importance of inclusive 'ecosystems'. GFCF's Jenny Hodgson called it 'constituency building' and something that ultimately depends on the redesigning of civil society away from projects and external funding towards thinking about internal constituency base building and 'bringing people with you':

"It's a larger kind of trajectory that we've been on as we expand beyond organisations that might be purely grant-makers," she noted.

Jenny Hodgson | Executive Director, Global Fund for Community Foundations

This process is informing GFCF's grant-making as it reassesses its remit in a post-COVID world where funds may go beyond existing grantees to new entities interested in 'reimagining the entire ecosystem'.

Gomes of Shell Foundation (with its energy focus) noted how the crisis has brought new alliances into the frame as the criticality of health care infrastructure became clear irrespective of any one foundation's sectoral alignment:

"Suddenly we've got off-grid partners on the ground who can work with healthcare clinics providing data, renewable energy, low-cost refrigeration solutions or distribution channels. We've found lots of relevance [to the health crisis] in our portfolio."

Richard Gomes | Deputy Director, Shell Foundation

Lee Risby of Laudes Foundation also said community building needs to go beyond programmatic works and build much longer-term (five-10 year) relationships through:

"...a cluster of partners that can explore different ways of doing philanthropy." He said this "is the opportunity of this crisis since it forces us closer together and forces us to collaborate ... to help break down the power dynamic so you are actually knitted together and working together rather than in a 'I am giving you X so you do Y' kind of relationship."

Lee Risby | Laudes Foundation

The Jordanian foundation director also confirmed a renewed commitment to working on system change at a country-wide level. The organisation

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was already working on reproductive health with a national team but also engages with "different governmental entities on the implementation of those programmes focused on systemic issues." COVID-19, he said, emphasised the importance of reinforcing local community development. Liza Kimbo also agreed on the importance of building local communities and notably connecting peer organisations to those working in a similar field in a similar geography. Global North grant-makers, she noted, can use their access to global forums to help cement local networks and encourage organisations to pool resources.

More inclusive methodologies: More local collaboration can also promote a more inclusive approach to programme development and as Melissa Stevens, Executive Director of the Milken Institute Center for Strategic Philanthropy describes it:

"...a willingness to apply an equity lens to a philanthropist's charitable investments, when previously that may not have been an explicit priority. There is also more awareness that systems were already broken, which is why the devastating effects of COVID are taking place at the scale we are seeing."

Melissa Stevens | Executive Director, Milken Institute Center for Strategic Philanthropy

Gomes of Shell Foundation also called for greater diversity in finding partners:

"We've tried to challenge ourselves," he says, "to do things differently in terms of how we build a pipeline by focusing more on local founders and female management teams and board representation. We're also working with a new set of local venture capital networks and incubators and accelerators... it's about thinking differently around how we find businesses."

Richard Gomes | Deputy Director, Shell Foundation

While Gomes acknowledged that this is not all due to COVID-19, there is now an accelerated pace of change driven by the thinking about how the sector transitions from recovery to resilience at a local level. He also believes that COVID-19 has brought about a new focus on this importance of diversity and says that the BLM movement has crystallised the importance of factoring in unconscious bias:

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“It’s enhanced our internal conversations and momentum around the dimensions of our portfolio, how accessible we are and how we can do more to benefit local and female entrepreneurs, which will accelerate the work we have been doing in these areas in recent years. Our whole team is united behind a desire to understand and respond to the natural biases within our processes and networks and it’s clear there is much to learn in this area.”

Richard Gomes | Deputy Director, Shell Foundation

COVID-19 has clearly accelerated the thinking about policy-making space and broader advocacy. Risby of Laudes Foundation said their team are now thinking much more about how they influence the enabling environment beyond programmatic work:

“How do we bring inclusivity into this especially given the inequality that’s going to come from COVID?” Risby asked. “There are several questions that we’re asking ourselves but what is really exciting is that the pandemic hit us right as we were kicking off our five-year planning. So we have been able to develop our strategy with COVID helping to shape it. Long term it’s about reimagining what the economy looks like – what does a viable economic model that actually puts people and nature first look like?”

Lee Risby | Laudes Foundation

That is an approach that the UAE-based The Big Heart Foundation is also taking, building advocacy by creating a dedicated platform that unites diverse voices and multi-sector actors. Mariam Al Hammadi, the Director, told us that the foundation had already created an ‘Investing in the Future Conference’ that aims to unite policymakers, decision makers, government officials and donors in one space. She says that every edition of the event targets a specific theme and tries to develop policy solutions:

“We started that in 2014 and we have been doing it every two years with specific partners,” says Al Hammadi, noting that it can be a very effective forum for practical and relevant policy change and tools.

Mariam Al Hammadi | Director, The Big Heart Foundation

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More local knowledge: Multiple interviewees said that better local collaboration could elevate the importance of local knowledge and understanding of the often unique and complex local context. Alwaleed Philanthropies (AP) in the Kingdom of Saudi Arabia (KSA) which funds programmes in developing countries including KSA reiterated the importance of supporting local voices and recognising the power of local insights. AP’s Executive Manager of Global Initiatives, Abeer Al Fouti said that this quest for ‘local’ was behind the organisation’s decision to fund GAVI’s Infuse programme in India. This initiative supports local entrepreneurs working to improve vaccine delivery systems by connecting them to proven innovations and providing capital and expertise to scale up. *“We wanted to invest in and outsource to local entrepreneurs with local knowledge,”* said Al Fouti.

KCDF’s Janet Mawiyoo believes that the crisis has helped to highlight the importance of ensuring that local people have a seat at the table and are part of the analysis of the problem and determining the solutions. Mawiyoo said that there are things grantees can do to help themselves, notably if local knowledge is shared to highlight what communities really need:

“The more you have real data on needs, the more you can reduce dependence on other people.” She averred that since COVID-19 debilitated transportation networks and restricted delivery of goods, KCDF encouraged self-sufficiency and *“that mentality where you are not just thinking you are permanently going to be depending on someone else, including funders. If funders decide they won’t give money to Kenya, it means we have to figure out our own ways of surviving. It’s a mind awakening.”* Peer learning helps, said Mawiyoo. *“How do we beef up access to technology for ourselves and for our grantees so that we all have more information about what is happening elsewhere? What can we learn from others?”*

Janet Mawiyoo | Executive Director, Kenya Community Development Foundation (KCDF)



COVID-19 crisis: Scientists and technicians involved in the research, development and manufacture of Corona Virus Testing Kits in a laboratory facility near Cape Town, Western Cape, South Africa, RSA

The ICRC's Adrian Goodliffe confirmed the value of having a partnership with the Tony Elumelu Foundation in Nigeria and of having access to local knowledge that can help international organisations navigate local complexities. Goodliffe noted:

"The real strength of this partnership, which aims to revitalise economies of conflict-affected regions in Nigeria and promote employment and social cohesion at a local level, lies in the role of the Foundation using its expertise and knowledge to help us efficiently identify, vet and select local entrepreneurs while also building local capacity through business training and mentorship activities. It's a model we hope to replicate elsewhere."

Adrian Goodliffe | ICRC

More solidarity: "Crisis is a part of the journey of most SPOs and one that all will face in their lifetime," says Chris West of Sumerian Foundation. However, he suggests a new solidarity this time around thanks to COVID-19:

"The difference is that this challenge has been faced by everyone at the same time and leads us all to question the fundamentals of the model of philanthropy. Are people going to support on delivering the outcomes or the activities? We need to acknowledge vulnerabilities and whether the emergency response – which in most cases has been admirable – leads to a systemic change. The organisations that we're supporting have fragilities and vulnerabilities and therefore need longer, more patient support that is appropriate to their needs. We need to go beyond just reading a report but really partnering with them... that's where philanthropy should be."

Chris West | Sumerian Foundation

This kind of solidarity resonates with other grant-makers, notably from the Global South, who see a gap in mutual peer support. AP's Al Fouti noted that while many large funding organisations in emerging markets fund through UN platforms, more direct South-South peer learning and engagement might help bring about more impact. This is especially the case where countries have unique, often conflict environments that are difficult to address from a distance. Al Fouti suggested that beyond the crisis there is a clear opportunity for more regional solidarity and mutual recognition.

Degan Ali of Adeso believes that solidarity will be critical to the future of the sector:

“Some human rights organisations marching on the streets of Kenya are putting their necks on the line and risking being jailed,” she said. “They are doing things that we should be doing but we’re not because we are working separately. It has to start with us breaking down those barriers that we’ve created amongst ourselves as civil society in the Global South.” Ali said SPOs need to be *“speaking on the same page and speaking for the same thing”* which in turn can help negotiations with large global foundations. *“We can go and say enough is enough. You need to change and do this”* without fearing negative consequences. Existing grantees, she acknowledged, may be reluctant to speak out alone for fear of losing funding but collectively global South SPOs can have more influence while also encouraging solidarity from the Global North. *“They can be really helpful because institutions that are not necessarily tied to these [global funders] entities and have unrestricted funding or a more diverse funding base are better positioned to make that critique.”* Ali lamented that often this simply doesn’t happen: *“This is the problem. We have been so divided as civil society both within ourselves in the Global South but also with our natural allies in the Global North.”*

Degan Ali | Executive Director, Adeso

Our exploration of the new trends in the Global South philanthropy field reveals the existence of a number of institutional voids, or institutional arrangements, that are absent.

Our research suggests that the most important among them in emerging markets continue to revolve around access to information and knowledge, ad hoc policy making and an absence of actionable data.

We believe that filling these voids could go a long way towards building a more robust philanthropic ecosystem that has the capacity necessary to solve local problems

6.1 The voids

Our exploration of the new trends in the Global South philanthropy field reveals the existence of a number of institutional voids, or institutional arrangements, that are absent. Our research suggests that the most important among them in emerging markets continue to revolve around access to information and knowledge, ad hoc policy making and an absence of actionable data. We believe that filling these voids could go a long way towards building a more robust philanthropic ecosystem that has the capacity necessary to solve local problems, as discussed below.

Access to information, knowledge and soft skills: Limited availability and sharing of knowledge was regularly cited as a key hindrance to dealing with the complexity of the pandemic and notably in terms of knowing how to manage the crisis and mobilise strategic resources accordingly. Sawiris Foundation in Egypt sought to work systematically with the broader ecosystem, where historically this might have been less crucial, but acknowledged the enormity of the challenge. Noura Selim, the Executive Director, observed the sheer size of the third sector:

“There is such a large number of NGOs – I think now it’s in excess of 55,000 – many of whom may have very limited capacity.”

Noura Selim | Executive Director, Sawiris Foundation

Grant-makers have long recognised the possibility of providing ‘more than money’ to support knowledge transfer for capacity building. In reality, however, offering more than finance can entail a complex process of building in-house technical expertise to support grantees, deploying ‘hands-on’ resources in the field and establishing a business model that can measure the value created and justify the associated costs – something that many Global North grant-makers shy away from. Knowledge transfer is not ubiquitous in the sector despite broad recognition of its value: most grantees we spoke to said it was just as important as financial support, notably in the areas of strategy (e.g. crisis management, scenario planning, leadership coaching and digitisation) and fundraising (e.g. re-allocating and re-developing budgets and securing additional funds). They also called for help in developing soft skills.

Chris West of Sumerian Foundation noted that grant-makers can play an important role in this respect as mentors with whom grantees can share challenges and concerns:

“Not necessarily from an ‘I can help solve your problem’ perspective,” he clarifies, “but as someone who is genuinely listening and who can help reaffirm that what they’re doing is good and that they should hang on in there. That’s invaluable. Many organisations are simply there to transfer money but, in my view, that’s not enough.”

Chris West | Sumerian Foundation

Reflecting this need, Tshikululu Social Investments, a social investment fund manager and advisor based in South Africa, worked together with a third sector intermediary to establish a ‘first-of-its-kind’ SPO Mental Health Support Programme⁵³ and 24-hour toll-free Helpline to offer mental health care in partnership with the SADAG (South African Depression and Anxiety Group). Natasha Ridge, the Executive Director of the UAE-based Al Qassimi Foundation, confirmed that they also found that grantees needed help with soft skills. The Foundation pivoted from its core focus on education to supporting grantees with logistics and restructuring budgets but also mental health:

“We did some training on how to deploy technology and supplied laptops to grantees since there was a huge shortage. But we also did a big push [through online training] on mental health and resilience, looking at transitioning to work from home, isolation and how to not be ‘on’ 24/7.”

Natasha Ridge | Al Qassimi Foundation

Such flexibility is rare, however, with most grantees that we spoke to struggling to access financial support let alone non-financial input. One grantee noted that even if available, non-financial input is only really effective if accompanied by a very open and transparent working relationship between grantees and grant-makers where grantees could be honest about their needs. Some Global South SPOs are reluctant to acknowledge their lack of institutional capacity to Global North grant-makers for fear that this undermines future grant eligibility. As Laudes Foundation’s Risby says:

“It’s about listening ... and it’s about collaborative learning and about breaking down the power dynamic. There are things like training on fundraising and crisis management support that helps keep partners going.”

Lee Risby | Laudes Foundation

All of which can add as much value as actual grant funding itself.

Ad-hoc policymaking: As foundations and SPOs raced to mobilise solutions and alleviate the crisis, many grantees expressed concerns that the ad-hoc policy-making endemic in philanthropy was going to be further exacerbated despite recent efforts to build for the long-term. As resources were pulled from programme budgets and reallocated to emergency response activities, sustainability considerations were deprioritised. Both grant-makers and grantees expressed dismay at this trade-off, often having spent years calling for the exact opposite (multi-year funding and ‘patient’ capital). As Linda Hoemar Abidin, the Treasurer of Koalisi Seni, notes, the pandemic risks further fuelling ‘the non-profit starvation cycle’⁵⁴ where SPO capacity is limited by caps on overhead costs and could set the Global South philanthropic sector back decades.

Chris West of Sumerian Foundation said tilting back to ‘ad hocism’ further complicates the challenge of getting the balance right when allocating precious and limited funding resources. He suggested that grant-makers revisit their business model and the nature of support they provide and assess what interventions really work:

“You have to look at the cost efficiency of your own model,” says West. “You have to live within your means and the availability of cash versus the cost efficiency of continuing to offer the product or service you provide. I hate to say it but there is opportunity in crisis ... for doing things leaner, smarter, better. I am worried that philanthropy will revert to what philanthropy always does – knee-jerk emergency stuff, rather than really understanding what the market needs and how you can deliver value to it. Are you really trying to focus on delivering outcomes rather than just lots of activities?” West cautions against reverting to short-term horizons and calls instead for a “different way of thinking and working. Emergency response is great to stop things falling off a cliff but then you need to question the fundamentals of the model you’re operating.”

Chris West | Sumerian Foundation

AP’s Al Fouti, faced a similar dilemma, noting that while the organisation prefers to deal with long-term sustainable targets rather than emergency response, COVID-19 was clearly too catastrophic and too big to ignore. AP always had a dedicated emergency fund available anyway, but the crisis meant ensuring that this pot of funding was retained in its operational plans.

WACSI’s Afadzinu highlighted the opportunity of local giving to build long-term resilience, noting that local communities often do have a rich giving history. “This is a culture that has to be nurtured,” but “it will take time, it’s a work in progress but I believe we will see the fruits of this later.”

Absence of actionable data: Further building on the need for long-term resilience, Frank Aswani, CEO of the African Venture Philanthropy Alliance (AVPA), highlighted the importance of local data in building effective operational and survival strategies:

“The first issue is how do you keep them [SPOs] sustainable, but the second is the lack of data. For a long time, the sector hasn’t really worked with the discipline of the private sector where information and data are key [for strategy building]. People have done their own thing in their own little buckets. If you wanted to distribute food, you don’t have a clue which NGOs are working in the food space, in what area. We had no databases on social enterprises so even if you wanted to scale up a solution [e.g. supporting hand washing by providing access to water], you couldn’t find those guys because they’re not sitting on a database anywhere.”

Frank Aswani | CEO, African Venture Philanthropy Alliance (AVPA)

COVID-19 exacerbated the institutional weakness of poor data and reinforced the need for continual institutionalised data-sharing that can feed into operational strategies on an ongoing basis in place of random, ad hoc research. Natasha Matic, the Deputy CEO of the King Khalid Foundation (KKF) in Saudi Arabia, made this point explaining how the Foundation intends to improve on the data gathering of the past:

“We will definitely have to keep adjusting [our strategy] throughout 2021 since we’re not going to have a vaccine tomorrow and suddenly go back to normal. Our grant-making methodology will have to be very responsive to the results of our research and what we find from the market.” Matic says KKF will also survey its grantees to ensure robust data for future strategy development.

Natasha Matic | Deputy CEO, King Khalid Foundation (KKF)

The Big Heart Foundation also highlighted the need to keep developing data systems to build effective strategies, especially when working with fragile communities across the Middle East:

“When it comes to post-COVID grants,” noted the Foundation’s Al Hammadi, *“we still haven’t approached anyone about receiving proposals, for example, for new projects or new programmes. We are looking to do research first before deciding on what grants we want to allocate. We still have no idea what type of projects we are going to implement.”*

Mariam Al Hammadi | Director, The Big Heart Foundation

Community Jameel, the global philanthropy of the Jameel family from Saudi Arabia, is similarly committed to taking an evidence-based approach. George Richards, the Director of Strategy Development, noted that its non-financial support is already tailored to the specific grantee but agreed that the crisis further highlights the importance of *“listening and understanding what... [grantee]... needs are and then crafting a response accordingly.”*

Locally commissioned and locally funded research can help further offset Global North dependence by producing accurate local analysis. Adeso’s Degan Ali called out the structural issue of constantly having to seek data validation from the Global North and *“having to have white people tell us something for it to be believed.”* She also urged operational organisations to produce their own research and data, so they are equipped to ‘play the game,’ and has instigated local networks to produce local surveys using local funding. It reflects, she said, the racism of the historical system that believed that *“credible information is based on who says it.”*

Market data also helps grant-makers make better informed funding allocation and have a better understanding of the ecosystem.⁵⁵ Movimento Bem Maior (MBM), a Brazil-based foundation working across multiple sectors, acknowledged the importance of building system-wide datasets and has plans to map out all social organisations in Brazil in order to cross reference the data with international indices such as the Gini [inequality] Index, the Human Development Index and local indices to build better understanding of social vulnerability. MBM’s Richard Sippli explained how the Foundation is building a new approach:

“We’re trying to build a system which aggregates all kinds of data so we can get a really accurate picture of the means of the social organisations working in specific areas. We can then offer grants to provide the right tools for development in the neediest areas.”
He says, as an example, there are large gaps in social welfare but

few or fragmented reliable indices and often small or informal social organisations working in that field with almost no access to funding. *“We want to develop this sort of intelligence so that we don’t have to evaluate blindly. Instead we can use parameters that help us assess where we can have the biggest impact on this subject. We want to know where the hotspots are.”*

Richard Sippli | Movimento Bem Maior (MBM)

South Africa’s Tshikululu Social Investments has also vocally called for ‘data, data, data’ in its COVID-19 survey:

“You have the right technology and data platforms as an organisation is key... The pandemic has made it even more undeniable that access to data is both the present and future. Without it, inequality only worsens. Find and design strategies to strengthen data access across your social impact work.”⁵⁶

Tshikululu Social Investments

6.2 Filling the voids

Using boards for access to knowledge and information: Practitioners pointed out the (sometimes missed) opportunity of using boards and grant-makers as immediate sources of strategic advice and technical input during the crisis. SLMC’s Liza Kimbo acknowledged that her grant-makers had provided an invaluable sounding board during the crisis given *“there’s so much uncertainty.”*

Many of our interviewees pointed out the importance of being able to access boards directly and quickly during the crisis and as a source of critical advice. Sawiris Foundation’s Noura Selim said it was a huge help to have a board that is very practical and understood the need to abandon pre-COVID strategy KPIs. Selim noted that board flexibility around unmet 2020 KPIs was largely due to their confidence in the executive team and their awareness of the need for swift emergency response. *“They will take a closer look at what the figures and tables will mean for later on and ensure the organisation gets the support that it needs,”* she said.

KSA’s AP echoed this sentiment noting that having an engaged Chairman was *“one of the big pluses”* of working for the foundation. Coupled with a small team of just 10 Saudi women, the Foundation’s Al Fouti, said she was proud of the ‘lean and mean’ governance approach noting that board structure of just five to six individuals. (Third sector boards in the region can be notoriously large due to local regulations.) *“Our Chairman is always on top of things,”* she noted, *“it never takes more than 24 hours to get a response.”*

Frank Aswani of the AVPA also sees boards as a powerful source of technical input, notably if they themselves have access to regular training and knowledge transfer around, for example, new financial instruments such as impact investing. Maria Anik Tunjung of IFH also agreed that boards are overlooked as a rich source of technical input and that the crisis has highlighted this opportunity:

“We now have more consultation with the board. In Indonesia sometimes boards are just a name and they don’t really understand operational realities because they are chosen due to their reference in the political sphere ... but now I think everyone realises this is an urgent situation and they want to also import more.”

Maria Anik Tunjung | Indonesia for Humanity (IFH)

And while the crisis might not seem like the optimal moment for board restructuring, Indonesia’s social enterprise Ecodoe did just that and decided to bring on a new board member to respond to a specific skillset gap in the field of marketing and communications. The reality of the crisis created the need for expert advice in this area, since their beneficiaries, local SMEs, needed to better promote their products in a digital space.

More conducive regulatory environment: As counter-terrorism measures grew post 9-11, governments in emerging markets have adopted tighter measures to control and monitor philanthropic capital. At the micro level, this can mean preventing foundations from investing for explicit financial returns to regulating even the smallest charitable fund-raising effort and tracking (if not blocking) incoming grant finance. Even the process of creating an endowment can be legally complicated and bureaucratically difficult. In some countries, governments tax local giving but not international donations,⁵⁷ essentially disincentivising locally based COVID fundraising. Currently few funders in emerging markets use their endowments to leverage additional funds, but the pandemic has exposed new ways of thinking about how local funding sources can be mobilised.

With more efficient and conducive local regulatory frameworks, Global South SPOs would likely mature faster since currently immense resources are invested in navigating nascent frameworks. The AFF’s Farouky spoke of how the organisation had struggled to receive international grant funding into its branch office in Jordan due to various government bureaucratic processes that entailed onerous scrutiny, blocking access to bank accounts and ultimately jeopardising the disbursement of the grant entirely.

Undoubtedly better regulation in emerging markets could help address the funding challenges of Global South SPOs and allow for more capital into the

COVID-19 exacerbated the institutional weakness of poor data and reinforced the need for continual institutionalised data-sharing that can feed into operational strategies on an ongoing basis



sector to improve long-term resilience. It could also help encourage local philanthropic capital to stay local and create new innovative partnerships. Save the Children's (STC) partnership with local Nigerian philanthropist DJ Cuppy is a case in point and shows the power of marrying local capital with local government and international expertise. Sayyeda Salam, STC's Partnerships & Philanthropy Director confirmed that this had been a transformational initiative:

"Working with a local philanthropist has made a real difference since clearly there is a strong alignment between our partner's experience and understanding of the challenges. There is also an opportunity to engage with local government more effectively and support their work with local private capital. We see this as a real opportunity for the future and one we might be able to replicate in other markets."

Sayyeda Salam | Partnerships & Philanthropy Director, Save the Children

Jenny Hodgson, the Executive Director of the Global Fund for Community Foundations noted that emerging market regulation is further complicated during crises where lines are blurred between private philanthropic funds and public sector services. She notes that in Africa the governance of government-managed emergency funds varied considerably:

"You have some scenarios like in Uganda where the government has stepped into the space and Tanzania where basically government is saying this is the only bucket that should be given to, which leads to immediate concerns," she says, noting the existence of 'charitable rackets' where businesses might make donations to government solidarity funds to secure contracts and access. "In South Africa", she notes, "the solidarity fund has been set up with separate governance because they understood that it needed to look like a different bucket from public funds."

Jenny Hodgson | Executive Director, Global Fund for Community Foundations

KCDF Executive Director Janet Mawiyoo believes Global South SPOs can work with government to help improve the situation and *"engage in policy discussion and assess legal frameworks and how we do things better"* to ensure that governments are indeed allocating resources to critical areas and building effective development policy and regulatory frameworks that encourage giving.

WACSI's Afadzinu said there needs to be a more refined enabling environment that recognises the varied forms of philanthropy and that can further enable its deployment:

"What we have now is just generic registration through a company law which makes all non-profits companies limited by guarantee. Then you register as an NGO so you need multiple registration points and file returns every year. When it comes to philanthropy it's better to have a taxation framework that incentivises it. What is needed is better infrastructure for the philanthropic sector to be set up."

Nana Afadzinu | Executive Director, West Africa Civil Society Institute (WACSI)

Transparency through digital technology: Practitioners regularly hail the value of better data capture and digitisation for improving market knowledge and understanding. Data and data platforms can be used to build-out more holistic financial profiles of grantees and help assess financial sustainability more effectively in turn helping grant-makers provide more appropriate support.

Shell Foundation's Gomes said that where previously programme managers simply used spreadsheets to stay on top of performance, there is now an opportunity to analyse and benchmark the effectiveness of the Foundation's support by increasingly adopting digital processes – simultaneously developing grantees' financial and digital capacity while promoting greater transparency:

"During the crisis, we adapted the milestones we use to track progress and trigger funding payments, stripping out ones that are no longer relevant and delaying others in view of the macroeconomic conditions," said Gomes, noting that the Foundation uses monthly data to establish triggers for renewed disbursements and quarterly KPI performance trackers (using a Cloud-based M&E system) – all potentially helpful processes and systems that can help mature grantees while simultaneously rendering them more accountable.

Richard Gomes | Deputy Director, Shell Foundation

Alfanar is using technology to improve transparency while also building grantee technical capability and expertise. It has developed applications for each of its social enterprise grantees to track their impact and financial sustainability in real time. This focus on data and evidence helps social

entrepreneurs iterate and pivot faster and make *“better management decisions”*, said the Foundation’s Executive Director Myrna Atallah.

Maria Anik Tunjung of IFH noted that using online tools to gather data, they were better able to adapt their strategy to meet market needs. She said that when the initial response was about relief and *“a lot of charity work”* the organisation was *“a bit confused as to how we can we keep our role as a grant-maker working for structural issues while the situation around us is talking about emergency issues.”* IFH thus took time in the first month to observe what was emerging in the community while reflecting on its own remit. *“In the second month,”* she says, *“we decided: ‘OK, we have observed the community [and undertook focus groups] and two of the issues emerged are actually our issues: eliminating violence against women and supporting food sustainability in community level.’”*

Grantees also confirmed that better transparency through increased digitisation potentially meant more access to funding. Liza Kimbo noted that increased automation could help secure (much needed) unrestricted funding by developing more efficient and integrated data systems that can help boost often rudimentary reporting methods:

“I’ve got nothing to hide,” says Kimbo. *“My operations are 100% transparent. I really just want to have unrestricted funding and if that means me signing off on a system that connects my information system directly to a donor reporting interface, then so be it. This frees us up to engage on other things and helps drive innovation.”*

Liza Kimbo | Director, South Lake Medical Centre (SLMC) Kenya

The shift in the power dynamic that our research revealed is clearly nascent, fragile and patchy.

However, it shows some early indications of practices that if nurtured and retained could potentially transform the relationship between Global North and Global South philanthropic actors.

This in turn could lead to positive operational and policy outcomes that can help deliver more sustainable and scalable social impact.

The shift in the power dynamic that our research revealed is clearly nascent, fragile and patchy. However, it shows some early indications of practices that if nurtured and retained could potentially transform the relationship between Global North and Global South philanthropic actors. This in turn could lead to positive operational and policy outcomes that can help deliver more sustainable and scalable social impact. We acknowledge, however, that more research is needed to assess this possibility of a sustained paradigm shift. This report takes the first steps towards a broader research agenda that can more systematically guide the thinking and operations of both Global North and Global South philanthropy practitioners.

We hope that the positive practices outlined in this report will be cemented over time. We welcome the growth of local data and knowledge and a concomitant surge in South-South collaboration. We acknowledge the challenges of delivering on the ambition of the SDGs, now further exacerbated due to the pandemic. However, we believe that by elevating the voice of Global South SPOs into international development discourse – something that COVID-19 enabled – their implementation can be facilitated.

We identify here what we believe to be the three most important opportunities for further fuelling the power balance shift and improving the impact of Global South philanthropy.

1. Fund networks to improve infrastructure including data collection:

Emerging market professional philanthropic networks have a potentially huge role to play in supporting the development and institutionalisation of Global South philanthropy. They help under-resourced, fragile SPOs collectively bargain for better conditions where they might fear repercussions were they to do so alone. By articulating the collective demands of the sector to local governments, global grant-makers and the broader development community, professional philanthropic networks in the Global South can elevate the voice of SPOs, create stronger collective advocacy platforms to lobby for improving practices, connect global South SPOs to their peers for knowledge exchange and help build richer and more accurate analysis of the needs and potential of the sector.

The COVID-19 crisis has served to question multiple assumptions about the way in which the sector operates in emerging markets and how it can work better. Time is of the essence and there is already much consensus among Global South grantees about how sector practices can be improved. What is important now is immediate action and commitment from Global North SPOs to support calls for change and ensure that the positive behaviours welcomed by Global South SPOs during the crisis continue.

Professional networks are critical in this respect since they allow for faster scale-up of knowledge sharing, technology transfer and the creation of operational partnerships. Lessons learned about how best to create scalable sustainable impact in the Global South on the back of the pandemic must not be forgotten in the aftermath, but instead widely disseminated and translated into fundamental deep-rooted changes in the way in which global grant funding is managed, measured and disbursed. Only with collective networked voice can Global South SPOs make this case for system change. The tools already exist. Transformational 'open' digital platforms, centralised data repositories and data analysis using artificial intelligence and Blockchain just need to be adopted and scaled, not invented. Global South networks have the will and appetite to do so, but Global North grant-makers need to commit to facilitating and *funding* the process.

One clear way of doing this would be by providing resources for infrastructure that they have historically eschewed. Infrastructure investment can help fast track professional development and leapfrog outdated analogue practices to exploit the COVID-induced acceleration of the digital revolution for rapid adoption of technology and digital management systems. This in turn can help encourage more scalable standardised interventions with associated frameworks for region-wide data reporting (e.g. Cloud-based) that align with the SDGs and help channel Global South SPO input into policy frameworks. Intermediaries or networks can be champions of an open culture of sharing, thus further empowering Global South SPOs collectively for more effective interventions through better data and decision making. Our research showed that the more local data is collected, the more vulnerable communities become known. This should be welcomed as practitioners build resilience for 2021 and beyond.

2. Increase Global South government grant-maker partnerships:

As emergency market philanthropy grows (largely thanks to the intergenerational wealth transfer expected as capital markets mature), there is an opportunity for Global South philanthropists from these markets to work more with Global South governments to increase the pool of capital and support national development policies. Such partnerships have been initiated on the back of the pandemic and served to highlight the mutual benefits that they offer: governments get much-needed additional capital and social innovation, while Global South SPOs and grant-makers get an opportunity to align with national development policy and scale up their initiatives faster.

Perhaps most importantly, together Global South philanthropists and Global South governments can build harmonious (rather than contentious) working relationships to create a new narrative around

system change. As Leslie Johnston, the CEO of Laudes Foundation, notes, the pandemic has made the need to think about system change and work beyond immediate stakeholders paramount: *“In order to change a system, we need to change mindsets and therefore allocate funding to things that we think can change the dominant narrative,”* says Johnston, calling for practitioners to look beyond their usual allies and reach out to different and more diversified pools of expertise. *“We need to get smarter about what it takes to change and enforce good policies,”* she says, describing the crisis as a unique opportunity to reflect on how foundations can best use their resources (people, money and networks) to accelerate the path towards a new economic system.

By working much more systematically together, Global South SPOs and Global South governments can advocate for radical reform of existing development policy parameters, collectively providing input from the Global South. In turn, they can improve prospects for delivering on the SDGs by adding new diverse voices and resources. As one Global North grant-maker said: *“We need to find a way to support Global South governments without giving up on Global South civil society space. That’s critical and yet a lot of emerging market governments are not comfortable working with local NGOs and broader local civil society.”*

The OECD’s Development Centre was instrumental in pointing out the historic lack of engagement with philanthropists in global development policy and has made significant inroads in addressing this gap by uniting philanthropists from and working in the Global South through its Network of Foundations Working for Development ([netFWD](#)) professional network. It has also built a database focused on philanthropy in the developing world. At both the **Mexico** and **Ethiopia** High Level UN Meetings on Funding for Development, emerging market foundations were invited for the first time to contribute to the global discourse around the roll out of the SDGs. Through government-SPO partnerships this trend could further gain momentum. From the climate crisis to the new green economy agenda, large unrestricted philanthropic cash injections from the Global South could help test, prove and scale new ideas.

3. Build resilience through core funding: Grantees that we interviewed all welcomed the simpler, faster due diligence and application processes that COVID-19 engendered. They reduced time and costs and quickly freed up funding for unexpected purposes where previously it might have been rigorously earmarked. However, despite this welcome new flexibility, the ‘holy grail’ of philanthropic finance is clearly unrestricted grants for core costs. Deep-rooted suspicion of and aversion to funding ‘overheads’ is based on a pernicious myth that somehow it is less effective than direct programme funding and obfuscates the integral value of teams and institutional capacity. As one global grant-maker said: *“It’s*

a trust issue – it requires a lot of trust that they are going to spend those resources well and it plays into this power dynamics that philanthropy is struggling with at the moment.”

Without funding for internal infrastructure, hiring top talent and building out effective management systems, no amount of innovative programme development can deliver the best impact. Grant-makers must cease this unjustified practice of refusing to fund core costs – or chronic underfunding – which systematically perpetuates institutional voids and very negatively impacts the ability of Global South SPOs to build high-impact and effective delivery models. SPOs must be empowered to ask for it. Moreover, it unnecessarily entrenches the power inequity between Global North grant-makers and Global South grantees, suggesting the latter cannot be trusted to decide where funding is best allocated. It has been called out for decades and yet remains systemic.

Subsequent improved institutional capacity would help grantees accelerate the automation of management systems by allowing for the recruitment and retention of relevant expertise. This in turn could help Global South SPOs further develop comprehensive data and knowledge repositories that can help quickly build future resilience. Rapid adoption of AI and Blockchain on the back of increased core funding could help mainstream a new digital approach to data management and access and help democratise data.

The days of international agencies being the ones to identify, comment on and prescribe for social investment solutions must surely be waning. Respecting and collecting local data are paramount: listening to local voices about the data implications, even more so. Global North grant-makers should help Global South SPOs to ride the data revolution and build relevant skills and technology. At the same time, they can ensure that these same tools allow for local extrapolations and predictive analytics. This in turn can institutionalise a new culture of open sharing, improve decision making and elevate voice. We urge Global North grant-makers to systematically offer funding for building institutional capacity – be it for a specific SPO or for infrastructure intermediaries (see above) to ensure that best practice is systematically shared and the Global South philanthropic sector rapidly institutionalised. Maintaining a more holistic and open-minded grant-making that ensures sectoral interventions are identified in collaboration *with* the grantee rather *for* them, would help enormously.

We welcome the blurring of sector lines that has encouraged much greater cross-sector collaboration and a focus on the ‘how’ (the methodology) rather than the ‘what’ (specific sector intervention) that the pandemic has induced. Notwithstanding the multiple implications of COVID-19 in emerging markets,

the coronavirus pandemic is an inequality issue. The irony that the richest in society are the ones who most benefitted financially from the crisis should not be lost on the philanthropic sector. The adage that knowledge is power is supremely valid in the current debate about how philanthropy can become more effective.

The time is ripe for a radical reform of existing development policy parameters with massive input from and relevance to the Global South. Beyond COVID-19, the UN's SDGs could potentially be accelerated if the trillions of dollars of philanthropic capital available were systematically pooled and then targeted to locally defined critical needs rather than subjective criteria defined in the Global North. Moreover, new thinking around the delivery of the SDGs that incorporates truly grassroots Global South ideas and innovation – ideally generated by the young emerging philanthropists and social investor change-makers of the Global South – could rapidly improve their efficacy. And finally, the most pressing challenge of the climate-change crisis that potentially supersedes all sector-specific interventions could perhaps be more effectively tackled if the growing pot of emerging market philanthropy were unconditionally injected into evidence-based testing, proving and scaling new green technology.

As the well-known Bangladeshi social entrepreneur Muhammad Yunus notes, the COVID-19 crisis opens up all kinds of new horizons for some fundamental rethinking about the world we want to live in, because the economy after all is just a *“tool of our own creation”* – a *“means of achieving objectives that we ourselves define.”*

The authors of this report would like to reiterate their thanks to all of those individuals that took time out from this difficult period to speak to us regarding their experience during the pandemic and more broadly about the challenges and opportunities of philanthropy in emerging markets.

The authors of this report would like to reiterate their thanks to all of those individuals that took time out from this difficult period to speak to us regarding their experience during the pandemic and more broadly about the challenges and opportunities of philanthropy in emerging markets.

We would specifically like to thank our CSP Fellow, **Caroline Fiennes**, who helped inspire this study, had extensive input into its structure, methodology and focus and who was very generous with her time and energy in helping us to deliver an unexpected and unplanned project within a limited time period. Caroline's 20 years of deep industry expertise was instrumental in helping identify salient components of this study and ensuring our analysis was comprehensive and evidence based.

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The following table lists all of the organisations with whom we undertook a formal one-hour recorded interview that was transcribed and from which excerpts were included in our analysis. Other cited sources included were gleaned as part of broader discussions with the referenced individual that did not necessarily relate directly to COVID-19 or to this particular piece of research but which we found relevant to our study.

Name of Organisation

Adeso

African Venture Philanthropy Alliance (AVPA)

Al Qassimi Foundation

Alfanar

Alwaleed Philanthropies

Arab Foundations Forum (AFF)

Charities Aid Foundation

Community Jameel

Ecodoe

Global Fund for Community Foundations

Indonesia for Humanity (IFH)

Investing for Good

Kenya Community Development Foundation (KCDF)

King Khalid Foundation

Koalisi Seni (Indonesia Art Coalition)

Laudes Foundation

Lemann Foundation

Movimento Bem Maior (MBM)

Sawiris Foundation

Shell Foundation

SLMC

Sumerian Foundation

The Big Heart Foundation

West Africa Civil Society Institute(WACSI)

See this link for more information about the

[Centre for Strategic Philanthropy](#)

¹ <https://www.alliancemagazine.org/blog/pandemics-and-philanthropy-an-opportunity-in-crisis/>

² This report refers to grant-makers and foundations interchangeably while acknowledging that not all grant-makers are foundations and not all foundations are grant-making.

³ In this report we refer to any institution working to create social value be it a funder, a grant recipient or an intermediary in the third sector, as a social purpose organisation (SPO) whose primary mission is social impact.

⁴ We specify developing Asian markets as a reference to South East Asian markets and do not include India or China in this report or other mature Asian markets such as Singapore where clearly the maturity of the philanthropic sector are very different from their less developed counterparts.

⁵ <https://www.theguardian.com/society/2009/feb/19/dambisa-moyo-dead-aid-africa>

⁶ The Varkey Foundation has joined UNESCO's new [Global Education Coalition](#), formed to facilitate inclusive learning opportunities for young people during COVID-19 in 2020 and created the [Global Teacher Prize](#).

⁷ Clegg, S. 1989. *Frameworks of Power*. London: Sage

⁸ Foucault, M. 1977. *Discipline and Punish*. New York: Pantheon.

⁹ <https://www.oecd-ilibrary.org/docserver/9789264085190-enpdf?expires=1600422783&id=id&accname=guest&checksum=155F7B26E52D99A29714F3ACD C40ECF1 Page 3>

¹⁰ <https://www.edweek.org/ew/articles/2020/01/29/education-is-the-darling-of-wealthy-philanthropists.html>

¹¹ <https://www.oecd.org/dac/private-philanthropy-for-development-9789264085190-en.htm>

¹² Johnson, *Global Philanthropy Report: Perspectives on the global foundation sector*.

¹³ Woodcraft, Clare, Executive Director, CSP, 5 August 2020: *Can COVID19 Revive Philanthropy's Risk Appetite?*

¹⁴ <https://www.oecd.org/dac/private-philanthropy-for-development-9789264085190-en.htm>

¹⁵ <https://journals.plos.org/plosmedicine/article/file?type=printable&id=10.1371/journal.pmed.0020318>

¹⁶ <https://www.theguardian.com/global-development-professionals-network/2015/sep/26/7-reasons-sdgs-will-be-better-than-the-mdgs>

¹⁷ July 2020: *How will the study of philanthropy contribute to social impact?* <https://www.alliancemagazine.org/webinars/>

¹⁸ https://www.acf.org.uk/downloads/ACF-Transparency-and-Engagement_finalv2.pdf

¹⁹ Shell Foundation criticises the 'Spray and Pray' method of reviewing and approving unsolicited grant applications noting: "During our inception phase (2000-2002), we received more than 840 applications in response to RFPs. Although we were very specific about our selection criteria, the overall quality of applications received was generally poor. After rigorous internal and external review, we ended up supporting just 35 projects (4% of those received) across multiple countries."

²⁰ 18.11.2020

²¹ <https://candid.org/explore-issues/coronavirus>

²² According to Foundation Maps, there are over 1.03 million grantees globally: <https://maps.foundationcenter.org/home.php>

²³ Arab practitioners note that the lack of an effective regulatory framework creates a sense of uncertainty about what is acceptable and fear of how the state might control or restrict activities with some moves to even criminalise civic engagement.

²⁴ <https://www.alliancemagazine.org/wp-content/uploads/2018/03/Philanthropy-in-the-Arab-region-March-2018-Final.pdf pp. 45>

²⁵ <https://www.cafonline.org/about-us/global-alliance/growing-giving-in-kenya-uganda-and-tanzania>

²⁶ <https://maps.foundationcenter.org/>

²⁷ Farouky, Naila Arab Foundations Forum

<https://www.tandfonline.com/doi/full/10.1080/09614524.2016.1188888>

²⁹ https://ssir.org/articles/entry/a_new_model_of_collaborative_philanthropy

³⁰ OECD (2018), *Private Philanthropy for Development, The Development Dimension*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264085190-en>.

³¹ <https://www.alliancemagazine.org/wp-content/uploads/2018/03/Philanthropy-in-the-Arab-region-March-2018-Final.pdf>

³² While there is growing convergence on the impact continuum, challenges remain such as those in the Arab world: <https://www.philanthropy-impact.org/article/convergence-can-arab-philanthropists-and-investors-meet-impact-continuum>

³³ https://shellfoundation.org/app/uploads/2019/01/shell_foundation_Enterprise_Solutions_to_Scale_2010.pdf p.VII

³⁴ Johnson, *Global Philanthropy Report: Perspectives on the global foundation sector*.

³⁵ WAMDA Social Enterprise Report p8 <https://www.wamda.com/2017/03/mena-social-enterprises-face-enormous-challenges>

³⁶ *Global Philanthropic Environment Index*, <https://globalindices.iupui.edu/environment/index.html>

³⁷ <https://www.jbs.cam.ac.uk/faculty-research/centres/strategic-philanthropy/events/davos-2020/>

³⁸ <https://unsdg.un.org/resources/unlocking-sdg-financing-findings-early-adopters>

³⁹ Johnson, *Global Philanthropy Report: Perspectives on the global foundation sector*.

⁴⁰ <https://beyondtradeoffs.economist.com/EIU-Omidyar-Impact-Investing-Report.pdf>

⁴¹ Moore, Pete W. and Bassel F. Salloukh. "Struggles under Authoritarianism: Regimes, States and Professional Associations in the Arab World." *International Journal of Middle East Studies*, vol. 39, no. 1, 2007, pp. 53–76. JSTOR, www.jstor.org/stable/4129112.

⁴² https://ssir.org/articles/entry/funding_infrastructure_a_smart_investment_for_all#

⁴³ Sources confirmed that foundations in the Gulf Cooperation council often

simply deposit 'endowment' funds in a regular bank savings account due to fears of volatility and potential losses if used as a managed fund.

⁴⁴ Reid notes the calls for less opacity in the sector and the concerns about private philanthropy's systematic lack of transparency and external accountability which can further exacerbate disparate power although highlights the complexity of the issue and the sometimes beneficial outcomes of less transparency.

⁴⁵ Green sukuk are investments in renewable energy and other environmental assets that comply with Islamic Law principles and are typically used in Muslim-majority countries. For more information, see: www.climatebonds.net/projects/facilitation/green-sukuk

⁴⁶ New funding was often enabled by reallocated travel budgets and mothballed or cancelled programme activity.

⁴⁷ <https://www.bridgespan.org/insights/initiatives/pay-what-it-takes-philanthropy/the-nonprofit-starvation-cycle>

⁴⁸ The NoVo Fund announcement that it was downsizing its commitment to women and girls was a particular shock.

⁴⁹ <https://www.tonyelumelufoundation.org/research-publications/africapitalism-capitalism-with-african-values>

⁵⁰ <https://www.jbs.cam.ac.uk/faculty-research/centres/strategic-philanthropy/events/davos-2020/>

⁵¹ <https://www.cfr.org/in-brief/coronavirus-endanger-foreign-aid-WHO>

⁵² Historically many foundations report a few of working with government notably in autocratic states. As one practitioner notes: *"Over the last few years," he says, "donors have been withdrawing from progressive giving, either because they're afraid of alienating the government or because they're choosing to supplement government budgets in the hope of gaining favour. A curve went up and went down around the Arab Spring. In 2012 and 2013 we saw a change, but it has now flipped back to old habits."* P.4 Alliance Report. <https://www.alliancemagazine.org/wp-content/uploads/2018/03/Philanthropy-in-the-Arab-region-March-2018.pdf>

⁵³ <https://tshikululu.org.za/we-need-to-look-after-the-mental-health-of-npos-now-more-than-ever-supporting-the-mental-health-of-south-african-npos/>

⁵⁴ https://ssir.org/articles/entry/the_nonprofit_starvation_cycle

⁵⁵ Interestingly MBM has explored the idea of reducing bias in funding decisions – an idea championed by the UK's Nesta in a bid to offset bias against radical new thinking, geography, ideology and gender with a view to promoting novel methods of decision-making that allow funding to support bolder ideas, be fairer and be more efficient – perhaps an area to explore in a post COVID-19 world.

⁵⁶ The impact of COVID-19 on non-profit organisations, findings from a snap survey of non-profit organisations undertaken in May–June 2020, Tshikululu Social Investments NPC, September 2020

⁵⁷ <https://www.alliancemagazine.org/wp-content/uploads/2018/03/Philanthropy-in-the-Arab-region-March-2018-Final.pdf>

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