

Shaking up Philanthropy:

**The transformative
potential of 2020–2022
funding trends**



**Indigenous
Women**
will lead us
FORWARD



SPRING



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Conversation partners

This document includes interview responses from the following five leaders, thinkers, and practitioners in the field of funding and philanthropy.

Ingrid Srinath is a passionate advocate for human rights, social justice, and civil society. Ingrid is the founding director of the [Centre for Social Impact and Philanthropy](#) (CSIP) at the Ashoka University in India. She has previously served as secretary general of CIVICUS and CEO at Child Rights and You (CRY), CHILDLINE India Foundation, and Hivos India.

Kavita N. Ramdas is a globally recognized advocate for gender equity and justice. She is a writer, speaker, and entrepreneur who leads KNR Sisters, a consulting practice. Her roles have included president and CEO of the Global Fund for Women, senior advisor to the president of the Ford Foundation, director of the Women's Rights Program at the Open Society Foundations, and founder and executive director of the Program on Social Entrepreneurship at Stanford University.

Maria Amália Souza is dedicated to designing systemic strategies that assure philanthropic resources reach the most excluded and vulnerable grassroots communities. She is the founder and strategic development director at [Casa Socio-Environmental Fund, Brazil](#) (CASA) and is a founding member of the [Brazilian Philanthropy Network for Social Justice](#). She has 35+ years of experience working with international NGOs, companies, and global grassroots networks.

Rakesh Rajani is a civil society leader with three decades of experience in human rights, education, governance and philanthropy. He is currently the vice president of programs at [Co-Impact](#). He has also worked as the director of Civic Engagement and Government at the Ford Foundation, and has founded and led various educational and civil society initiatives across Africa, including Twaweza, Uwezo, and HakiElimu.

Theo Sowa is a renowned women's rights and social justice activist, including advisory work on women's leadership and philanthropic transformation. She has served as the CEO of the African Women's Development Fund, as Senior Programme Advisor to the UN Study on Children and Armed Conflict, is the co-chair of the [Equality Fund](#) and sits on the boards of various other national and international civil society organizations and grantmaking foundations.

Introduction

“The door is open, and it’s up to us to make sure that not only does the door stay open, but that we push it further open.” – Theo Sowa

The past couple years, from 2020 to 2022, have seen big commitments in philanthropy and the broader ecosystem that funds social change. Our world has been shaped and reshaped by the pandemic. Impacts of climate change are accelerating, as is activism to address it. A different kind of attention to racial justice movements has brought renewed energy to conversations about equity.

These forces are all shaping and shaking up philanthropy. A few months into 2020, author Arundhati Roy [compared the pandemic to a portal](#)—an opportunity to break with the past and reimagine the future. But catching glimpses through the portal is not the same as stepping through. We are in a critical moment: pulled forward by the ways our world has changed, and pulled back as we settle into old habits and mindsets. Now, more than ever, is a time to reflect on the changes and possibilities we’ve seen, and to keep pushing visionary, transformative change.

People interested in the future sometimes talk about *signals of change*—things happening right now that could offer a glimpse of the world to come. Looking at the world in terms of signals can be helpful as they offer an opportunity to see where change is emerging and how we might orient ourselves towards it—and involve ourselves in shaping the future we want. We’ve gathered some of the big “signals” we see in the field of funding social and climate justice, organized into five possible trends. We then asked five thought leaders and practitioners in the field of funding and philanthropy to reflect on how they see these trends in their context and across the world.

TRENDS AT A GLANCE

1

BIG FUNDING PLEDGES

- GEF: \$40 billion for gender justice
- COP26: \$1.7 billion for IPLCs
- Funding commitments to climate justice
- Big pledges for racial justice

SHIFTS IN GRANTMAKING PRACTICES

- Unrestricted funding, grant flexibility
- March 2020 Funders' Pledge
- Funding for Real Change Movement
- #ShiftThePower campaign

2

3

DISRUPTIVE USES OF EXTREME WEALTH

- MacKenzie Scott
- Yvon Chouinard & Patagonia
- Marlene Engelhorn
- Resource Generation

MORE PHILANTHROPIC GIVING?

- Acts of solidarity and giving during pandemic
- New wealthy individuals entering philanthropy
- Research estimates of growing large-scale giving across the African continent, India, and Brazil

4

5

NEW FINANCIAL TOOLS & TECHNOLOGIES

- Impact investing and innovative finance
- Funders using social bonds
- Crypto fundraising
- Blockchain & participatory grantmaking

Trends in philanthropy (2020–2022)

Trend 1: Big funding pledges

In the past few years we've seen funders—from bilateral and multilateral donors to philanthropic foundations—make big pledges and commitments to advancing gender justice, racial justice, and climate justice, and to funding and strengthening the work of Indigenous Peoples and local communities. More and more funders are embracing the language of systems change. Sometimes the shift is about process: how to fund in ways that are more equitable and transformative. In other cases, the focus is on quantity, coming in the form of big pledges of funding for big causes.

In 2021, the [Generation Equality Forum](#) (GEF) in Paris announced a pledge of [\\$40 billion](#)¹ to advance gender equality, some of which is included in the launch of a [\\$1 billion](#) Gender Fund run by a global philanthropic collaborative called Co-Impact. However, research by AWID, an organization working to achieve gender justice and women's human rights worldwide, estimates that at least some of the funds announced were previously committed as a part of the UN's Sustainable Development Goals. Furthermore, according to AWID's research, [as little as \\$2 billion of the \\$40 billion committed](#) was directed explicitly to feminist and women's rights organizations. These findings support previous research that suggests [as little as 1%](#) of grants and development assistance reach feminist movements and women's rights groups. A 2022 report by [Shake The Table](#) is calling for foundations to commit [at least \\$6 billion](#) in unrestricted funding to feminist groups in the Global South by 2026.

On climate, the 2021 UN Climate Change Conference in Glasgow (COP26) highlighted the previous commitment by “developed” nations to contribute [\\$100 billion annually](#) to fund climate change adaptation and mitigation in “developing” countries, and, notably included a five-year pledge of [\\$1.7 billion](#) to fund Indigenous Peoples and local communities (IPLCs) in recognition of their role in protecting lands and forests. The 2022 conference in Egypt (COP27) included a new [“loss and damage” fund](#), as well as [\\$230 million](#) in new pledges to the Adaptation Fund to support communities most vulnerable to the climate crisis.

¹ Unless otherwise indicated, all monetary amounts included in this document are listed in USD

However, while investment needs to grow to meet target goals, public financing of the \$100 billion annual contribution [continues to lag](#). One year after the IPLC funding pledge, in November 2022, it was reported that while spending is on track, [only 7% of funds delivered so far](#) has gone directly to Indigenous groups and local communities, with most funds going to intermediary organizations. A 2020 study on Official Development Assistance (ODA) by Rainforest Foundation Norway showed a similar tendency, estimating that [only 1% of ODA funding](#) goes to Indigenous communities.

U.S. and European foundations and corporations have also made large commitments to invest in racial equity and racial justice. McKinsey has estimated that companies and foundations made nearly [\\$200 billion](#) in commitments to racial equity between May 2020 and May 2021. In 2021, Bridgespan estimated that philanthropic funders publicly pledged [\\$11.9 billion](#) for funding racial equity. That same Bridgespan report, however, highlighted that only about \$1.5 billion of that could be tracked to recipients. Data by the Initiative for Philanthropic Racial Equity places the actual amount committed in 2020 [closer to \\$4.4 billion](#)—still a growth over previous years but a very small proportion of overall giving, very little of which makes its way to grassroots groups.

Big pledges garner a lot of attention—but pledges are only as good as their implementation, and the data that is available does call for healthy skepticism. Where the money comes from, how it gets counted, and who it goes to matters.

Trend 2: Shifts in grantmaking practices

In March of 2020, foundations and other funders started a [pledge](#) to ease funding restrictions by offering more unrestricted grants, easing reporting requirements, and increasing the flexibility of grant funds and terms to help civil society adapt to the pandemic. The pledge now features over 800 signatures.

Prior to the pandemic, the presidents of five leading foundations were in the process of researching [their role in the “starvation cycle,”](#) in which organizations operate without recovering their full costs and without healthy investment in their own institutional resiliency. The group [launched](#) a collaborative, which has since grown into a movement, called [Funding for Real Change](#), made up of 12 major foundations (including the Ford Foundation, Open Society Foundations, and Oak Foundation). The movement advocates for funders to cover more of their grantees' true costs and to offer

more unrestricted, multi-year funding. In November of 2022, the Ford Foundation announced that it is [raising its coverage of indirect costs](#) from 20% to at least 25%.

These big announcements follow in the footsteps of long-standing efforts to create more equitable funding practices with a focus on community-led solutions. These include campaigns like [#ShiftThePower](#), as well as the work of Women's Fund Asia, Africa Women's Development Fund, Global Greengrants Fund, Fund for Global Human Rights, FRIDA | The Young Feminist Fund, and Fondo Centroamericano de Mujeres, among others. Such groups have been providing more flexible, unrestricted support to movements for decades and have strengthened practices such as [participatory grantmaking](#) and [trust-based philanthropy](#) that are now gaining broader momentum.

How widespread and sustained these changes will be is unclear. Reporting by [Alex Daniels](#) in the Chronicle of Philanthropy, as well as [2020](#) and [2021](#) studies by the Center for Effective Philanthropy (CEP) are among the research that has looked into the implementation of these changes. The data is largely anecdotal, however, or (in the case of CEP), based on surveys with limited response rates. What we do know is that inequities and gaps run deep when it comes to who gets what kinds of funds. In addition to the previously mentioned studies on funding inequities for women's groups and Indigenous groups, studies by [Bridgespan](#) as well as by [Candid and the Human Rights Funders Network](#) confirm that existing power dynamics tend to play out in access to flexible funding; organizations in the Global South, and those led by people of color in the Global North, tend to be underfunded and have less access to unrestricted funds than their Global North or white counterparts.

Trend 3: Disruptive uses of extreme wealth

We are seeing high-profile movements and actors bringing a critical analysis of wealth into the sphere of philanthropy—building on the long history of social movements' narratives about money that center justice, reparations, and community. This includes wealthy actors who are challenging traditional philanthropic practices. Among them, MacKenzie Scott, who has given around \$14.5 billion in [five rounds](#) to over 1,500+ groups since 2019 in largely unrestricted grants; Marlene Engelhorn who is among a movement of young millionaires [advocating for her wealth to be taxed away](#); and Yvon Chouinard, the founder of Patagonia who [turned the \\$3 billion company over to a non-profit and trust](#) committed to using the company's profits to fight climate change.

Organizations like [Resource Generation](#) are mobilizing young people with access to wealth, reorienting them towards [social justice philanthropy](#) and [transformative investments](#) that focus on redistributing resources to communities, rather than generating more wealth.

All of these actions—which are shaped by and continue to be influenced by social movements—don’t come without healthy critique. When the movement funder [FRIDA | The Young Feminist Fund](#) received one of MacKenzie Scott’s grants, they accepted it with a [public declaration](#) that named the source of the funds, Amazon, as “one of the most exploitative companies in the world” and committed to using the funds in a reparative way.

Trend 4: More philanthropic giving?

While measuring the true scale of philanthropic giving is complex, it does seem that in many parts of the world, people responded to the crises of the last few years with generosity. From [bail funds](#) in the United States to [Community Action Networks](#) in South Africa to the countless undocumented demonstrations of neighborliness and support around the world, the pandemic was a time of both great loss and moments of profound solidarity.

This sense is also reflected in some of the numbers on philanthropic giving, particularly among wealthy individuals entering philanthropy.

A Bain & Company study cited private sector philanthropy in India as [increasing by 23%](#) during the pandemic. Giving by high-net-worth individuals (coded in the report as “family giving”) represented much of that growth, and [is expected to continue growing](#) as more young tech entrepreneurs enter philanthropy in India. Several high-net-worth individuals launched the “[Young India Philanthropic Pledge](#),” calling on rich Indians under 45 to dedicate 25% of their wealth to philanthropy.

In the United States, charitable giving reached a [record high during 2020](#), and [continued to grow in 2021](#).

According to a report by Bridgespan, [large-scale philanthropic giving nearly tripled](#) across the continent of Africa, increasing from an annual average of \$103 million to \$269 million—though the proportion of that money going to local NGOs did not increase.

Across Latin America, the pandemic has pushed some wealthy individuals and families to [re-evaluate their relationship to inequality](#), with recent billionaires like David Vélez joining [The Giving Pledge](#). In Brazil, philanthropic giving reportedly [increased](#), with more philanthropy directed towards existing organizations, rather than the previous trend of companies or philanthropists funding their own projects, according to studies by [GIFE](#) and [IDIS](#).

How much of this giving actually goes towards sustained, transformative change is a different question. Research abounds on the deepening effect the pandemic has had on inequality around the world, with the [ten richest men doubling their fortunes](#) during the crisis' first two years. In Latin America, the number of billionaires across the region and their combined net worth [increased between May 2020 and May 2021](#), even as unemployment, poverty, and hunger also increased for millions of households. Reflecting on philanthropy in Brazil, Patricia Villela, co-founder of the non-profit Humanitas360 [says](#): “Philanthropy needs a focus on social justice. Donating can be something that continues [for a time], but it is not a long-term commitment.”

Trend 5: New financial tools and technologies

Another question that has gained urgency in the last few years is how to leverage private capital for social change, bringing attention to practices like impact investing and innovative finance.

Impact investing can mean many things, but is [generally understood](#) to be investments intended to generate both social and financial returns—and is a growing space for both social enterprises and foundations to bring greater alignment between their values and the financial investments that support their work. For example, the Equality Fund, a fund that resources women's rights organizations and feminist movements globally, has committed to a [100% gender lens investment approach](#) across their investment portfolio. Other foundations and organizations experimenting with the approach

include the [Ford Foundation](#), the [Esmée Fairbairn Foundation](#), the [Nathan Cummings Foundation](#), and [Accion Venture Lab](#).

[Innovative finance](#) includes financial tools such as Development Impact Bonds, Social Impact Bonds, and Social Impact Guarantees that help to channel private investment into particular projects, often to incentivize or accelerate service delivery in places that are structurally excluded. [Green bonds](#), for example, are used to channel investment money into climate or environmental projects. The [Educate Girls Bond](#) and the more recent [Quality Education Bond](#) are Development Impact Bonds where social initiatives (in this case, education access in India) “earn” their funding by meeting certain negotiated outcome benchmarks.²

In 2020, The Ford Foundation issued social bonds to raise [\\$1 billion](#) in order to mobilize more money to support groups during the pandemic—an unprecedented move by a foundation. The MacArthur, Kellogg, Mellon, and Doris Duke foundations followed suit, issuing bonds to raise [\\$725 million more collectively](#).

The growth of cryptocurrencies has also brought the technology—and its millionaires—into the sphere of philanthropy. In 2017, an anonymous crypto millionaire donated [\\$55 million in bitcoin to charities](#). As crypto giving has grown since, organizations like [The Giving Block](#) have emerged to support non-profit organizations in investing in, receiving, and trading cryptocurrencies. [Impact Index Funds](#) are one example of the way cryptocurrencies have evolved to link investors to mission-driven causes. It is useful to distinguish between investing in cryptocurrencies (holding them as assets), and having the capacity to fundraise in crypto (receiving donations in crypto and exchanging them for local currencies). Still, the [volatility](#) of crypto markets, the changing regulatory environment, the risks of anonymized giving, and the [environmental costs](#) of the technology raise plenty of questions for social and climate justice groups.

There have been some efforts to apply blockchain technologies like decentralized autonomous organizations (DAOs) to participatory grantmaking—most notably by [Kimbal Musk](#) and [Kickstarter.com](#). A grant-making DAO would, in theory, allow people who donate money to a cause to earn a vote in how that money is spent, with the goal of [moving decision-making power away from centralized authorities](#) and towards people who are closer to the work that needs to be done. It is a bit like creating a big,

² For more on impact investing, see the International Finance Corporation’s report, [The Promise of Impact Investing](#) and the Council on Foundation’s [resources](#) page

digital, dispersed [giving circle](#)—though these experiments are still in very early stages of development.

Each of these tools and technologies raise their own questions about values alignment and coherence. What kinds of verification systems reduce the risk of greenwashing in investments? What kinds of outcome benchmarks for development impact bonds are meaningful for the groups doing the work, and how are those benchmarks established? What does justice and equity look like when it comes to endowments, and how money is invested? And maybe most importantly, in what ways can funders and investors engage with financial tools and technologies to influence and shape how they are used in the world?



Reflecting on the trends: conversations with thought leaders

With many of these signals, it certainly feels like there have been positive shifts towards more and better quality funding for social change. A signal, however, is not a future. How widespread are these changes? How are they experienced in different contexts, particularly across the Global South? Will these shifts be sustained? In what ways are they transformative, and in what ways are they not?

We spoke to five leaders, thinkers, and practitioners in the field of funding and philanthropy about how they see these trends—and this moment—in their contexts and across the world. We’ve woven together some of the highlights from those conversations. What emerges is both optimism and skepticism: a sense that philanthropy has not radically transformed overnight, and also that the last few years have created real windows of opportunity to push for more creativity, flexibility, and expansiveness in how money is leveraged in service of a better world.

In the conversation, you’ll read responses from Theo Sowa, Kavita Ramdas, Rakesh Rajani, Maria Amália Souza, and Ingrid Srinath. For more details on each contributor, please see their [bios](#) at the beginning of the document.

QUESTION 1:

How do you feel about the big pledges made at places like the GEF and COP26?

Theo Sowa: “I’m really encouraged by the fact that this is a conversation that many bilaterals, philanthropic organizations, and even multilateral organizations are having. But I want to see the rubber hit the road. I want to see the words turn into action. The pledges going to women’s rights have increased. But at the end of the day, if we’re only getting 2-3% of bilateral funding, and it increases to 4%, we’re still playing with peanuts. We should celebrate the increase, but really push and do the philanthropic advocacy so that actually we’re looking at 30% or 40% because we need the resources to make the change.”

Kavita Ramdas: “How do the women in the places where they most need the support hold these actors accountable for the money that they said that they would give—whether it’s the Gates Foundation, Open Society, a government, CEDAW, or whoever? How can Zapotec women in Oaxaca know that the government in Mexico said that they’re going to do this much for poor women weavers in Oaxaca and Chiapas? The level of accountability, I think, is very limited.”

QUESTION 2:

What about the sense that these pledges, and other shifts in rhetoric and practice by funders, represent a turn towards more and better quality support for civil society organizations and movements?



Image credit: Ben Den Engelsen

Rakesh Rajani: “Some basic things have changed irreversibly, and I think that is good. The question I worry about is: what is the stamina to continue having these conversations and reflect them in terms of how grantmaking happens? For example, despite the rhetoric, a lot of money still goes to Global North organizations to do work in the Global South. For accountability, we need the numbers. What’s the baseline data, how did it shift in the first two years, and what is your goal for the next five to ten years?”

Theo Sowa: “If you look at racial injustice in a global sense, it’s much wider than the U.S. framing. Different populations around the world have been fighting racial injustice for generations. But it appears and shows itself in very different ways. I think that if we can push some of these foundations to understand that racial equity, like caste and class equity, like gender equity, like able-bodied and disabled equities, like economic

equity is all part of that intersectional framing about having a just world, a just society, then there's a real opportunity to make this moment count."

Ingrid Srinath: "I haven't seen that same emphasis here in India, in part because the emphasis here was on what I'm calling 'hardware.' The funding went to two things: the government and filling in gaps in the public health system. The prime minister started the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund Fund (PM CARES Fund), and big business and philanthropy understood that it was in their best interest to give a lot of money to the prime minister. By any account at least half of the total COVID funding was taken over by the prime minister. And because the gaps in the public health system are so large, private philanthropy was funding oxygen, PPE, ventilators, vaccines, all sorts of things that a functioning public health system would take care of."

QUESTION 3:

The COP26 pledge of \$1.7 billion to fund Indigenous groups and local communities seems like a huge win. As someone who works with Indigenous groups, how do you see this commitment?

Amália Souza: "It's very risky. The international institutions that are saying they will provide these huge quantities of funds don't understand the communities. One risk is that fake structures or institutions appear, saying that they're representatives of communities, and the money is invested in things that aren't legitimate. Or, the investments interfere too much with delicate relationships. Here in Brazil, it's very complicated to maintain an organization, given labor law requirements. It's difficult to remain in compliance. Money that comes from outside the country can create various criminal processes against communities. Anything that is done too informally is turned into something illegal."

The other point is the outsized visibility that these institutions and organizations create on a small number of people. It puts those people's lives at much greater risk. We have to provide support in a way that helps to horizontalize knowledge, that distributes the voices within the communities. We have to create grants and support for communities,

not for individuals. And that's a theme that is incredibly difficult for large donors and international funders to understand.

At the same time, during the last 30 years of democratic construction, Brazil has innumerable strong organizations that can manage truly large amounts of donations combined. It is crucial the world understands this infrastructure is in place and can land significant amounts of resources.

One thing is for sure, there is NO SOLUTION to climate change unless local communities are fully and appropriately resourced. It is a real art to do this, but it is possible and proven over and over again. It is time prejudice about Global South capacities to manage real money are put aside, and we sit down and fund real solutions.”



Image credit: Varun Gaba

QUESTION 4:

Is funding getting more flexible or “trust-based”?

Theo Sowa: “There’s definitely an increasing trend, but we’re nowhere near where it needs to be. I want to see more philanthropists adopting that trust-based approach, and having those relationships with organizations in the Global South.”

Ingrid Srinath: “In India, we’re seeing some philanthropists—not all, but at least half a dozen or a dozen—who learned during the pandemic just how fragile NGOs are. I think they saw that the only relief that was being delivered on the ground was coming from NGOs, and that the NGOs that had the flexible funding and that had reasonable investments in infrastructure were the ones that were able to pivot. I think there’s a growing understanding that we need to build resilience, so that NGOs can respond every time there’s a crisis.”

Rakesh Rajani: “Where I may differ with others is that I don’t think the fundamental problem in philanthropy is a lack of funding or even a lack of equitable funding. Getting funds to diverse groups is a very real issue, but to me the number one problem is civil society not having the space, the freedom, the support, and the internal enabling conditions to do true organizing, to truly represent their constituencies. Here an inordinate focus on funding can be a corrupting force, in the sense that the center of an organization’s gravity becomes how we get and use money, rather than how we organize. If you’re not having a conversation around purposes and coherence with one’s values, and you think, well, people have figured it out already, let’s just give them the money, that’s trust—I think that’s too narrow a conception of trust and purpose.”

QUESTION 5:

Talk to us about MacKenzie Scott.

Amália Souza: “She acknowledges that her wealth is disproportionate. That no person should have access to that much money, and that she’s going to spend it down to the last cent. And she’s doing it at an absurd speed. The people supporting her at Bridgespan are also very interesting. They have a capacity for perception that is different. Most people who work for large foundations or millionaires always insert themselves and don’t listen.”

Theo Sowa: “I think her third or fourth list was the first that included the Global South in a significant way—though that also means they’re learning. They’re being responsive to criticism. But I think she’s a bit of a unicorn in terms of philanthropy. She’s pretty much alone out there. There’s still work to be done to push people to understand that they not only can, but should be giving in the Global South in quantities that aren’t limited by people’s perceptions of whether or not we have absorptive capacity. But the

door is open, and it's up to us to make sure that not only does the door stay open, but that we push it further open."

Rakesh Rajani: "The level and breadth of Mackenzie Scott's funding has opened up a healthy debate. She has demonstrated one can give out large sums, fast, and not only to the usual suspects. And it raises questions too. What is the basis on which her grantmaking is determined? Would it serve the public if the criteria for giving were more transparent? It will also be interesting to track the impact of her giving in the medium to long term. I am particularly curious about whether the organizations she funds are able to become more strategic, more powerful and more able to shape not only their own work, but also the terms of philanthropic giving."



Image credit: Claudia Raya

QUESTION 6:

Various reports, including by Bridgespan, have referenced greater philanthropic giving and new philanthropic actors who emerged during the pandemic. Are you seeing this trend?

Theo Sowa: "I actually think that their understanding and perception of philanthropy is wrong. The biggest philanthropists in our world are ordinary, working people. I often give the example of African grandmothers in countries like Kenya, South Africa, and Tanzania when HIV/AIDS was at its worst. These were people who had lost their own children, but were looking after their grandchildren, and their neighbors' grandchildren, and the children in the nearest villages. They truly understood that without your neighbor, without your family, you are nothing. They gave from their core, they didn't give from surplus. So when Bridgespan or Dalberg act like it's only rich people who are involved in philanthropy, I think it's an injustice to working communities."

But in the sense of high-net-worth individuals, yes. I think there has been an increase in the formalized giving of high-net-worth individuals. I think the issue for us is how we

encourage them to put their money into social change, into justice issues. The default response tends to be more welfare and humanitarian in nature. We need to really look at how we help move that.”

Ingrid Srinath: “In India, we’ve seen a shift with all of the tech billionaires. A lot of them jumped into philanthropy because of COVID. And they’re bringing a kind of new flexibility in terms of the forms of organizations. They’re saying ‘we don’t care how you’re registered, we just care that you’re going to deliver results.’ But their idea of transformation, their theory of change is this: we will fund a pilot, and then the government will take it and scale it up. It’s not based on empowering communities and allowing communities to drive their own vision of change. In India at the moment, the government is quite hostile to anything that is vaguely political. So everyone is staying away from advocacy, community mobilization, campaigning, those kinds of things.”

QUESTION 7:

What do you think of conversations about impact investing and other “new” financial instruments, like the Ford Foundation’s social bond?

Rakesh Rajani: “With the social bond, the narrative was that the need was high, and we have found an innovative way to give out more money. That’s cool. For me, the real test is by bringing this extra billion, how transformative was the change? Was it able to achieve something much more than business as usual? Were organizations able to advance their agendas around racial equality or gender justice more powerfully than they would have otherwise? It would be super interesting to learn these lessons and ask what implications it has for philanthropic practice more broadly.”

Theo Sowa: “There are two ways, I think, you can look at impact investing. The first is simply in terms of investment advocacy. Those protections that we speak about as feminists, you practicalize them. You say that if you’re going to invest in a company, they have to show you that they have social justice indicators. If investments are only being made in companies that are showing those kinds of ethics, then that encourages a change—but to do this, impact investors have to understand those protections. They have to put those indicators in, and be as broad in their thinking as we are. And very often, they haven’t been. So, it makes sense to be skeptical. But those private markets

have huge amounts of money. If impact investment worked, it could pump far more resources into social justice movements.

I'm also thinking about what they call innovative financing. There have been some development impact bonds that have produced encouraging results, even though they've been really difficult to put together. There was one on education in India. The organization developed a set of indicators with investors, and were paid based on reaching those indicators. It took them forever to negotiate the details, but once they had, they said that it was the best money they had ever received. They could use it however they needed to in order to reach the indicators, because the indicators were all the investors were interested in. Development impact bonds have got some real potential, in that sense, for unrestricted funding. What I would really like to see, however, is these impact investors listening more to people's lived experiences, rather than listening to wealth advisors and people who only give advice based on economic outcomes. There needs to be a widening of the circle of what is considered valuable information."

QUESTION 8:

Q: What does all of this mean when it comes to philanthropy's focus on "systems change"?

Ingrid Srinath: "In India, one of the things that got exacerbated during covid was the idea of partnering with the government. Most of Indian philanthropy is now geared towards the idea of: the Indian government doesn't have the money to deliver basic services, so philanthropy is going to fill the gap. And this is the biggest missed opportunity, because what the pandemic showed was how inadequate our public systems are. There was a once in a lifetime opportunity to convince people that we should invest more in education, in health, in labor protections, in social protection generally. But instead of doing that we're going to do the opposite, we're going to take the burden from the government and hand it over to philanthropy."

Kavita Ramdas: "We have a very strange system in which international donors say they want to do more for gender equality and for climate and for racial justice, but they actually are putting less pressure on the governments of those countries. That's the part that I feel worried about—we've somehow separated the funding from the

outcomes that we want to see. I feel like we've moved further away from a process of really global civil society being able to use global agreements to push their own governments to make progress. Now we have to push the donors to give the money either to our governments or to us as individual NGOs. It's all about the money."

Rakesh Rajani: "To me, systems change means that we cannot give up on government. This is hard, especially for those of us who care about human rights, because so often government is the source of the problem. But societies cannot achieve sustainable public wellbeing without government. Government is us. So, if a government doesn't reflect people's interests, if it's not inclusive, we need to change that. We can debate and disagree on tactics. Some of us can make noise outside, others of us can work arm-in-arm on the inside, but the goal has to be to make government reflective of and responsive to the people. To be able to truly say *Government is Us*. We don't focus enough on this question; we do not have deep insights on how to make government just, inclusive and effective. Too much of civil society and philanthropy prefer to work outside the messiness of fixing government. And I think that is a philosophical and a strategic mistake."

Amália Souza: "Any possibility for more resources is good, if that funding is consulted well, and if the donors use mechanisms that support all levels of action. We need to get money closer to the people who don't have ways of accessing it. We need to have millions—not for a few organizations, but to put in the hands of billions of people. Change is only going to come from strengthening democracy, and for that we need resources."

Theo Sowa: "When philanthropy is at its best, it takes risks, it's open-minded, it's visionary. This is the moment when we can push it to do more of that, because philanthropists are questioning themselves. We have an audience that is scared, that is puzzled, but thinking 'maybe I could do more.' And we have to find a way to help them do that."

Conclusions

Big ships turn slowly, as the saying goes. The ecosystem that funds social and climate justice is broad and diverse, and was never going to change overnight. Still, the years of 2020-2022 have held surprising and sometimes substantial actions by the people and institutions that channel funding and resources into movements and organizations. Whether these changes have truly shifted the field is a question up for debate, but they do signal a certain openness and recognition on the part of some funders that a different kind of practice is both possible and is actively being called for.

The ecosystem will continue to evolve. Change is not linear, and probably never uniform. We don't know what the coming years will bring—but as we continue to move through this change, both separately and together, here are a few reflections on funding trends from 2020-2022 that we at Spring plan to hold onto:

- **Now is the time to keep pushing.** Now, more than ever, people in philanthropy are asking themselves what they might do better. With this momentum there is an opportunity to keep pushing for and inviting further changes in the field.
- **What does accountability look like?** Big foundations and governments are making big pledges. But what does it mean to hold them accountable? How can tracking and data gathering improve so that we get collectively better at moving money in service of transformative change?
- **Quality, not just quantity.** More money is good, but the quality of funding matters greatly. Who actually receives the funds? How flexible and sustained is the funding? What does equity and justice look like within funding institutions and funding practices? As funders wrestle with these questions, it is important to understand that what quality funding looks like will be shaped by what groups need within their specific contexts.
- **Values alignment and coherence.** What if more philanthropic foundations and wealthy individuals used their influence beyond grantmaking, to also include how funds are being generated? What could be the collective impact if they leveraged their influence to steer investments and shape financial tools and technologies towards better social and environmental outcomes?
- **A new relationship needs to develop** between those with money and those seeking grants. Trust needs to go both ways, as does an understanding of the gravity of this moment and the need for faster and more ambitious systems change.

What about you? From wherever you approach your work for social and climate justice, what possibilities have you seen open in the last few years in terms of how money might move more effectively in service of people and planet? What “signals of change” have challenged you, scared you, or inspired you? What are you learning? What can you do, wherever you sit, to continue shaping the field of funding?



Image credit: Asso Myron



About the authors

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