# COURAGE
# TO TRANSFORM:

## FUNDING SYSTEMS CHANGE FOR LASTING IMPACT

Thursday April 13

12:00 to 1:15 pm

The Randolph Hotel
Beaumont Street, Oxford

**SESSION SUMMARY REPORT**

# Introduction

This year's Skoll World Forum set the scene for a pivotal session hosted by [Rockefeller Philanthropy Advisors' Shifting Systems Initiative](#) titled *Courage to Transform: Funding Systems Change for Lasting Impact.*

Headlined by a compelling panel featuring Kathy Reich, Ford Foundation; Kumi Naidoo, Africans Rising for Justice, Peace and Dignity; and Alexia Pretari, Research, Evaluation and Learning Specialist, the event aimed to strengthen community relationships and promoting collaboration among funders and stakeholders. As part of the Shifting Systems Initiative, which aims to examine and share lessons about when, how, and why certain solutions achieve system-level shifts, the conversation, moderated by Rockefeller Philanthropy Advisors' Heather Grady, explored the complex dynamics of creating a lasting systemic impact.

The thought-provoking and candid opening panel discussion served as a call to action for those present by highlighting the need for a people-centric approach to systems change. Speakers underscored the importance of fostering a genuine desire for change among ecosystem actors and shed light on the importance of tailoring communication strategies. Additionally, the panel emphasized the importance of shifting or abandoning many existing funding practices. Improved practices include embracing streamlined reporting requirements to make them more accessible and beneficial for all parties involved, and putting communities in the driver's seat to define what constitutes impact, as well as how (or if!) it can be measured. This was aptly captured by Kumi Naidoo in a paraphrased version of an Albert Einstein quote, "Not everything that counts can be measured; and not everything that can be measured counts."

## Other insights emerged from the rich panel discussion, including the need for philanthropy to:

Urgently move away from the fixation on short-term gains and low-hanging fruit towards more enduring, transformative change.

Walk the talk, not merely talk the talk, on shifting funding practices and narratives to create more impact. Inequitable, stagnant power dynamics and cultural narratives remain barriers to progress. To disrupt inequitable systems, funders should actively work to cede power and change the stories society tells itself.

Look inward and challenge philanthropy's internal power dynamics to foster an inclusive, participatory, and transparent culture that reflects the very principles it advocates externally. To do this authentically, according to Kathy Reich, funders should consider taking time "to stop and think and change," and engage in this exercise with different levels of staff and decisionmakers within foundations.

Embrace pooled funding as a key lever for change in promoting gender equality, as it fosters an inclusive approach in grantmaking that empowers women, facilitates gender-focused initiatives, and sets a precedent for equitable resource distribution.

Develop a nuanced understating of what it means to take risks and experiment. While philanthropy retaining its advantage as risk capital is crucial, it should not be taking risks for the sake of risk, or copying approaches used by the private sector without adapting them. Philanthropy and systems actors should take risks that are human-centered and fully consider the consequences for communities served.

In addition to serving as a platform for meaningful discourse, the gathering was also an opportunity for the Shifting Systems Initiative Steering Group to gain direct feedback on the initiative's priorities from new and longstanding partners. Featuring active participation and insightful contributions from panelists, facilitators, and participants alike, the conversation produced concrete calls to action and meaningful takeaways.

Alongside the panel discussion, the event also featured facilitated table discussions, taking a magnifying glass to numerous aspects of philanthropy and its challenges. These conversations sought to establish a commitment from each table towards better supporting and sustaining systemic change. These commitments covered a broad range of philanthropic practices, from integrating a gender perspective into pooled funds, regardless of the project or cost, to exploring the role of art and culture in catalyzing transformative change. The overall human-centered, community driven and collective action spirit of this session was best summed up by the African proverb shared by Heather Grady from a civil society leader earlier that week, "No matter the question, the answer is community."
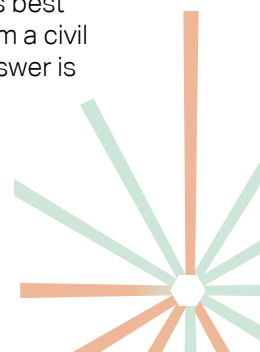
# Table Discussions

The session was energized by dynamic table discussions that spanned an array of topics. Although each of nine table dialogue offered unique insights, it is noteworthy that many revolved around shared themes. These included fostering community-centric approaches and environments for conversation, incorporating diverse perspectives and a gender lens, simplifying reporting, and driving cultural change with urgency. The following snapshot of one key takeaway from each table encapsulates the rich diversity of thought and the parallel themes that characterized these vibrant breakout discussions.

### Table Topic 1:

#### Measuring the Impact of Systems Funding –Keeping Qualitative Evaluation Alive
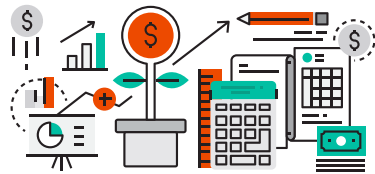
Amidst the growing apprehension about losing qualitative elements in the measurement world, we've witnessed some progress in narrative work. Despite the increased effort required, qualitative evaluation that emphasizes outcomes over inputs is vital. Let us collectively strive to preserve and elevate the importance of qualitative evaluation in our ongoing learning journey, advocating for a more comprehensive and balanced approach to measurement.

### Table Topic 2:

#### Due Diligence that Benefits the Grantee: Shifting Extractive Approaches

Redefining due diligence as a mutually beneficial exercise could revolutionize grantmaking. By fostering an approach that genuinely serves the grantee, we can move from an extractive to a supportive process. This involves simplifying procedures, aligning expectations, and providing valuable feedback that grantees can use for organizational growth, operational support and development.

## Starting the Journey as a Newer Funder : Learning From Established Funders Mistakes
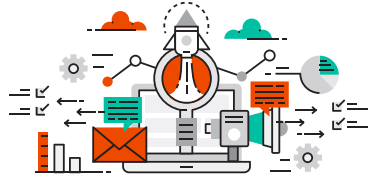
Since many funders are still nascent in their philanthropic journey, it is critical to provide guidance to prevent repetition of past mistakes. Furthermore, established funders looking to provide new funders with "easy answers" should be sure to convey the necessary hard work, effort, and time needed to build proximity to communities served. Building this proximity can be enabled by focusing on an experiential approach, focusing on power sharing and trust-based philanthropy.

Table Topic 4:

## The Evidence on What Really Shifts (or doesn't) Funder Behavior: Building Bridges

Funders engaged in systems change have a greater responsibility to ensure the continuity of funding. They should not act on the assumption that governments or other systems actors will automatically fund and scale an initiative or solution, no matter how worthy it is. Funders must provide bridge funding until they are certain the idea is adopted and funded by someone else.

Table Topic 5:

## Harnessing the Power of Arts and Culture for Transformative Change: Inspiration as a Change Catalyst
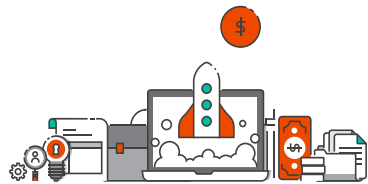
The power of social media, popular culture, and art hold significant potential for driving systemic change. A collective effort to incorporate artists, journalists, and celebrities can enhance this potential, transforming philanthropies from mere resource providers to catalysts of change. Thus, we must strive to develop funding strategies that unlock opportunities for arts and culture, promote diversity, and invest in the power of people. Instead of focusing solely on charitable solutions for structural problems, let's address the root causes and leverage arts and leadership as key points of influence.

## Great Power, Greater Responsibility: Confronting Uncomfortable Conversations

Funders should not fear conversations with nonprofits. They should not automatically assume they will be transactional and that all nonprofits seeking conversations are looking to ask for money. Grantees/nonprofits most often seek thought partnerships, convening power, and access to the broader ecosystem. Funders have greater responsibility to ensure that not just favorite and comfortable nonprofit voices are at the table but that all voices are at the table. It's a greater responsibility to be inclusive, equitable and move away from the fear of uncomfortable conversations with funding-seeking nonprofits.

## Building Equity into Climate Action: Renewables and Beyond

For these transitions to garner widespread public support, funders must not overlook the needs and concerns of workers, Indigenous Peoples, and local communities. A gender lens must also be incorporated into all such discussions. Philanthropy can play a pivotal role in this context by bringing various stakeholders to the table, facilitating negotiations, and striving to find innovative solutions that minimize negative impacts. We have seen numerous examples of such positive innovations. However, in these processes, philanthropy should not merely act as a neutral facilitator or strive to bring diverse voices to the table. It should also support efforts to level the playing field by aiding traditionally discriminated groups in building their own political power and influence.

## Promoting Gender Equality through Pooled Funding: Incorporating Diverse Perspectives and Streamlining Reporting

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Table Topic 9:

## Return-seeking Capital for Systemic Impact: Improving Access

Philanthropy must serve as a catalyst, mobilizing public sector and business/investment sector actors for greater impact. A portfolio approach to investments can contribute to systems change by bridging gaps through philanthropy and de-risking investments with grants. Also, there's an alarming scarcity of local fund managers from indigenous communities, which restricts access to necessary investments. This highlights the urgent need to support local fund managers globally, especially in underfunded areas like sub-Saharan Africa, and to truly share power with investees. Improving access to funders and altering investment criteria can also help address this issue. Furthermore, it's crucial to close the gender gap in investment communities, where women often lack representation and access to investments.

# Commitments and a Call to Action

At the end of the breakout discussions, each table made at least one tangible commitment to rise to the occasion and take decisive action to foster an environment that enables systems change.

### Connect with Nonprofits.

Engage openly and authentically with nonprofits, accepting meetings requested during and post-Skoll World Forum, both in-person and virtually. Take this opportunity to truly understand the work of these organizations without fear of being asked for funding. This commitment to open dialogue and learning is an essential step towards building stronger, more effective partnerships.

### Conduct Systems Mapping.

Strive to thoroughly understand the system and its various levers for change. Conduct a comprehensive system diagnosis to comprehend our place within it and acknowledge the influence we have within this system. This will allow us to better leverage our position for positive impact.

### Shift Measurement Lenses.

Shift focus towards qualitative measures, and move away from an excessive emphasis on quantitative data. Take the essential step to embrace iteration and accept imperfection. View measurement as a learning and reflective practice, rather than a flawless process.
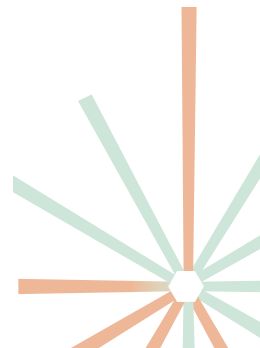
## Co-Create and Evaluate with Communities.

Adopt the strategy of co-creation and co-design of approaches alongside community members. This strategy will be essential to reducing Green House emissions rapidly and at a massive scale, where multi-stakeholder efforts will need to be co-designed to increase the influence (and not just the voice) of women, Indigenous Peoples, low-income communities, workers, and other traditionally discriminated groups in these processes. This should be applied not only to the overall strategy but also to evaluation processes, ensuring a truly collaborative approach.

## Invest in Narrative Infrastructure.

The fields of art and culture offer tremendous potential to support a narrative shift. By leveraging their power, we can reshape societal narratives, foster understanding, and inspire change. It's time to fully recognize and harness the transformative potential of art and culture in our collective journey towards a better future.

# Conclusion

As we look to the future of systems change, it's important to reflect upon a crucial concept explored throughout the event– the reframing of the idea of risk in philanthropy. Funders should shift their perception of risk from a narrow focus on underperforming grants, hard to measure impact and the fear of monetary loss, to the broader, potentially more damaging, risk of inaction.

What if we were to interrogate ourselves and our peers about the repercussions of not taking action? What could be the societal, environmental, and systemic costs of remaining idle? Perhaps the true risk lies not in an $80,000 grant falling short of delivering its promised results, but in the paralysis of inaction. In the grand scheme of systems change, it is the risk of missing an opportunity to create a transformative impact that carries far more weight.

From this perspective, we urge funders to adopt a more courageous, proactive approach that values action and a willingness to step into the unknown over the comfort of inaction. As we move forward, we must measure risk not just by the potential for failure, but by the opportunity costs of not trying. This shift in perception could be a key to unlocking the full potential for philanthropy to disrupt the deeply entrenched systemic injustices that perpetuate the world's toughest challenges.
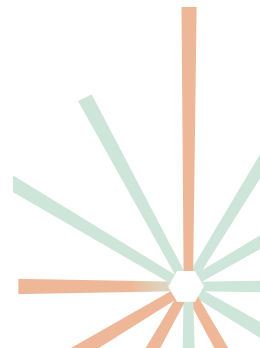
# Acknowledgements

# Speaker Bios

### Kumi Naidoo, Africans Rising for Justice, Peace and Dignity

Kumi Naidoo is a South African human rights and climate justice activist. He is the former Secretary-General of Amnesty International and also the first African head of Greenpeace. Kumi served as the official spokesperson of the Independent Electoral Commission, the body that oversaw South Africa's first democratic elections in April 1994. He is a senior advisor for the Community Arts Network and a special advisor to the Green Economy Coalition. He is professor of practice at Thunderbird School of Global Management at Arizona State University and continues to serve as a global ambassador for Africans Rising for Justice, Peace and Dignity.

### Alexia Pretari, Evaluation and Learning Specialist

Alexia Pretari is a research, evaluation and learning specialist, who have brought feminist values and theory into her practice over the years. For the last thirteen years, she has worked and consulted for several funders, research organizations and NGOs, such as the French Experimentation Fund for Youth, Global Greengrants Fund (GGF), the Funder Learning Community on Women and the environment (GGF and Prospera), the International Food Policy Research Institute and Oxfam GB. In addition to conducting research and evaluation, Alexia has experience facilitating design and learning processes. She brings attention to power dynamics, care and commitment to her practice.

## Kathy Reich, Ford Foundation

Kathy leads the Ford Foundation's BUILD initiative both in the United States and in 10 global regions. BUILD is an essential part of the foundation's strategy to reduce inequality, a strategy arising from the conviction that healthy civil society organizations are essential to driving and sustaining just, inclusive societies. To that end, Kathy guides Ford's efforts to implement sector-leading approaches to supporting the vitality and effectiveness of institutions and networks that serve as pillars of broader social movements. Before joining Ford in 2016, Kathy was director of organizational effectiveness and philanthropy at the David and Lucile Packard Foundation, where she led a cross-cutting program to help grantees around the world strengthen their strategy, leadership and impact. She holds a master's degree in public policy from the John F. Kennedy School of Government at Harvard University and a bachelor's degree in history from Yale University.

## Heather Grady, Rockefeller Philanthropy Advisors

Heather is a Vice President in RPA's San Francisco team and leads the practice area of Environment and Climate Change. This portfolio includes a range of sponsored projects and donor collaboratives, as well as advisory engagements, research and publications. She leads the Shifting Systems initiative that encourages funders to place longer-term, more adaptive resources with grantees who are tackling systemic challenges. Heather previously worked for the Rockefeller Foundation, Realizing Rights: The Ethical Globalization Initiative, and Oxfam Great Britain.

# Additional Resources

- *Report on the Evaluation of the Shifting Systems Initiative.* This evaluation report distills the key findings and recommendations from an evaluation of the Shifting Systems Initiative conducted by a third party. This work aims to inform strategic discussions for the next phase of the initiative while sharing its findings to inform the broader philanthropic community working on systems change.

- *Shifting Power to Shift Systems: Insights and Tools for Funders.* This report summarizes insights and tools developed during conversations with funders focused on shifting power dynamics in philanthropy. Over the course of three months in early 2022, the Shifting Systems Initiative hosted an eight-part Power and Equity Workshop Series. An invited group of funders and other partners explored the importance of shifting inequitable power dynamics in order to address increasingly complex global challenges.

- *Seeing, Facilitating, and Assessing Systems Change.* Based on workshops in Kenya, Colombia, India, and the United States, case studies, and evolving practices in the field of philanthropy, this publication provides recommendations for how to empower grantees, share lessons, partner with governments and the private sector, and more.
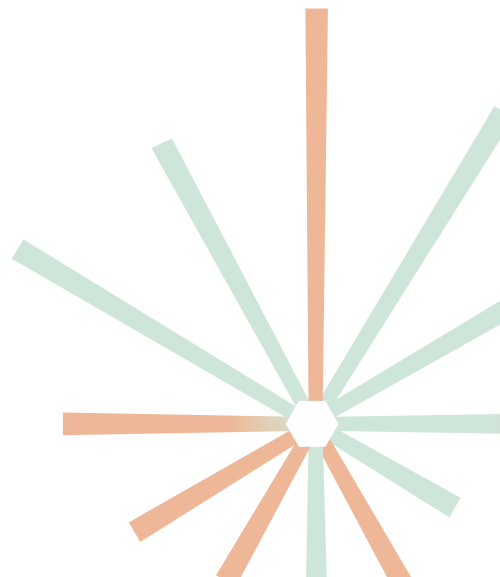
# About the Shifting Systems Initiative

In the face of increasingly complex global challenges, many philanthropic funders are reflecting on how to create transformational, systems-level impact. To help answer this question, a number of philanthropic organizations and Rockefeller Philanthropy Advisors launched the Shifting Systems Initiative in 2016. Over time, its Steering Group has included the Skoll Foundation, Ford Foundation, Porticus, Chandler Foundation, Draper Richards Kaplan Foundation, and Jasmine Social Investments. The initiative's aim is to encourage funders to place longer-term, more adaptive resources with grantee partners to scale their solutions and impact and enable sustained, positive systems change.

**The Shifting Systems Initiative's mission has remained consistent over its lifetime**: *To examine when, how, and why certain solutions achieve system-level shifts, and to share the lessons and recommendations from those successes.*

To learn more about the initiative, please visit: *https://www.rockpa.org/ project/shifting-systems/* and follow us on Medium: *https://medium. com/shifting-systems*