



# A COMPARATIVE STUDY OF STRATEGIC PHILANTHROPY IN MENA AND BEYOND

**Strategic Philanthropy Initiative at NYUAD** 











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#### **FORWARD**

# THE RATIONALE

This project was initiated to explore the practice of philanthropy within the Gulf and MENA region, and how it relates to trends in other parts of the world such as North America, where there is a fairly well developed discourse about strategic philanthropy. By compiling and sharing research insights, the objective of this white paper is to foster cross-regional knowledge exchange and communicating best practices. Our aim is to catalyze further dialogue, learning and development in strategic philanthropy. The insights presented may motivate and inspire both established and emerging philanthropists as well as professionals working in the sector to enhance the effectiveness and impact of philanthropic endeavors across these culturally rich and diverse regions.

Philanthropy is almost as old as recorded human history. but optimizing its productivity for the benefit of society and the planet has never been more urgent. On the one hand, philanthropic giving around the world is larger than ever and poised to grow bigger, and on the other hand, the challenges facing humanity and our habitat are so severe that they need urgent coordination and pooling of resources, including philanthropic capital. This is the backdrop and motivation for SPI at NYUAD and for this study.

Across all wealthy and middle-income countries, including the UAE and other GCC nations, the largest intergenerational transfer of wealth in history is well underway. Estimates of what baby boomers will transfer to millennials and adjacent generations over the next two or three decades range from some \$30 trillion to \$70 trillion. By 2030, a total of \$18.3 trillion is expected

The prospect of a new generation gaining access to large fortunes is already significantly impacting the theory and practice of philanthropy in MENA countries, especially with youth accounting for 60% of the region's population.

to have been transferred by some 680,000 individuals whose net worth is over \$5 million, more than half of it in North America<sup>1</sup>.

Proportionately to population size, Gulf countries will see a large share of this intergenerational movement of resources, particularly through the family businesses that were created across the Gulf in the past half century. Family businesses have long constituted the largest share of the Gulf region's commerce, contributing 80% of the region's non-oil GDP and generating significant family wealth to be passed down through inheritance. Pre-pandemic estimates of the size of wealth transfer in the Middle East over the next decade ranged from more than \$550 billion to \$1 trillion.

https://www.zawya.com/en/wealth/16-700-millionaires-to-transfer-571bln-in-middle-east-koqfkwb6 (accessed September 14, 2023), and Wealth-X 2019, 13-14.

Research shows that many people with access to money that far exceeds the needs of their families for comfortable and interesting lives understand that it is fair and fulfilling to share their wealth with others.

Much of this wealth will be spent on new business opportunities, education, homes, health, and leisure, but for a number of reasons, including the mission-driven propensity of the next generation, a good proportion stands to flow to charity<sup>2</sup>. The prospect of a new generation gaining access to large fortunes is already significantly impacting the theory and practice of philanthropy in MENA countries, especially with youth accounting for 60% of the region's population<sup>3</sup>. Research shows that many people with access to money that far exceeds the needs of their families for comfortable and interesting lives understand that it is fair and fulfilling to share their wealth with others.

Many also understand that there are various ways of acting on this charitable impulse. At the most basic level of charity, a large share of people will, at some point, give cash or in-kind support to individuals who ask for help with food, shelter, healthcare, or education<sup>4</sup>. Many will also contribute to organizations that support those in need at greater scale, and increasingly, many donors support organizations that work more systemically to address local and global challenges such as wealth inequality, disease, education for all, hunger, climate change, war relief, and social justice5.

With significant wealth creation and pressing issues to address, many families are asking how best to achieve impactful giving. At a systemic level, how best to advance mission-driven philanthropy has become a more strategic matter for families. How best to regulate the sector is front of mind for many governments, as they recognize that their resources alone will not be able to meet all the needs of their citizens and country residents. Most also acknowledge that market solutions can always leave behind some who cannot access viable products or services for lack of resources, capabilities due to limited educational opportunity, or infrastructure, from affordable transportation to full digital access. In all of these areas strategic philanthropy can and does play an important role.

go.wealthx.com/2021-world-ultra-wealth-report.

The growing interest early in the 21st century in more strategic and coordinated giving in the Arab world is de-scribed and analyzed in Barbara Lethem Ibrahim and Dina H. Sherif, eds., From Charity to Social Change: Trends in Arab Philanthropy, Cairo, 2008.

See note 3, https://www.nptrust.org/philanthropic-resources/charitable-giving-statistics/ above. For a look at philanthropic-resources/charitable-giving-statistics/ above. ic growth trends around the world, see Abby Schultz, "Philanthropy Is Booming in the 21st Century," Barron's Penta, 26 April 2018. The COVID-19 pandemic redirected charitable giving in many ways, but in the aggregate increased giving; in 2020, The Chronicle of Philanthropy helpfully aggregated information about the range of charitable responses to the pandemic from corporations and foundations. Since then, a study by Candid and the Center for Disaster Philanthropy, Philanthropy and COVID-19: Examining Two Years of Giving, 2022, showed an 11 percent increase in overall giving in the US in 2021, but a decline of COVID-specific giving of 31 percent.

https://www.nptrust.org/philanthropic-resources/charitable-giving-statistics/,Statistics, showed an 11 percent in- crease in overall giving in the US in 2021, but a decline of COVID-specific giving of 31 percent.



# TRANSFORMATIONAL TIMES

In response to these developments and pressures, new ideas and practices have been transforming charitable giving around the world, including the MENA region and North America, over the past two decades. New service organizations, data intermediaries, and research centers for philanthropy are helping the sector evolve and mature in more strategic directions.

While philanthropy remains extraordinarily diverse in these different regions and countries, two common trends are evident. First, giving is on the rise across the board, in terms of total amounts donated, donor participation, and diverse ways of gifting. Second, philanthropic organizations are much more focused on measurable impact, explained with data, and narrated and amplified through communications and collaboration. A shorthand for these developments is to say that philanthropy is becoming more strategic in intent and practices.

Highly visible philanthropists like Bill and Melinda Gates, Michael Bloomberg, and the Ford Foundation have played a significant role in shaping these philanthropic trends. They may be less pronounced in emerging market economies in the MENA region, the African continent, the Asia-Pacific, and Latin America, but they are clearly present. Ease of international travel (excepting the pandemic) and vigorous online communication have begun to connect philanthropic conversations across regions. These global discussions have encouraged new international collaboratives in public health, education, climate solutions, and poverty mitigation. Philanthropic service and data organizations in the United States like Candid

While most academic discussion of strategic and impact philanthropy has indeed been western in its focus, philanthropy itself has long and incredibly rich traditions across the world, including the MENA region.

(formerly the Foundation Center) and the Center for Effective Philanthropy are increasingly taking overseas philanthropy into account; the Arab Foundations Forum has begun to play this role in the MENA region. Recently established academic institutes, like the Gerhart Centre at the American University of Cairo (2006) and CSP at the University of Cambridge (2018), are now dedicated to philanthropy in emerging markets. SPI at NYU Abu Dhabi has joined them to grow knowledge and awareness of strategic philanthropy in the GCC and MENA countries, and to create opportunities for philanthropists, scholars, nonprofit practitioners, and policy makers to advance a more strategic and impactful approach to philanthropy within and from the

On our own sustained philanthropic journeys, we have often come across the notion that the modern idea of philanthropy is a western construct with little applicability outside North America and Europe. While most academic discussion of strategic and impact philanthropy has indeed been western in its focus, philanthropy itself has long and incredibly rich traditions across the world, including the MENA region. The Buddha in India, Confucius in China, and any

number of Greek and Roman observers who lived in the centuries after them promoted and debated giving for public good, to strangers in need, and for one's own spiritual health. Often those different rationales could be combined and connected. Native American nations, Indigenous tribes in Australia, and enormously diverse communities across Africa have a wide range of mutual support practices that encourage and organize the charitable impulse in their societies. In the MENA region, the philosophy and practice of philanthropy has an age-old history, and is enshrined in the scriptures of the Abrahamic religions and their practical interpretation by faith leaders<sup>6</sup>. In the Muslim tradition, for example, the distribution of zakat (obligatory almsgiving, one of the five pillars of Islam) has been codified over time as to percentages of wealth and attitudes to giving. Zakat is also to be complemented, when possible, by sadagah, voluntary acts of charity<sup>7</sup>.

Today, Islamic philanthropy forms a huge part of the global philanthropic sector. The Muslim world is donating an estimated US \$400 billion to US \$1 trillion every year in compulsory and voluntary charitable funds. In 2020, Muslim zakat donations increased by 12.5 percent over 2019, in great part to assist in the global and local response to the COVID-19 pandemic.

Given the prominence of the Abrahamic religions in the history of philanthropy in the MENA region, this study includes a short essay on some of the major features of charity in the Judaic, Christian, and Muslim traditions; see pp. 00-00.

Zakat and sadaqah are revealed as required and desirable practices, respectively, in the Quran; see, for example, Suwar 2:177, 2:261-274, 9:60. These complementary giving practices also form the subject of well-known ahadith and extensive

### THE CHALLENGES

The huge range in estimated value of Islamic giving is symptomatic of some of the conditions that complicate the advance of strategic approaches to philanthropy in the Gulf and MENA regions.

The majority of Islamic giving comes from individuals according to precepts of *zakat* and *sadaqah*, often via unregistered individuals or organizations that are set up to receive and transmit the contributions to local recipients. These funds are typically not designed to collaborate with other philanthropic organizations or to craft overarching missions to tackle broader systemic problems. Tracking systems are incomplete and not fully connected to central data repositories, and uses may therefore not be transparent.

These observations are not in any way intended to diminish the commendable tradition of generosity or discourage the generous approach to giving that characterizes the worldwide collective community of Muslims. All forms of giving, by anyone and at any level, are valuable. It is also worth noting that across the MENA region, government foundations and non-profit organizations promoted and funded by government leaders dedicate major resources to strategic initiatives within and beyond their countries that in other countries would be the preserve of private philanthropies. The SPI seeks to explore the potential for enhancing the overall impact of both individual and collective giving within and from the MENA region.

#### It is clear from what we found that philanthropy has truly become more intentional and strategic, more closely driven by data and evidence, and more collaborative and communicative in spirit.

It is worth examining why, despite significant contributions in and from the region, one in three Muslims live below the poverty line, and why many children in the broad region lack access to good education or are out of school altogether9. It is also worth asking how philanthropy in MENA could be leveraged to be more efficient in combating and addressing the root causes and consequences of other significant challenges such as climate change, which is likely to affect our warm and dry region disproportionately.

This study explores 12 major themes in 21st century philanthropy that are evident in the MENA region as well as the rest of the world, particularly the United States, and makes suggestions about ways in which new trends emerging from these themes could help to accelerate and enhance the global practice of strategic philanthropy. Our team mined data about philanthropy from key repositories and conducted extensive desk research, and Lisa Philp, Renee Dugan, and Mariët Westermann held in-depth interviews with the leaders of 19 major foundations from the MENA region and the United States. Special case studies and examples were chosen to illustrate the main themes and point to practices and attitudes that have helped philanthropic leaders sustain and transform their organizations

and redefine their approaches for greater and more measurable impact.

While philanthropy is typically grounded in local contexts, it is clear from these exemplary organizations that there is much to be learned from fellow philanthropists outside one's own mission or geography - wherever you are in the world. Philanthropists in the United States, for example, are looking to the UAE, India, Singapore and many other countries, to learn about innovative approaches to philanthropy. Countries with young populations are using technology and social media to advance philanthropy in ways not yet embraced by more traditional philanthropies in the United States and Europe. Even though all of us involved in steering and conducting this study have spent many years in philanthropy, we were surprised to realize how much we had to learn. It is clear from what we found that philanthropy has truly become more intentional and strategic, more closely driven by data and evidence, and more collaborative and communicative in spirit. Everyone's philanthropic practice can be enhanced by partnerships and knowledge exchange with fellow philanthropists and especially with intended beneficiaries and stakeholder organizations that can execute on the ground.

<sup>8</sup> Zakat and sadaqah are revealed as required and desirable practices, respectively, in the Quran; see, for example, Suwar 2:177, 2:261-274, 9:60. These complementary giving practices also form the subject of well-known ahadith and extensive interpretative tradition.

See, for example, the King Hussain and Queen Rania Foundations in Jordan, or the organizations in Kuwait, Saudi Arabia, and the UAE referenced in the case studies below.

# APPRECIATION AND THE ROAD AHEAD

Impactful philanthropy takes a global village, and so did this study. We wish to express our profound thanks to the dozens of people who contributed to this research study.

We would like to thank Anita Manek and Alya Hegazy from Crescent Enterprises for their support.

We are grateful for the SPI founding patron Badr Jafar, for his support that allowed the publication of this research.

We would also like to express our gratitude to the members of our research team, especially Lisa Philp, who provided critical input, expertise, and assistance at every stage of the project, and Renee Dugan, who managed the work with many of our philanthropic partners and the students who contributed to the research. Their thoughtfulness, creativity, and hard work were critical to the development and writing of the bulk of the white paper, and we are deeply grateful for their hard work and dedication. Others who contributed much to the vision, research, detailed writing, and editing are: Mohamad Agha, Alicja Borzyszkowska, Dania Dekedek, Lee Guantai, Monika Mitova, and Luise Beaumont.

This study could not have been produced without the contributions of all of the philanthropy professionals who generously shared their time, and lived experiences which were essential to the success of this project. We would like to extend our heartfelt thanks to this esteemed group of interviewees, many of whom are profiled and quoted in the pages that follow:

We hope that this white paper and its insights will encourage foundations and aspiring philanthropists in their giving journeys and offer concrete models and ideas for impactful practices.

- Allison Al-Masri, advisor, Bill & Melinda Gates
- Sara Al Nuaimi, director, Mohammed bin Rashid Global Initiatives
- HH Sheikha Intisar AlSabah. founder and chairwoman, Intisar Foundation
- · HRH Princess Lamia Bint Majid Al Saud, secretary general, Alwaleed Philanthropies
- Sonia Ben Jaafar, chief executive officer, Abdulla Al Ghurair Foundation
- Dana Bezzera, former president, F.B. Heron
- Kelly Donnelly, director, strategic initiatives, F.B. Heron Foundation
- Julita Eleveld, former senior program officer, Bill & Melinda Gates Foundation
- · Samir Farrag, executive director of strategic partnerships and fundraising, Queen Rania Foundation
- Donald Gips, chief executive officer, Skoll Foundation
- · Muhsin Hassan, awards director, Lever for Change
- · Nicolas Heard, head of fund management, Mohamed bin Zayed Species Conservation Fund (MBZ Fund)

- Thomas S. Kaplan, chair, International Alliance for the Protection of Heritage in Conflict Areas
- Larry Kramer, president, William and Flora Hewlett Foundation
- Ana Oliveria, president and chief executive officer, New York Women's Foundation
- Shivani Garg Patel, chief strategy officer, Skoll Foundation
- Kofi Rashid, advisor, Bill & Melinda Gates Foundation
- Lata Reddy, senior vice president, Inclusive Solutions, and chair, The Prudential Foundation, Prudential Financial
- George Richards, director, Community Jameel
- Bradford K. Smith, former president, Candid
- Emily Tow, president, Tow Foundation
- Jeff Ubois, vice president, knowledge management, Lever for Change
- Parastou Youssefi, former senior program officer, Bill & Melinda Gates Foundation

We hope that this white paper and its insights will encourage foundations and aspiring philanthropists in their giving journeys and offer concrete models and ideas for impactful practices. We also hope our findings may be helpful to regulators interested in promoting more effective and strategic philanthropy in their countries. A bold and catalytic approach could dismantle key barriers to strategic giving, and experiment with policy changes to facilitate an enabling environment for

Above all, we hope this study points to opportunities to talk and work with others, so that we may tackle the most complex challenges of our time with collective force, to greater effect, and with more positive impact on countless human beings.

# INTRODUCTION

With significant wealth creation and pressing issues to address, many families are asking how best to achieve impactful giving. At a systemic level, how best to advance mission-driven philanthropy has become a more strategic matter for families.

Through the collection and dissemination of research findings, this study seeks to encourage the exchange of knowledge and best practices between regions, to stimulate ongoing conversation, knowledge building and learning, and promote the growth of strategic philanthropy.

The Strategic Philanthropy Initiative of New York University Abu Dhabi produced this white paper to highlight recent trends in strategic philanthropy in the Middle East and North Africa (MENA) and North America, with a view to expanding and advancing philanthropic practices globally.

This publication offers initial observations and insights, highlighting the differences and similarities in philanthropic practices across various regions. Through the collection and dissemination of research findings, this study seeks to encourage the exchange of knowledge and best practices between regions, to stimulate ongoing conversation, knowledge building and learning, and promote the growth of strategic philanthropy. The information provided is designed to inspire seasoned and emerging philanthropists as well as professionals in the field, to enhance the impact and effectiveness of philanthropic activities across these culturally rich and diverse regions.

The body of the study outlines 12 core themes in philanthropy, and relates them to recent trends and case studies based on interviews with leading practitioners. While we recognize the wealth of expertise and experience around the world, this study is focused on experimentation and iteration, failures and successes, and learning from best practices from philanthropists in MENA, North America, and Europe. We hope that this rich material may open new pathways toward achieving greater impact. The themes include a mixture of philanthropic vehicles, approaches, and strategies.

- Theme 1: Individual Giving deepens with donor education and networking
- Theme 2: The next generation's growing impact on Family Foundations and networking
- **Theme 3:** Corporate Social Responsibility (CSR) is being integrated with Environmental, Social, and Governance (ESG) business strategy
- **Theme 4:** Grantmaking Foundations emphasize partnerships
- **Theme 5:** Operating Foundations coordinate strategies for impact
- **Theme 6:** Philanthropy is aligning with the Sustainable Development Goals (SDGs)
- **Theme 7:** Mega-donors expand the Women's Funding Movement
- Theme 8: Philanthropies develop pipelines of Big
- Theme 9: Prize Philanthropy comes of age
- Theme 10: Funder Collaboratives get more
- **Theme 11:** Social Entrepreneurship becomes an
- Theme 12: Impact Investing is a journey

This narrative is followed by a section on the future of philanthropy in MENA, including two potential scenarios, barriers, and policy recommendations.





# A NEW ERA FOR PHILANTHROPY

#### **Badr Jafar**

An exciting shift is occurring in the field of philanthropy, marked by potential for unmatched levels of multisector collaboration, strategic coherence, and transparency. The global community stands at the precipice of an opportunity that demands greater engagement to achieve transformative outcomes. Philanthropy, when approached as a long-term, development-centric initiative, serves as a key to alleviating growing global inequalities. Philanthropic activities are increasingly recognized as vital in bolstering sustainable development and cultivating societies resilient enough to undertake risks that may be beyond the fiscal capacity of certain governments. This forward-thinking strategy in philanthropy is especially relevant in areas experiencing rapid economic growth, such as the Middle East and North Africa, where a significant increase in philanthropic funding is expected in the years ahead. Insights from the Philanthropy Alliance Foundation survey reveal that an overwhelming majority, 89%, predict that Africa and Asia, including the Middle East, will see the most substantial surge in philanthropic giving over the next 25 years. This surge is timely, as

efforts to secure the necessary funds to achieve the

United Nations' 2030 Sustainable Development Goals face challenges. The rise of a robust philanthropic movement is poised to drive sustained and significant change. The key issue shifts from fund availability, which appears ample even by modest estimates, to the tactical employment of these resources to achieve maximum impact.

An exciting shift is occurring in the field of philanthropy, marked by potential for unmatched levels of multisector collaboration, strategic coherence, and transparency.

# The Influence of Demographic Dynamics and Wealth Redistribution

The next decade is set to mark a historic milestone, showcasing the most substantial intergenerational transfer of wealth the world has ever seen, estimated at 68 trillion dollars. Particularly in emerging markets, an estimated 26 trillion dollars is set to be transferred across generations in the next 20 years, while three quarters of the global gross domestic product (GDP) is predicted to pivot towards the Global South. These shifts are making tangible waves today, as emerging markets begin to redefine the landscape of global economies. With this shift in wealth comes a parallel rise in philanthropy, transcending the bounds of traditional charitable giving. Anticipation runs high

for an escalation in philanthropic endeavors, particularly in the Middle East and Africa. By this year, it is anticipated that ultra-high net worth individuals in these regions will burgeon by 32% and 17% respectively. This wealth transfer coincides with demographic evolution, marking the rise of a new, technologically adept generation of philanthropists. These younger donors are redefining generosity, demanding a more engaged, efficient, and outcome-driven approach. They call for philanthropy that is not only responsive but also responsible, upholding higher standards of governance, accountability, and transparency.

#### Philanthropy in the Arab Region

The tradition of charitable giving, deeply ingrained in Arab culture, particularly toward healthcare and education for those less fortunate, reflects the region's enduring cultural and religious commitment to community support. Despite these strong traditions, there are obstacles to fully embracing the global evolution of philanthropy, which could significantly improve both the volume and impact of philanthropic efforts. More strategic, evidence- based collaborations among various stakeholders, both within and outside the Arab region, could address these challenges effectively. Furthermore, reforming the regulatory framework surrounding philanthropy in the region is crucial for enhancing the strategic approach to giving and increasing overall enthusiasm for philanthropy. The pandemic has expedited the previously advocated transformation in the social impact sector of the Arab region, placing a higher value on local knowledge and collaboration. This shift is critical given the sector's challenges over the past five years, including ongoing

humanitarian crises and the pandemic's effects. With two-thirds of the region's population either living in poverty or at risk of multidimensional poverty, and with some of the highest youth unemployment rates globally, the sector's performance is more important than ever. The potential for Arab Philanthropy to become a significant force for large-scale social change is immense, facing challenges such as poverty, unemployment, climate change, water and food scarcity, and increasing refugee populations. However, with available resources, tools, and creativity, philanthropy in the region can play a crucial role in overcoming these issues. Addressing these interconnected challenges requires holistic, multi-step, and multi-stakeholder interventions, necessitating collaborative frameworks involving individuals, families, businesses, and governments. Strengthening the philanthropic infrastructure is essential to amplify the impact of these efforts.

#### Strengthening the Philanthropic Ecosystem

The potential for global growth markets, including the Arab world, to emerge as hubs for large- scale strategic philanthropy and social innovation is significant. These markets contribute to over 60% of the global GDP and include the top 30 fastest-growing economies. The anticipated transfer of wealth, including an estimated 30 trillion U.S. dollars globally and over a trillion dollars in the Middle East to the next generation, presents an unprecedented opportunity to harness philanthropic capital for social impact. Building robust philanthropic infrastructure is imperative to leverage these shifts and enhance the effectiveness of philanthropic investments, ensuring they deliver the highest possible social and environmental returns. This requires better infrastructure and incentives for strategic philanthropy. To strengthen philanthropic infrastructure in the Arab region, three key strategies are essential: activating and enhancing relevant networks, streamlining supportive regulations, and improving philanthropic governance with robust data and evidence. Philanthropic networks are vital for disseminating knowledge, fostering collaboration, inspiring action, and advocating for philanthropy's essential role in society. The growth of these networks can accelerate improvements in philanthropic practices and strengthen the ecosystem around philanthropy. Moreover, the research community plays a crucial role in bridging the knowledge gap in philanthropy, with new institutions emerging to offer evidence-based strategies tailored to the unique needs of growth markets, as seen with the establishment of the SPI in 2021.

Addressing regulatory challenges is also critical, as unclear legal frameworks have historically hindered the institutional development of foundations and philanthropic activities. Organizations like the Arab Foundations Forum are vital for advocating more effective regulations, which, in turn, can unleash the region's creative potential and the desire of many to contribute to the public good. Demonstrating accountability and transparency in philanthropy governance is essential for making a case for improved regulations.

Lastly, building trust within the community, with policymakers, and the public at large is crucial for the philanthropic sector. Transparency, sharing data and evidence about philanthropic impacts, and building trust can significantly enhance the sector's effectiveness. Without reliable data, decision-making is hampered, underscoring the need for quality information to guide philanthropic efforts. The last decade has witnessed substantial positive changes in Arab philanthropy, presenting a unique opportunity to further strengthen the ecosystem through collaboration among business, philanthropic, and government stakeholders. By gathering data and mobilizing resources, the full potential of this ecosystem can be realized, offering extraordinary leverage across societies and economies. Investing in this dynamic ecosystem is urged to maximize its transformative impact on the region.

The last decade has witnessed substantial positive changes in Arab philanthropy, presenting a unique opportunity to further strengthen the ecosystem through collaboration among business, philanthropic, and government stakeholders.



The adoption of a more strategic and systematic approach to philanthropy has the power to enhance the capacity of the Arab region's growing philanthropic community, unlocking essential long-term capital and fostering social innovation.

#### The Role of the Private **Sector and Government**

Philanthropic contributions in the Gulf region currently total an estimated \$210 billion annually. As regional wealth continues to grow, expectations are that philanthropic commitments will increase accordingly. Traditionally, the culture of corporate philanthropy in this area has been somewhat separated from strategic philanthropic efforts. The development of more strategic philanthropy, which necessitates a deeper understanding and collaboration between the private sector, non-profit organizations, and government bodies, cannot be achieved without fostering stronger partnerships across these sectors. The private sector, in particular, has a crucial role in achieving its social impact objectives by gaining a comprehensive understanding of the social needs within the communities they serve. This involves engaging more closely with both government entities and the philanthropic community.

The adoption of a more strategic and systematic approach to philanthropy has the power to enhance the capacity of the Arab region's growing philanthropic community, unlocking essential long-term capital and fostering social innovation. The government's leadership in developing legislative frameworks for philanthropy is essential for creating more efficient and effective regulatory systems that enhance

transparency and accountability, thereby amplifying the impact of philanthropic efforts. It is imperative for the business sector to maintain its commitment to philanthropy, incorporating societal needs into their business models, and working in partnership with non-profit organizations to amplify their impact. Non-profit organizations should embrace transparency, accountability, and open reporting not as regulatory requirements but as strategic advantages that can distinguish them in the field. This shift will enable donors to align their contributions more closely with national and international development objectives, thereby scaling up impactful social and environmental projects. Fostering a more engaged donor community that actively seeks information about the allocation, utilization, and outcomes of their donations can initiate this transformative process.

To significantly enhance the impact of philanthropy and integrate it more fully into the mainstream capital system, it is imperative to seize every opportunity to overcome the key obstacles to strategic giving. Taking concrete actions to enhance the efficiency and effectiveness of strategic philanthropy is vital for the benefit of the region and the global community, both today and in the future.



A CLOSER LOOK:
CHARITY AND
PHILANTHROPY IN
THE ABRAHAMIC
FAITH TRADITIONS

**Mariët Westermann** 

In global discussions of charity, it is often noted that modern philanthropy, and strategic philanthropy in particular is a Western construct that at best is not applicable outside North America and Europe, and at worst a self-serving practice that maintains a fundamentally inequitable distribution of wealth around the world<sup>10</sup>. While most academic discussion and much of the practice of strategic and impact philanthropy have indeed been western in focus, philanthropy itself has long and incredibly rich traditions in most cultures around the world.

In the MENA region, philanthropy has an age-old history, prescribed particularly in the scriptures and interpretive canons of the Abrahamic religions and their practical interpretation by faith leaders11.

A brief look at these traditions suggests that there is no reason why strategic philanthropy should be at fundamental odds with the charitable prescriptions of these religions, which remind the faithful of their obligations to give of their resources for the wellbeing of kith and kin, for the improvement of the human community at large, in willing obedience to God, and with spiritual benefits to the giver.

In Judaism, the duty to charity derives from the reality that humans own nothing but for their Creator's beneficence toward them. The idea is most pithily rendered in the Psalms that are foundational to Judaic theology and equally accepted by Christians and Muslims: "The earth is the Lord's, and the fulness thereof." (Psalm 24:1).

Between 1170 and 1180, Rabbi Maimonides, who was born in Cordoba but settled in Cairo, wrote an influential code of Jewish religious law called the Mishneh Torah. In it, he analyzed a long history of Jewish charity, tzedakah, into a hierarchy with eight levels. At the bottom of the ladder is the person who gives churlishly. Just above is the giver who does so with grace. Higher up are several types of givers who give unbidden, but insist on some form of recognition by recipients, suggesting a degree of vanity on the part of the giver or some untoward, justifying desire to know precisely what the recipients will do with the gifts. The second giver on Maimonides's list doesn't know who they support and equally the recipient does not know their benefactor's identity: "This is purely a mitzvah [a good deed out of religious duty] for its own sake."

But the highest, most virtuous kind of giving is to fortify a fellow Jew and give him a gift, a loan, form with him a partnership, or find work for him, until he is strong enough so that he does not need to ask others [for sustenance]12.

Today we would call this giver a strategic philanthropist. This most exalted donor predates by nearly a millennium the proverbial impact philanthropist who doesn't give people fish but teaches them to fish. Note that unlike most of the other Jewish givers in the hierarchy, these philanthropists are not tainted by knowing the people they help. The strategic approach makes it necessary to know who you are assisting so you can optimally promote the person's transformation, agency, and independence.

The Christian tradition inherited some traditional Judaic thoughts on charity, but Jesus's parables and instructions extended the requirement of charity beyond one's own tribe, just as the religion itself developed universalist ambition so that it can, in theory, be embraced by believers of any ethnicity or prior belief. In his guidance to his apostles and followers, Jesus framed charity in a foundational distinction between earthly riches and the greater wealth of everlasting life in heaven, the kingdom of God:

COVID-19 pandemic has exacerbated the challenge, with one out of every five school-age children in MENA not going to school. Significant gender discrepancies in access persist, with adolescent girls being 15 times more likely than their male peers to be out of school.

The critical literature is extensive; a basic sampling includes "Global Philanthropy: Why Western Models May Not Work Everywhere," Knowledge at Wharton, 11 May 2019, and Giridharadas, Winners Take All: The Elite Charade of Changing the World, New York, 2018; and with a focus on the US, David Callahan, The Givers: Money, Power and Philanthropy in a New Gilded Age, New

<sup>12</sup> For an excellent introduction to philanthropic traditions and instruments in the Arab world, see Barbara Lethem Ibrahim, "Introduction: Arab Philanthropy in Transition," in Sherif and Ibrahim 2008, 1-6. 13

Lay not up for yourselves treasures upon earth, where moth and rust doth corrupt, and where thieves break through and steal:

But lay up for yourselves treasures in heaven, where neither moth nor rust doth corrupt, and where thieves do not break through and steal: For where your treasure is there will your heart be also. (Matthew 6:19-21)

Indeed, they who covet and accumulate wealth put themselves at a disadvantage in trying to achieve everlasting life:

How hardly shall they that have riches enter into the kingdom of God! (Mark 10:25)

The mitigation is in charity given freely, and at one's own expense:

And behold, one came and said unto him: Good Master, what good thing shall I do, that I may have eternal life?

••

Jesus said unto him: if thou will be perfect, go and sell that thou hast, and give to the poor, and thou shalt have treasure in heaven: and come and follow me.

But when the young man heard that saying, he went away sorrowful: for he had great possessions.

Then said Jesus unto his disciples: Verily I say unto you,
That a rich man shall hardly enter into the kingdom of

And again I say unto you, It is easier for a camel to go through the eye of a needle, than for a rich man to enter into the kingdom of God. (Matthew 19:16; 19:21-24)

Jesus also held that genuine almsgiving should be in secret, without vanity:

Take heed that ye do not your alms before men, to be seen of them: otherwise ye have no reward of your Father which is in heaven. Therefore, when thou doest thine alms, do not sound a trumpet before thee, as the hypocrites do in the synagogues and in the streets, that they may have glory of men. But when thou doest alms, let not thy left hand know what thy right hand doeth: that thine alms may be in secret: and thy Father which seeth in secret himself shall reward thee openly. (Matthew 6:1-4)

Jesus' injunction to discreet and selfless charity flew in the face of widespread philanthropic practice in the Roman world of his time, and its precedents in Greek culture. Greek religious culture prized grand and public votive offerings and dedications of temples. The Roman civic elite around the Mediterranean basin represented itself and extended its power through magnificent urban architecture, facilities, festivals, and games. Wealthy citizens of a city were expected to fund such causes, and only such causes, for their fellow citizens. The Early Christian fathers worked to revise this cultural heritage and channel charity to care for the poor, ill, and unloved<sup>13</sup>. Nevertheless, once the Church became the chief administrator of the charity of its flock, it fed and clothed the poor and redeployed this revenue to build and decorate grand houses of worship. Often, these buildings and works of art garnered highly public recognition for the benefactors. Both of these philanthropic traditions mark the Christian church to this day, and are often in conflict with one another. The Qur'an revealed to the Prophet Mohamed (PBUH) between 610 and 632 requires almsgiving of Muslims

Peter Brown, 'Treasure in Heaven,' Lapham's Quarterly, 8, no. 3 (Summer 2015), 195-204, with special emphasis on the role of Augustine of Hippo (354-430), a Berber of North Africa who knew the Roman tradition of spectacular urban works. He converted to Christianity in 386, became one of the most important founding fathers of the Latin Church, and exhorted Christians to embrace the demands of selfless almsgiving.

In the annual and daily practice of giving, Jews, Christians, and Muslims may not spend much time studying these particular texts for guidance. Charitable giving is deeply embedded in religious practice for each of these faiths, and often evolved in specific and innovative ways over time. Families, houses of worship, and neighborhood or governmental organizations may strongly affect the particular forms of philanthropy in communities at any one time.

who are able to give. In a key departure from Judaism and Christianity, compulsory almsgiving, or zakat, is prescribed as one of the five pillars of Islam, and closely related to prayer. In contrast, the Ten Commandments of the Torah and Old Testament do not include charity or almsgiving, nor does the Lord's Prayer prescribed by Jesus, even though his Sermon on the Mount and various parables encourage charity.

Quranic revelation is more precise and extensive about charity than any of the guidance in the Jewish or Christian Bible, with special care for orphans (as Mohamed himself was) and widows. Nevertheless, the key elements of zakat and sadaqah echo precepts of charity as it had developed in Judaism and Christianity<sup>14</sup>. From Surah 2. the Cow:

Rather, piety is he who believes in God, the Last Day, the angels, the Book, and the prophets, and who gives wealth, despite loving it, to kinsfolk, orphans, the indigent, the traveler, beggars, and for [the ransom of] the enslaved, and performs the prayer and gives the alms; (177) Those that give their wealth in God's cause are like grains of corn that produce seven ears, each bearing a hundred grains. (261)

Those who spend their wealth in God's cause, and do not follow their spending with reminders of their benevolence or hurtful words, will have their rewards by their Lord; no fear for them, nor will they grieve. (262)

But those who spend their wealth in order to gain God's approval, and as an affirmation of their own faith, are like a garden on a hill: heavy rain falls and it produces double its normal yield; even if no heavy rain falls, it will still be watered by the dew. God sees all that you do. (265)

If you give charity openly, it is good, but if you keep it secret and give to the needy in private, that is better for you, and it will atone for some of your bad deeds: God is well aware of all that you do. (271)

Whatever charity you give benefits your own souls, provided you do it for the sake of God: whatever you give will be repaid to you in full, and you will not be wronged. (272)

While sadaqah is non-obligatory, the Quran frequently associates the word with zakat, and similar principles of administering charity govern both concepts. For example, Surah 9:60, which categorizes the appropriate recipients of charity and is historically interpreted to refer to zakat, actually uses the word sadaqah. Jonathan Benthall, "Finan- cial Worship: The Quranic Injunction to Almsgiving," Journal of the Royal Anthropological Institute, 5 (1999), esp. 30-31, and The Study Quran: A New Translation and Commentary, ed. Seyyed Hossein Nasr, New York, 2015, 522-23 for commentary on Surah 9:60.

The acknowledgment in the Quran that not all almsgiving has to be a private matter appears to favor the greater good: if insistence on secret charity were to get in the way of having any alms at all, then surely public charity is to be allowed. This pragmatic approach also opens the door to exemplary almsgiving that can encourage the philanthropy of others.

Those who give, out of their own possessions, by night and by day, in private and in public, will have their reward with their Lord: no fear for them, nor will they grieve. (274)15

The acknowledgment in the Quran that not all almsgiving has to be a private matter appears to favor the greater good: if insistence on secret charity were to get in the way of having any alms at all, then surely public charity is to be allowed. This pragmatic approach also opens the door to exemplary almsgiving that can encourage the philanthropy of others<sup>16</sup>. Surah 9, Repentance, specifies who are the rightful recipients of

The charitable offerings [sadagah] are only for the poor, and the indigent, and those working with them, and those whose hearts are [to be] reconciled, and for [ransoming] slaves and for debtors, and in the way of God, and for the traveler: a duty from God. (60)

The Quran's categorization of people to whom charity is due, and which members of those categories are truly worthy of it, has been subject to much discussion and disagreement over the centuries. Overall, the modern

trend in interpretation of Surah 9:60 has been to widen the range of eligible recipients to meet the needs of contemporary societies. For example, "those working with them" has enabled governments of predominantly Muslim countries to develop legislation that allows for zakat to be given to charitable foundations or even incorporated into government taxation schemes. None of these practices is without challenge or risk of corruption, but the very vigor with which they are debated and become fields of philanthropic experimentation is indicative of the centrality of charity and philanthropy in the Islamic world<sup>17</sup>. In the annual and daily practice of giving, Jews, Christians, and Muslims may not spend much time studying these particular texts for guidance. Charitable giving is deeply embedded in religious practice for each of these faiths, and often evolved in specific and innovative ways over time. Families, houses of worship, and neighborhood or governmental organizations may strongly affect the particular forms of philanthropy in communities at any one time. For the MENA region, the historical presence of the Abrahamic religions over the centuries serves as a fount of inspiration and potential for the development of a more strategic approach to acting on the charitable directive.

The Qur'an, trans. M.A.S. Abdel Haleem, Oxford, 2004. For commentary on the Quran's guidance on zakah and sadaqah, see The Study Quran, 115-19, commentary on Surah 2:262-274.

The Quran also counsels that charity be given in a prudent, not excessive manner; Surah 17:26-29, and commen-tary on these verses in The Study Quran, 702-703.

Benthall 1999, 31-32, offers a deft summary of the range of interpretation to which Surah 9:60 and associated verses have been subjected.



THEME 1

# INDIVIDUAL GIVING DEEPENS WITH DONOR EDUCATION AND NETWORKING



Individual giving occurs everywhere in the world. Whether inspired by altruism, charitable incentives, a desire to make change, or faith, humans have contributed resources for good and to people outside their immediate circle of relatives and close friends since earliest history. The pattern of giving by individuals in the Middle East/North Africa region is particularly influenced by faith-based traditions of philanthropy including, for example, zakat (Islamic compulsory almsgiving), sadaqah (Islamic discretionary almsgiving), and waqf (Islamic endowment).

#### Global data on everyday givers

The most complete survey on everyday givers is conducted by the UK-registered Charities Aid Foundation (CAF), and includes the results of interviews with 1.6 million individuals around the globe since 2009. Three aspects of giving are at the heart of its investigation. Respondents are asked if they have done any of the following in the past month:

- Helped a stranger, or someone you did not know who needed help?
- Donated money to a charity?
- Volunteered your time to an organization?

### Key findings from the CAF World Giving Index 2021: A Global Pandemic Special Report include <sup>18</sup>:

- Out of 114 countries surveyed in 2020, Indonesia was the most generous country in the world. More than eight in ten Indonesians donated money that year, and its rate of volunteerism is three times the global average. Additional rankings put Bahrain at 12, the UAE at 13, the US at 19, the UK at 22, and Saudi Arabia at 49.
- The top ten list in 2020 changed substantially from pre-Covid surveys. Examples of countries showing significant decreases in their index scores include the US, the UK, Canada, Ireland, and the Netherlands. Several countries new to the top ten, including Nigeria, Ghana, Uganda, and Kosovo, replaced them. According to Neil Heslop, Chief Executive of CAF, additional research indicated that

- the willingness to give was not greatly diminished but that opportunities to give were sacrificed as countries locked down their people and their economies during the early phase of the pandemic.
- Despite, or perhaps because of the pandemic, donations have increased worldwide. In 2020, more people donated money than had given in the last five years (31%). Although levels of volunteering remained relatively unaffected at the global level, the aggregate picture disguised significant countryby-country changes.

#### Focus on Arab World givers

Two *Arab Giving Survey* reports released in 2015 and 2016 analyzed the motivations and charitable giving patterns of Gulf Cooperation Council (GCC) residents<sup>19</sup>. The inaugural survey, based on 1,008 respondents, found that 87% had made a charitable donation in the past year; 58% of donations were spontaneous with an additional 30% being both spontaneous and planned. 57% of respondents reported that their donations were highly linked to their religious beliefs, based on a ranking of eight, nine, or ten on a ten-point scale. The breakdown of respondents was 70% Arab expatriates and 30% GCC nationals. The 2016 report added 17 ultra-high-net-worth Arab nationals, primarily from Saudi

<sup>18</sup> https://www.cafonline.org/about-us/publications/2021-publications/caf-world-giving-index-2021

<sup>19</sup> https://www.entrepreneur.com/article/252752, https://www.alliancemagazine.org/blog/arab-giving-survey-reveals-rising-demand-transparency-charities/

Arabia, to the survey. Of these respondents, 71% said clearer reporting on how and where funds are spent would encourage them to increase their donations, 76% wanted access to results showing charity effectiveness, and 65% cited friends, family, and colleagues as their inspiration to give.

# Trends in individual giving

Five trends have emerged in recent years to simplify, grow, and deepen the role of individual giving. They include crowdfunding, communications campaigns, donor education, peer networks, and giving circles. These trends are pronounced in many countries around the world, and are present also in the UAE and MENA.

#### Crowdfunding<sup>20</sup>

The history of modern-day crowdfunding began in 1997, when a British rock band raised funds for a reunion tour through online donations from their fans. After ArtistShare, the first dedicated crowdfunding platform, launched in 2000, many similar platforms followed. By 2009, crowdfunding had developed into an industry for entrepreneurs to validate their ideas, gain exposure, and secure funding. In 2012 the US legalized equity crowdfunding with the passage of the Jumpstart Our Business Startups (JOBS) Act, which removed the ban on general solicitation by entrepreneurs.

The industry has grown so much since then that various "best of" lists are quite specific. For example, one recent article lists 11 of the best crowdfunding platforms for nonprofits with an overall winner plus niche needs like best for social media, best for stylish donation pages, best for global projects, best for teachers and schools, and best for community and creative projects21. There were 6,455,080 crowdfunding campaigns

Five trends have emerged in recent years to simplify, grow, and deepen the role of individual giving.

worldwide in 2021<sup>22</sup>. The 2022 transaction value in the crowdfunding segment was projected to reach \$1.15 billion worldwide, with \$556.3 million in the US, \$22.1 million in MENA. \$10.05 million in the GCC. and \$2.37 million in the UAE<sup>23</sup>.

As of 2018, there were 23 crowdfunding platforms in the Arab region, but many of them are not operating and most would have challenges supporting nonprofit organizations given governmental financial regulations<sup>24</sup>. Zoomaal, founded in 2012, is a leading crowdfunding platform in the Middle East for creative, social, and youth projects. Four years later, Zoomaal launched GivingLoop to address the needs of nonprofits through features such as donor management and impact reporting. HasanaH was created as a tool to inform and guide Muslim donors in making judgments on almsgiving in a transparent and accountable manner, while being inclusive of other faiths and customs. The platform provides donors with information and impact reports on thousands of vetted projects in over 150 countries, aligned with the Sustainable Development Goals (SDGs). It was a finalist in the Reimagine Charitable Giving Challenge supported by the Bill and Melinda Gates Foundation<sup>25</sup>. The MENA and GCC region are renowned for remarkable generosity, and there is immense opportunity for the spirit of giving to be amplified through strategic use of online platforms. Despite the emergence of a variety of digital giving solutions, there is potential to expand crowdfunding options in the region with a regulatory environment that incentivizes rather than impedes online giving.

<sup>20</sup> https://www.fundable.com/crowdfunding101/history-of-crowdfunding

<sup>21</sup> https://recharity.ca/nonprofit-crowdfunding-platforms/

<sup>22</sup> https://www.fundera.com/resources/crowdfunding-statistics

<sup>23</sup> https://www.statista.com/outlook/dmo/fintech/alternative-financing/crowdfunding/worldwide?currency=usd

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

https://www.hasanah.org/

Giving Tuesday initiatives have expanded to include a peer network of 50 grassroots leaders focused on growing individual giving.

### **Communications campaigns**

Giving Tuesday was launched in 2012 by the United Nations Foundation and The 92<sup>nd</sup> Street Y, a cultural and community center in New York City, as a pilot communications campaign to make giving more central in daily life. The timing follows the US Thanksgiving holiday on the fourth Thursday in November, Black Friday retail sales, and Cyber Monday online sales. By 2014, with corporate and social media support, the campaign developed into a global day of giving back with participation in 68 countries. At the time, the initiative led to an estimated 470% increase in online donations on the Tuesday after Thanksgiving<sup>26</sup>. Ten years later it is an inclusive and pluralistic movement and community of millions of givers, with activity in every country on every continent including the UAE. With a distributed leadership model, local leaders guide campaigns in over 70 countries. Giving Tuesday initiatives have expanded to include a peer network of 50 grassroots leaders focused on growing individual giving and a research collaboration of 100 giving platforms, research institutes, and global data labs to uncover trends on generosity<sup>27</sup>.

#### **Donor education**

The field of donor education has grown and deepened in recent years through university-based centers and independent nonprofit organizations. Several are at the forefront of producing user-friendly reports for individual donors that address basics of philanthropy, promising practices, and emerging issues. These include:

- Arab Foundations Forum: AFF was founded in 2006 to become a hub of information and exchange for philanthropic organizations, and especially foundations, across the MENA region. It is a membership organization, but much of its information and activity also serves individual givers who seek to institutionalize their giving.
  - https://arabfoundationsforum.org/
- Pearl Initiative: The Pearl Initiative, founded in 2010, is the Gulf region's leading independent, nonprofit organisation working to promote the business case for a corporate culture of accountability and transparency, including within the philanthropic sector. Through its Governance in Philanthropy program, supported by the Bill and Melinda Gates Foundation, it has been actively raising awareness, creating networks, inspiring action, and strengthening the philanthropic ecosystem across the Gulf region. https://www.pearlinitiative.org/
- **Centre for Asian Philanthropy and Society:** CAPS seeks to improve the social investment sector in Asia by identifying and disseminating best practices, models, policies, and strategies that can contribute to positive system change. https://caps.org/
- **Center for Effective Philanthropy:** CEP provides data, feedback, programs, and insights via surveys of grantees and other reporting mechanisms to help individual and institutional donors improve their effectiveness. https://cep.org/

https://issuu.com/givingtues/docs/2020\_givingtuesdayimpact\_final

https://www.msnbc.com/msnbc/givingtuesday-campaign-sweep-social-media-msna732171

Organizations like the Arab Foundations Forum, the Pearl Initiative, and the Strategic Philanthropy Initiative at NYU Abu Dhabi are leading efforts to enhance donor education in the MENA and GCC regions.

- · Center for High-Impact Philanthropy, University of Pennsylvania: CHIP's multidisciplinary work leverages the best available information to focus on social impact and produce actionable guidance for impact-focused funders. https://www.impact.upenn.edu/
- Center on Philanthropy and Civil Society, Stanford University: Stanford PACS develops and shares knowledge to improve philanthropy, strengthen civil society, and address societal challenges. https://pacscenter.stanford.edu/
- John D. Gerhart Center for Philanthropy, Civic **Engagement and Responsible Business at the** American University in Cairo (AUC): The Gerhart Center was established in 2006 to advance AUC's broader mission to encourage social responsibility and civic participation. It focuses on research and capacity building, particularly for youth, and it promotes effective giving in Egypt and the region. https://business.aucegypt.edu/research/centers/ gerhart
- Giving Compass: Giving Compass is a onestop shop to help individual donors learn about issues, get involved, and give to community-led change. It is guided by impact-driven philanthropy priorities: equity, effectiveness, systems change, and transparency: https://givingcompass.org/
- · Lilly Family School of Philanthropy, Indiana University: The world's first school dedicated solely to the study and teaching of philanthropy, Lilly includes multiple institutes and pursues research of potential interest to individual donors. https:// philanthropy.indianapolis.iu.edu/index.html

One of the newest centers is based in the UAE. The Strategic Philanthropy Initiative at New York University Abu Dhabi will champion data gathering, academic study, education, and application of strategic philanthropy in the Gulf and wider MENA region<sup>28</sup>. Organizations like the Arab Foundations Forum, the Pearl Initiative, and the Strategic Philanthropy Initiative at NYU Abu Dhabi are leading efforts to enhance donor education in the MENA and GCC regions. They are concentrating on tailoring resources and toolkits to the local context, aiming to foster individual giving by leveraging region-specific knowledge and insights. In a region renowned for its long tradition of both diverse and specialized family businesses, many of which have three or four generations of history, there has been a noticeable shift towards amplifying the philanthropic component of family business activities, with a focus on social impact and environmental stewardship. Recent years have witnessed the rise of next-generation philanthropists, who are actively reshaping the structures and standards that will govern the future of philanthropy, signaling a transformative era in the sector. Various organizations in the GCC are focused on assisting families with these goals. In addition to the Pearl Initiative the Family Business Council – Gulf (FBCG) is a membership organization that seeks to help family businesses preserve their capital and other assets while also promoting the positive impact family businesses can have on the economy and society. The recently established Family Wealth Centre (2023) at Dubai International Financial Centre (DIFC) also intends to provide educational resources and research to support the philanthropic interests of individual families that wish to establish or maintain their businesses in the UAE.

<sup>28</sup> https://nyuad.nyu.edu/en/news/latest-news/community-life/2021/september/nyuad-first-strategic-philanthropy-initiative.html

#### **Peer networks**

Although several of the donor education organizations listed above foster peer-to-peer networks, additional institutions have network formation as their primary focus. Four noteworthy philanthropy networks of highnet-worth donors include:

- The Circle, a collaboration between the Pearl Initiative and Philanthropy Age, is a peer- to-peer network for institutional and individual donors connected to the Middle East who are looking to do more with their giving. The Circle provides specialist resources and content to support this network, inform and inspire better giving, and help deepen relationships and catalyse connections among members of the network.
  - https://www.circlemena.org/
- Global Philanthropists Circle at Synergos is a home for individuals and families from around the world to re-imagine how to address our society's most pressing needs. https://www.synergos.org/globalphilanthropists-circle
- The Philanthropy Workshop strives to accelerate social impact by mobilizing a global community of strategic investors united by their commitment to unlock resources, life- long learning, and entrepreneurial approaches. https://www.tpw.org/
- Social Venture Partners is the world's largest network of engaged donors who promote social and environmental good, with 3,400 partners in more than 40 cities. While the organization launched in Washington State more than two decades ago and is largely based in the US, Social Venture Partners International works with donors in cities in Canada and seven countries in Asia and Asia-Pacific, with a particularly strong presence in India.

https://www.socialventurepartners.org/

### **Giving circles**

Philanthropy networks may include joint funding, but many such as those above are primarily about learning together. In contrast, the purpose of a giving circle is for members to pool their resources and decide collectively where the money goes, often including a social and/or learning aspect. It is a relatively new form of participatory grantmaking which builds upon an ageold tradition of mutual aid societies.

A recent study by the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University estimated that there are 426 giving circles outside of the US, with a total of 42,200 members. Together they awarded \$45.74 million in grants in 2018<sup>29</sup>. While the majority are based in Canada or Mexico (241), Asia (85), and Europe (65), the geographic breakdown includes 17 in MENA. The researchers noted that 92% of these circles were founded since 2011 and that 75% were connected to one of five global giving circle networks: 100 Who Care Alliance, Awesome Foundation, Impact 100, Social Venture Partners (mentioned above), and The Funding Network. The MENA region, steeped in its rich history and tradition of discreet philanthropy, is gradually embracing a culture of openness and collaboration. As of 2018, there were only 17 giving circles identified in MENA, indicating a cautious shift towards more transparent and collective forms of giving. This direction presents another opportunity to create additional vehicles for individual donors to pool their resources, learn through collective action, and achieve more impact through philanthropy.

The MENA region, steeped in its rich history and tradition of discreet philanthropy, is gradually embracing a culture of openness and collaboration.

<sup>29</sup> https://foundationsource.com/learn-about-foundations/benefits-of-a-private-foundation/



# **HRH Prince Alwaleed bin Talal Al Saud**

HRH Prince Alwaleed Bin Talal Al Saud is a Saudi Arabian businessman and grandson of Abdulaziz bin Abdul Rahman Al Saud, the first king of Saudi Arabia. Prince Alwaleed started his career as an investor and entrepreneur. but quickly became a philanthropist, driven by his belief that he has an obligation to give to others. His philanthropy, which dates to the 1980s, is deeply influenced by his strong conviction in the value of generosity and involvement, principles deeply entrenched in both Islamic and Arab customs. His commitment to Zakah, a fundamental Islamic duty focused on giving, has been unwavering. With the growth of his business, his philanthropic efforts have expanded correspondingly, making Zakah an integral aspect of his life. Prince Alwaleed's approach to philanthropy emphasizes adaptability and a comprehensive perspective. Instead of merely providing food, goods, or personnel support, his focus is on fostering development, culture, education, and health through collaboration with partners and community organizations. These efforts are aimed at advancing society at large, with a particular emphasis on empowering women and youth. This strategic vision has enabled a broadening of support

to encompass a wide array of charitable and humanitarian entities and groups.

#### Giving back to the community

As Prince Alwaleed's enterprise. Kingdom Holding Company, grew over the years, so did his philanthropic endeavors. In the 1990s, he emerged as a prominent global investor and billionaire, reaping significant investment returns internationally. With the increase in his business earnings, he dedicated himself more to philanthropy, focusing on providing for communities and individuals in urgent need of basic life necessities and humanitarian aid.

## **Establishing The Kingdom Foundation for Strategic Initiatives**

Prince Alwaleed takes a hands-on approach to philanthropy, ensuring that donations not only reach their intended recipients but also make a meaningful difference in their lives, fulfilling their intended purpose. In 2000, the Kingdom Foundation for Strategic Initiatives was established to give structure to his philanthropic efforts and uphold principles of transparency, impactful outreach, and meticulous and decisive management.



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In 2010, with the expansion of its philanthropic activities, the Foundation received its license from the Ministry of Social Affairs and subsequently underwent a name change to Alwaleed Bin Talal Charity Foundation. This renaming marked a new chapter in its commitment to a broad spectrum of private humanitarian projects and initiatives.

### **Alwaleed Philanthropies**

Over the span of forty years, Alwaleed's philanthropic endeavors have undergone significant evolution, adapting to the changing needs and times. This led to the unification of the Alwaleed Bin Talal Foundation and its three philanthropic entities under a single umbrella: Alwaleed Philanthropies. This consolidation is driven by a unified mission to foster a world characterized by tolerance, acceptance, equality, and opportunity for everyone. Alwaleed Philanthropies encompasses three distinct branches: Alwaleed Philanthropies "Global," which undertakes philanthropic and humanitarian efforts worldwide; Alwaleed Philanthropies Lebanon, dedicated to addressing the social and community needs within Lebanon; and Alwaleed Philanthropies Saudi Arabia, which concentrates on serving the Kingdom of Saudi Arabia's societal needs.

## **Thomas S. Kaplan**

Thomas S. Kaplan is an American entrepreneur, investor, environmentalist, art collector, and philanthropist in several areas where his resources can have targeted impact. He was educated in Switzerland and went to Oxford for his university years, earning his Bachelor's, Master's, and D. Phil degrees in History. Dr. Kaplan began investing in natural resources in 1993. His business thesis has been the enthusiastic and determined pursuit of extraordinary assets to express his conviction about a specific, often out-of-favor commodity. He serves as chairman of The Electrum Group, LLC, an investment advisory and asset management firm with a particular emphasis on the acquisition of gold and silver mining assets. Born in New York, Dr. Kaplan developed his abiding love for the art of Rembrandt and the Old Masters during childhood visits to the Metropolitan Museum of Art and, later, to Amsterdam's Rijksmuseum and the Louvre in Paris. When his family moved to Florida, Dr. Kaplan developed a passion for wildlife conservation, a cause he later revisited as the founder of a felid conservation fund.

Thomas S. Kaplan learned early in life to recognize and pursue his passions. His ability to harness and advocate for his interests,

surround himself with outstanding people, and pursue excellence without a need for personal credit has contributed to his success in business and philanthropy. Dr. Kaplan and his wife, Dafna Recanati Kaplan, began to collect the art of the 17th-century Netherlands in 2003. Within a few years they established The Leiden Collection, named in honor of Rembrandt's birthplace, which serves as a lending library of Old Masters to museums internationally for permanent collections and temporary exhibitions. Along with Alan Rabinowitz, the Kaplans founded Panthera in 2006 to protect and preserve big cats and their ecosystems from extinction, an enterprise that now encompasses over 100 partnerships in 50 countries. Dr. Kaplan served as board president (2009-12) and chairman (2012-15) of New York's 92nd Street Y, one of the city's premier cultural and community centers. In 2017, Dr. Kaplan became chairman of the International Alliance for the Protection of Heritage in Conflict Areas (ALIPH), a Geneva-based foundation established by France and the UAE and supported by more than a dozen governments and private funders.

# Reluctant collector to lending library

When Dr. Kaplan was six years old, he fell in love with Rembrandt and then spent decades seeing his paintings in every city he could. When he was in his forties, his mother-in-law suggested he might enjoy collecting because of his passion for art and history. He rejected the idea outright, replying that he did not intend to become a "vulgar materialist." A year later, however, enlightened by the knowledge that it was possible, he and his wife began to buy, on average, a painting a week for several years. The Kaplans own about 250 paintings, including 17 Rembrandts and the only Johannes Vermeer and the only Carel Fabritius in private hands. They loaned one of their first acquisitions to the J. Paul Getty Museum in Los Angeles. "There was a specific incident where I watched a number of kids enthralled by a particularly evocative painting of a young boy by Rembrandt's studio mate Jan Lievens," said Dr. Kaplan. "After seeing that connection, I remember turning to the curator and saying, 'all of our paintings are going to go on loan,' and from there we established the only lending library for Old Masters." Although there are many barriers to making masterpieces accessible, including insurance, transportation, and the risk of damage, the Kaplan family has overcome them because of their strong desire to share their love of Dutch art with a broader public.



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## **Breaking anonymity for** scholarship, cultural exchange, and heritage protection

Up until 2017, the Kaplans collected and lent their paintings anonymously because they did not want to be known as art collectors. Only dealers, curators, and collectors of Old Masters knew of their rapidly growing collection. "A top curator at the National Gallery in Washington persuaded us to go public and open the collection up to scholarship because, after 15 years, it had become a study collection within itself." An online scholarly catalogue of the collection, overseen by Dr. Arthur Wheelock, was created to be among the most accessible and transparent of its kind.

In 2017, the Kaplans initiated an exhibition of masterpieces from The Leiden Collection with the Louvre in Paris, which traveled to Beijing, Shanghai, Moscow, St. Petersburg, and Abu Dhabi. "We brought the first Vermeer to China, the biggest exhibition of Dutch art ever in Asia, set a record at the State Hermitage Museum for the most visited paintings exhibition in the world that year of any kind, and ended the tour with my passion project, Louvre Abu Dhabi," said Dr. Kaplan. "I believe that Rembrandt is a universal artist whose revolutionary approach to art was a game changer that influenced so many artists all over the world. It has become a mission to use the brand name that is Rembrandt to expand upon universal values, encourage tolerance, and build bridges."

Dr. Kaplan's doctorate was in applied history, a field that connects an understanding of past patterns and events to the analysis of current political and economic conditions.

His knowledge of the MENA region and his commitment to art and heritage led to his appointment as chairman of ALIPH, which focuses on three areas of intervention: preventive protection to limit the risk of destruction, emergency measures to ensure the security of heritage, and post-conflict actions to enable local populations to enjoy their cultural heritage and build peace. Like the older Global Fund that fights Malaria, Tuberculosis, and HIV/AIDS, ALIPH leverages the funding and strategic resources of governments as well as private funders to act more nimbly than is possible for most intergovernmental organizations. "I took my passion for ALIPH's mission and combined it with my business skill, which is to be able to look at a blank sheet of paper and envision a roadmap of what we need to do," said Dr. Kaplan. "In a few years we moved from that blank sheet to 100 projects in 30-35 countries, and we've become the gold standard for rapid response in conflict zones."

## Thomas S. Kaplan

### Supporting an unmet need

When Dr. Kaplan made his first fortune in business, he kept a promise to himself to support those with aptitudes he lacked in an area that he most loved: field zoologists who study big cats. He sought out the best in the world at a major conservation organization but, over time, realized that his goals as a donor and the organization's strategies were not in alignment. "Cats are extremely useful for ecosystem-wide conservation because they are apex predators and the ultimate umbrella species," said Dr. Kaplan. Panthera was created to fulfill an unmet need in wildlife conservation. "I tend to gravitate towards those areas where there is a vacuum, nobody is filling it, and where I can be the person to serve as a trigger. I use my resources to make it happen, get it off the ground, and then other people come into the story. If all goes well, they take it over like in a great venture capital investment."

## 92nd Street Y and Giving **Tuesday**

Dr. Kaplan's engagement with the 92nd Street Y began when he got involved as a parent at the nursery school and was subsequently recruited by the leadership to become more active in the organization. He found that he loved what this cultural and community center stood for: the evocation and elaboration of Jewish humanism, as well as the principle of being open to all peoples and religions. As board president, he worked to mobilize the community to support the Y during the financial crisis of 2008-2009. When asked how he did so, Dr. Kaplan said, "It's a combination of passion, with articulation, that leads to measurable outcomes." During the period of Dr. Kaplan's board leadership, the organization strived to grow its franchise by leveraging great ideas. One of those nascent ideas was Giving Tuesday. Dr. Kaplan is quick to give all the credit to Henry Timms, then deputy director of the Y, who conceived and executed it, noting that he had the good fortune of being at the right place at the right time. "It is certainly the kind of initiative that is a real case study in how to be able to execute upon a big plan, lay the groundwork for a global movement, ensure collaboration at every level, and be lucky enough to have a tailwind," said Dr. Kaplan.

## Advice for getting involved in philanthropy

When prompted for advice for fellow philanthropists, Dr. Kaplan returned to the notions of a finding your passion and surrounding yourself with people with integrity. "What do you want your legacy to be in the eyes of your children? Ask yourself the question: how will you want them to know you? It may very well be through those things that you're passionate about," said Dr. Kaplan. He elaborated, "When I hire people, I let them know that their job is always to tell me the truth as they see it. I beg people to criticize me, to tell me where I am wrong, and to let me know what I don't know. The common denominator when I've been able to go from zero to 100 miles an hour has been superimposing my passion onto a vision of where I want to go and then surrounding myself with the people who can take me there through their honesty."





THEME 2

THE NEXT
GENERATION'S
GROWING IMPACT
ON FAMILY
FOUNDATIONS
AND NETWORKING



The Council on Foundations, a membership organization of institutional philanthropy based in Washington, DC, defines a family foundation as one whose funds are derived from members of a single family. This is not a legal term in the US or other countries, but it is used as a convenience to distinguish private foundations that were established by a family and continue to have more than half of the governance of the institution controlled by family members. This definition contrasts with that of private foundations that, over time, are no longer actively managed by members of the donor's family as well as those established through estate planning with trustees who are not family members. Giving in the MENA region is vigorous and often tied to family traditions and resources; despite certain barriers to the formation of private family foundations in MENA, family giving can be driven forth by next-generation philanthropists through different giving vehicles, and by adopting and leveraging effective practices.

# **Benefits of family foundations**

Families establish private foundations with an endowment for a variety of reasons. Foundation Source, the largest provider of comprehensive support services for private foundations in the US, identifies five of the most important benefits of a private foundation for families. These aspects are just as relevant for the MENA region:

- 1 Instill values and traditions: Working together as a family can foster philanthropic values that last a lifetime, especially for those established in perpetuity with an intention to hand them down from one generation to the next.
- 2 Maintain family ties: Foundations can be the "glue" that maintains connections as family members move away from their hometowns to pursue higher education, seek career opportunities, and start families.

- 3 Deepen social consciousness: For many families, a private foundation becomes the "hearth" around which multiple generations gather to discuss problems they would like to see resolved.
- 4 Increase personal fulfillment: Research indicates that giving can make people happier by taking them outside themselves to focus on helping others
- 5 Develop "real-world" skills: Participation in foundations can help build practical competencies such as leadership, teamwork, investment management, negotiation, and social awareness.

Although these aspects of a family foundation were identified in the US context, they appear just as relevant for regions such as the MENA and Europe, where giving is vigorous and often tied to family traditions and resources.



# **Benchmarking** family foundations

The National Center for Family Philanthropy conducts a benchmarking study every five years to provide data and analysis on US family foundation giving. Based on a sample size of 517 institutions, Trends 2020 focused on a comparison by date of inception with 2010 as the dividing line between "older" and "newer" family foundations<sup>30</sup>.

### Key findings include:

- 1 Giving identity: Older and larger family foundations focus their giving geographically, while most newer family foundations focus their giving on issues.
- 2 **Effectiveness:** Foundation impact appears to depend more on effective governance and family members working well together, and less so on having effective internal operations.
- 3 Issues: Newer family foundations appear to have significantly different giving priorities, with far more focused on economic inequality and/or basic needs funding (including poverty, hunger, homelessness, and economic opportunity/inclusion), and significantly fewer focused on education.
- 4 Types of support: Family foundations continue to use a variety of grantmaking strategies, with a majority reporting they provide multi-year grants and general operating support grants. Nearly half say they use capacity-building grants as an important part of their strategy, with newer foundations significantly more likely to utilize all three.



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<sup>30</sup> https://www.ncfp.org/knowledge/trends-2020-study-methodology-and-key-findings/

- 5 Impact investing: Interest in impact investing has increased since the 2015 survey with nearly 30% of family foundations planning to expand this type of investing and nearly one-fourth saying they will institute mission/impact investing soon.
- 6 Role of founders: Founders remain actively involved in most family foundations, and most family foundations have a clear understanding of their founders' intent and adhere very closely to it. Founders are much less likely than other decision makers to express interest in measuring the impact of the foundation's giving, to place value in communicating the goals and results of the foundation's giving, or to look for ways to integrate outside perspectives formally into the grantmaking process and/or governance structures of the foundation.
- 7 **Next generation:** More than half of family foundations have multiple generations serving on their board, with one in ten having three or more generations serving together. One- third have at least one member of the third generation on the board, but less than one in ten have family members from the fourth generation or beyond.
- 8 Governance and staff: Two-thirds of family foundation boards include non-family board members. Foundations created since 1990 are significantly more likely to have at least three nonfamily board members. Newer family foundations are much more likely to report that they assess diversity, equity, and inclusion (DEI) outcomes and analyze the racial/ethnic/other demographics of grantees.
- 9 Transparency and communications: Family foundations appear to have become more transparent in their external communications during the past five years about giving priorities and processes. The newest family foundations are much more likely to communicate reasons why proposals are declined, more likely to solicit feedback from grantees, and much more likely to engage community leaders, issue-area experts, other grantmaking family foundations, and DEI specialists.

# Trends in family **foundations**

Innovation in family philanthropy is being driven by two factors: the ascension in leadership by next-generation family members and the rise of new family foundations during the past 20 years.

As a massive intergenerational transfer of wealth continues in the US and around the world, second- and third-generation family members are making their mark on family foundations established by their parents and grandparents. One pattern that sparks change occurs when second-generation family members embrace the field of philanthropy, usher in a transition to a professionalized approach, and help their families go on a learning journey together.

Research on third and fourth-generation family

members indicates that they too are transforming giving, redefining the role of philanthropy in society, and rethinking what being a changemaker entails. Many strive for closer and more active relationships with the groups they support and with other donors<sup>31</sup>. The data from the National Center on Family Philanthropy benchmarking study reveals that newer foundations are more inclined to focus on issues, support grantees through capacity-building, experiment with impact investing, embrace expertise from non-family member trustees, use a diversity, equity, and inclusion lens, and communicate more openly with external stakeholders.

Legal restrictions to the formation of private family foundations in the MENA region present some challenges, but families nevertheless come together around shared visions for philanthropy irrespective of the giving vehicle. There are transferable lessons in this section about mindset and process that could be adopted by next-generation philanthropists who aim to increase the influence and impact of their family's generosity.

<sup>31</sup> https://johnsoncenter.org/blog/11-trends-in-philanthropy-for-2021/

# **Abdulla Al Ghurair Foundation** for Education

Launched in 2015 by the Emirati businessman and philanthropist Abdulla Al Ghurair, the Abdulla Al Ghurair Foundation (AGF) emerged as a pivotal force in empowering Arab youth through education. One of the UAE's largest and most strategic philanthropies, AGF focuses on facilitating access to high-quality educational opportunities for underprivileged Arab youth, aiming to equip them with the skills and knowledge necessary to thrive in a global economy. Through innovative programs and partnerships with educational institutions and organizations, the foundation invests in scholarships, STEM education, and online learning platforms. Its strategic initiatives are designed to bridge the gap between educational attainment and the evolving needs of the workforce, thus contributing to the sustainable development of the Arab region. AGF's commitment to education reflects a visionary approach to philanthropy, fostering a generation of leaders and innovators who will drive future progress. Dr. Sonia Ben Jaafar, the CEO of the Abdulla Al Ghurair Foundation (AGF), notes that talking about one's philanthropy is not common in the UAE. Giving is done privately and

quietly, and HE Abdulla Al Ghurair's approach was no different. However. when he decided to pledge that he would give one third of his wealth to education during his lifetime. he also committed to making the pledge visible, to strengthen the impact and inspire others to follow suit. He focused on education not simply for the sake of it, but to see actual growth in young Arabs. As Dr. Ben Jaafar puts it, "The Foundation is the Al Ghurair family's legacy of service, and it is committed to providing thousands of educational opportunities to students across the Arab region in its first ten years<sup>32</sup>."

AGF has been pursuing this goal with alacrity. Since its inception in 2015 the foundation has supported more than 150,000 young Arabs. What started as a program by Arabs for Arabs in the Gulf has expanded drastically, and AGF is now exporting its unique model beyond the Gulf.

## Shifting from local to regional, and from an individual-based to a systems-based model:

When it became clear that HE Abdulla Al Ghurair wanted to have more measurable social impact. the foundation had to undertake a strategic shift in its philanthropy.

AGF's flagship had been a student scholars program based on support for individuals, and a systems-based model would require a different approach. To effect this change, in 2020 AGF began to collaborate with universities, institutions, NGOs, governments, and private sector agents. The AGF portfolio also expanded to encompass the Abdul Aziz Al Ghurair Refugee Education Fund, and additional systemic programs are being designed.

#### Focus on education:

It is important to the foundation that education is geared not just to young people finding jobs, but also to helping them stay employed. Training people should not be about ticking boxes, Dr. Ben Jaafar notes; it should ensure a better life, and therefore the foundation seeks to expand and enhance education opportunities. AGF's review of its programs is an ongoing process. From its research, AGF learned that students felt that the foundation was meeting youth too late in their careers. In response to these findings, AGF is now also focusing on high schoolers so that "they don't have to play catch up." Changing the stakeholders from young adults to minors does require a new set of considerations and



There is no easy road, but the partnership with Discovery Education is an excellent example of how well things can work when you have strong communication between all different actors.

has ethical implications, but AGF considers the shift essential.

Co-creating programs is a key to success: AGF takes an innovative philanthropic approach to creating initiatives. Instead of identifying a problem and finding a solution to present to stakeholders, staff sit down with them and intentionally include everyone in designing a program that fits the needs of intended beneficiaries. The approach is based on co-creation with community members.

#### Creating sustainable

partnerships: When the COVID-19 pandemic hit the Gulf region, a lot of foundations had to slow or stop operating. At AGF the staff got together to discuss ongoing support through digital means. Budget lines were shifted and new collaborations started. For example, AGF reached out to Discovery Education, a corporate online learning platform, in order to support their participants in Lebanon. In a context of reciprocal trust, a contract could be drawn up quickly, and teachers and children received devices to continue their studies online. Six

months later, Discovery Education and AGF had become steady partners, and they continue to work together closely. Nevertheless, Dr. Ben Jaafar acknowledges that it is not all sunshine. "There is no easy road, but the partnership with Discovery Education is an excellent example of how well things can work when you have strong communication between all different actors."

Finding fitting partners: In order to create lasting partnerships, it is important to understand the sectors you are working with, and to come into collaborations with humility, empathy, and trust, Dr. Ben Jaafar says. Fitting partners can be found when you have done your research and can clearly articulate what you want. It is also crucial that your own foundation is open to correcting itself, which means listening to stakeholders and partners alike. Shared values and a commitment to treating other institutions with respect are key factors in ensuring that your own foundation's values and needs are met.

Tracking success: If Dr. Ben Jaafar could have it her way, she would enlist a team of researchers to track the paths of participants once they have come through their programs. Her team is not set up to do this type of research, and as she says, "I could go back and do that [research], or I could support and empower another 10,000 [young people] by working with various organizations." All philanthropies have to make choices, and many funders find that research is best left to organizations like universities and research institutes for which research is core to mission. Dr. Ben Jaafar could see opportunities for data sharing that make such academic research more effective and useful to the philanthropic sector.

Transparency: Tracking where the money goes is very important to AGF. Over the last two and a half years the organization has effected a digital transformation so that every dirham can now be tracked on a dashboard. This strategy allows for high levels of transparency, accountability, and professional integrity. The model has already been recognized by other philanthropies, and AGF is happy to share its learning.

The Abdulla Al Ghurair Foundation set itself up from the start to work with a professional staff, and quickly focused on working with stakeholder participants in an innovative way. Many older family foundations in other parts of the world may have started in a different place, but have moved in this direction. The Tow Foundation is a case in point.

## The Tow Foundation

The Tow Foundation, established in the northeastern US in 1988 by Leonard and Claire Tow, has evolved from a fairly traditional family foundation into a strategic philanthropy. Still closely informed by the founding family members' sense of purpose, it supports visionary leaders and nonprofit organizations, with emphasis on serving historically marginalized populations, helping individuals contribute to their communities, and championing advancements and experiences that make it possible for all people to live healthy and joyous lives. The Tow Foundation invests in innovative programs and reform in culture, higher education, journalism, justice and community wellness, and medicine.

The story of how the foundation got to its present state may inspire others who are at more nascent stages of family philanthropy. Tow is an example of a daughter taking on a leadership role in her 20s; knowing little about philanthropy but embracing it with curiosity and energy; allowing herself to experiment, fail, refine, and succeed; and, in the process, helping her family find joy and meaning as they learned together and strengthened the impact of their giving.

Emily Tow is the president of The Tow Foundation, a family foundation based in Connecticut that promotes wellness and access to opportunities so that individuals and communities can thrive. She and her two brothers ioined the foundation's board of directors in 1990, two years after its inception, and she has served as the foundation's president since 1995. What started simply as a way for her parents to give back to the community has grown into a well-established organization of 12 full-time staff, approximately \$400 million in assets, and over \$20 million in annual giving.

Disarmingly humble, Ms. Tow says that her only qualification for the job when she started was that she was a family member. In the 1990s, she didn't know anything about philanthropy, but she decided to jump right in. She looked in the New York City phone book and found an organization called the Foundation Center (now known as Candid) which led her to the New York Regional Association of Grantmakers (now known as Philanthropy New York) and to the broader ecosystem of US philanthropy support organizations. She said that everyone she spoke to was generous with their time and helpful in getting her informed about a field that she didn't know existed.

A conversation with Ms. Tow overflows with practical advice for those taking on leadership roles with their family philanthropy.

Seek professional advice: The early days of the foundation were unstructured, and she thought: "Oh, this is not good because my parents are my boss. I need to figure out how to organize my professional life." Ms. Tow signed up for a course at the Support Center for Nonprofit Management called "Taking Charge as the Executive Director," and ended up hiring the instructor as a coach to help her develop rules for separating work from personal

She was impressed by a speaker she heard at a Council on Foundations conference because he spoke the language of business but also understood philanthropy. Ms. Tow hired him to help the Foundation develop a mission statement and operating procedures. "I selected this consultant from The Philanthropic Initiative because I felt he could earn the respect of the



I wouldn't be where I am now if I hadn't had the freedom to just experiment and invest in untested ideas. If we had been overly prescriptive, our family would not have learned from our grantees and felt the kind of joy we've gotten out of watching their success.

businessmen on my board and send the message that philanthropy is a field where you can apply the things that you know about business and do really well with it. But you need to develop criteria on what you do and what you don't do so that you can have impact with your grantmaking."

These two advisors helped to fast track her learning curve and set the Tow Foundation on a path to more thoughtful giving.

#### **Experiment and learn**

together: Although Ms. Tow is a believer in seeking professional support for specific tasks, she cautioned against an over-reliance on consultants in the work of grantmaking. Her initial guidance for donors is to "Experiment and start small. Don't worry about having all of the answers. Just give it a try, see what you learn, and make it an experience that a family can share." She noted that while it is great to see philanthropy become more professionalized, she also thinks it can be intimidating and discourages people from trusting themselves.

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Don't limit yourself to following your passion: Common advice for donors is to follow their passions, but

Ms. Tow finds this limiting. "What helped us refine our strategy was the knowledge we gained from asking our grantees questions like: 'What is the most difficult thing in your budget to raise money for? What would you never think to ask a private funder to support? What keeps you up at night? What are you excited about?' The responses to these questions led us on a path we didn't predict."

She said they learned about kids in the juvenile justice system and experimented with grants to support them. While gaining traction in this underfunded area, Ms. Tow

invited all sorts of people-a judge, a probation officer, system leaders of various kinds-to speak to her board. "We asked if there was something that they would love to do that we could fund, and it was an amazing learning journey. We ended up convening all of the children's advocates together and that's when we realized that there was no one organization that was focused on kids in the justice system. That meeting became the birth of one of our most important grants, the formation of the Connecticut Juvenile Justice Alliance (now the CT Justice Alliance), which went on to help change a state law raising the age at which courts treat youth as adults from 16 to 18." Ms. Tow said, "Looking at the world and identifying an issue or problem that you think is not getting the attention that it needs, or one that could really use an influx of support is what we ended up doing. The excitement grew from learning together, tackling something together, and making an impact."

## The Tow Foundation

### **Amplify through**

communications: Ms. Tow said that in the early days her board was reluctant to develop a brochure about the foundation, and a website was out of the question for fear of being inundated with requests. Although it took years to win that battle, she successfully made the case that "If you're transparent about what you do and don't do, then it becomes an opportunity for people to find us. I'm only one person, and I can't find all the great things out there. Of course, you have to say no sometimes, but being overly private makes the work harder"

This emphasis on transparency evolved into a communications strategy. "We now carve out part of every portfolio for what I call public influence, because otherwise we're just talking to ourselves. It doesn't matter how great the successes of the grantees are because if nobody knows about it, then it doesn't change hearts and minds out there," said Ms. Tow. Specific strategies in this realm include funding nonprofit journalism to cover the foundation's issue areas and building a small communications team on the foundation's staff to promote the work of grantees. She elaborated, "So many of our grantees are tiny, and they don't have their own staff to do this. Whether it's fair or not, people listen to what we say. But

they don't necessarily listen to what our grantees say. So when we highlight something as a donor, it's like this stamp of approval."

## **Engage the next generation:**

Ms. Tow's story is about 27 years of second-generation leadership of a foundation started by her parents. The third generation of Tows are now young adults, and foundation staff developed criteria to allow them to attend board meetings as observers, conduct site visits in their late teens, and potentially get elected to the board when they reached the age of 21. Ms. Tow's daughter and two nieces joined the board in the past two years. Each of them chose somebody on the board to be their mentor to help them review board books and understand financial statements prior to board meetings. Despite this onboarding, Ms. Tow noted that this was not enough to garner the active participation she had hoped for. Meanwhile, Ms. Tow recently received approval from her board to set up a \$1.5 million innovation fund to support new strategies and untested efforts as a way to stay fresh and be open to new ideas.

When she asked for volunteers at a board meeting, her brother Frank and cousin Amy raised their hands. Ms. Tow, her father, and her chief of staff worked with the two of them to establish parameters, but then stepped away to gently encourage others to take on a leadership role. Her brother presented the idea at a board meeting and asked for additional volunteers, and all three of the grandchildren stepped up. The five of them designed their charter, expanded the geography to include states where extended family resides, created a simple online form for the application, conducted a webinar for potential applicants, and developed a process to include outside reviewers. Ms. Tow's father, the foundation's board chair, was previously resistant to many of these changes, but she encouraged him to consider what was more important: doing everything his way or having the extended family deeply involved. He opted for family involvement.



Tow's story is about 27 years of second-generation leadership of a foundation started by her parents. The third generation of Tows are now young adults, and foundation staff developed criteria to allow them to attend board meetings as observers, conduct site visits in their late teens, and potentially get elected to the board when they reached the age of 21.



Through the happy accident of this new fund, family participation is now at an all-time high. The previously silent third generation requested a full hour to present at a Saturday board meeting. For the first time, a panel of experts-including people with lived experience with the justice system-were part of the review process. The geographic scope now includes places near and dear to every family member. Ms. Tow was touched when her brother recently told her that the Innovation Fund was one of the most important things in his life right now.

Ms. Tow said, "My dad is 94. He is excited about what's been happening with the family's enthusiasm and can now really see the foundation living on into the future. He recently decided to double the assets of the foundation with a large financial contribution. I'm so proud of what has happened over the past few years with the success of our grantees and the engagement of our family."

THEME 3

CORPORATE SOCIAL
RESPONSIBILITY (CSR)
IS BEING INTEGRATED
WITH ENVIRONMENTAL,
SOCIAL, & GOVERNANCE
(ESG) BUSINESS
STRATEGY



The notion that businesses have a commitment to society beyond products and profits dates back to the twentieth century. Howard Bowen, an American economist, is credited with coining the term "corporate social responsibility" (CSR), and he outlined core ideas in his 1953 book Social Responsibilities of the Businessman<sup>33</sup>. Notable CSR examples in the US include business alignment with government priorities during World War II, support for the civil rights movement's objectives in the 1960s, and actor Paul Newman's creation in 1982 of the first company to donate all after-tax profits to charitable organizations.

In 2000, UN Secretary-General Kofi Annan launched the UN Global Compact, a non-binding pact to encourage businesses to adopt sustainable and socially responsible policies and report on their implementation. More recently, the focus of CSR has broadened to integrate Environmental, Social, and Governance (ESG) considerations into business strategy and stakeholderrather than only shareholder-outcomes. CSR is now widespread around the world, but the breadth and depth of effort varies tremendously from company to

CSR is one of the more developed philanthropy mechanisms in the region, with the UAE, Saudi Arabia and Qatar leading the way on awareness and adoption of CSR practices<sup>34</sup>. Despite the current lack of benchmarking tools for CSR in MENA, there is a strong commitment towards driving, tracking and monitoring CSR and ESG in the region.

# **CSR** benchmarking data

Founded in 1999, Chief Executives for Corporate Purpose (CECP) helps companies transform their strategy by providing benchmarking and analysis, convenings, and strategy and communications in the areas of societal/community investment; employee engagement; ESG/ sustainable business; diversity/ equity/inclusion (DEI); and telling the story. CECP engages over 200 of the world's largest companiesprimarily US multinationals-representing \$11.2 trillion in revenues, \$23 billion in total community investment, 14 million employees, 30 million hours of employee engagement, and \$21 trillion in assets under

In 2021, 230 companies took part in CECP's annual Giving in Numbers survey on 2020 contributions, creating a robust tool for setting budgets and strategy. Analysis is provided for community investments, employee engagement, operations, and measurement and evaluation. Benchmarking tables are sorted by revenue size and industry. Overall findings for 2020 included<sup>36</sup>:

https://www.smartsimple.com/blog/2019/3/29/a-brief-history-of-csr

https://middleeast-business.com/uae-and-ksa-retain-regional-corporate-social-responsibility-leadership/ 34

<sup>35</sup> https://cecp.co/

https://cecp.co/home/resources/giving-in-numbers/

- 1 Highest increase of total community investments on record attributed to efforts to ameliorate the effects of the COVID-19 pandemic.
- 2 Corporate purpose spreads across the company with three-quarters of companies reporting awareness by most of their employees and 90% of senior executives frequently referring to corporate purpose in their communications.
- 3 Non-cash contributions increased as share of total contributions, driven primarily by product donations.
- 4 Matching gifts decreased due to declines in workplace giving by employees during the pandemic.
- 5 Virtual volunteering complemented in-person volunteering as employees were not able to participate face-to-face due to lockdowns and social distancing.
- 6 The median of Total Social Value's first assessment was \$10 million in 2020. TSV is a new standard to address the knowledge gap on quantifying activities such as socially driven internships, donation of digital assets, shared value initiatives, and impact investments<sup>37</sup>.
- 7 Measurement of social outcomes and impacts remains high, as companies<sup>38</sup> continue to be strategic in terms of measuring social outcomes.

The CECP approach includes active participation by corporations that strive to be seen as CSR leaders, development of CSR data standards and guidance on their adoption, and transparency rewarded by the cocreation of useful strategy and benchmarking tools.

# Ranking of corporate citizens

3BL, a media company focused on ESG communications, conducts an annual ranking of the 100 Best Corporate Citizens. The ranking recognizes ESG transparency and performance among the 1,000 largest US public companies<sup>39</sup>. The methodology is based on 146 ESG factors across eight pillars: climate change, employee relations, environment, ESG performance aggregates, finance, governance, human rights, and stakeholders and society. To compile the ranking, data are obtained from public sources rather than questionnaires or company submissions. Since its launch in 1999, the 100 Best Corporate Citizens ranking has become increasingly competitive as companies strengthen their ESG disclosures and elevate their performance. Over the past 23 years, the ranking methodology has been continuously updated to keep pace with stakeholder expectations and the rapidly evolving ESG landscape. In 2021, Owens Corning became the first company to top the ranking for three consecutive years. General Mills, HP, Cisco, and Intel rounded out the top five.

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https://cecp.co/wp-content/uploads/2021/01/CECP-Valuation-Guide\_S-in-ESG-Definitions.pdf

https://100best.3blmedia.com/

<sup>39</sup> https://100best.3blmedia.com/wp-content/uploads/2021/12/3BL-Media-100-Best-Corporate-Citizens-2022-Methodology-FINAL-1.pdf





As noted by the CECP and 3BL data, leading companies in the US have deepened their CSR approaches with ESG and DEI initiatives to achieve a "triple bottom line" of PPP: profit, people, and the planet. The development of benchmarking tools and public rating systems has encouraged competition for excellence and recognition, and has increased transparency and led to an uptick in well-thought-out approaches to CSR that are fully integrated with overall business

strategies.

The accelerated economic globalization of the late 20th and early 21st century has made CSR and ESG familiar terms and business practices and values in many markets, and the United Nations' adoption of the 17 Sustainable Development Goals has surely promoted their adoption. As with North America, governments and companies in the MENA region and the Gulf, have become increasingly committed to tracking, monitoring, and encouraging CSR and ESG.

## **Prudential Financial**

Prudential Financial is a leading example of a multinational corporation with an integrated corporate citizen model that deploys and blends multiple levers for change. Rather than creating a standalone CSR department, Prudential has combined the responsibility for philanthropy, corporate contributions, impact investing, employee engagement, and diversity into one team with a reporting relationship to the vice chair. This allows the firm to drive impact on issues rather than disparate activities and encourage social-purpose product development across business lines. The integrated approach enables the firm's leadership and employees to speak with a unified voice about the company's role in society.

## Structural change over the past

Prudential has a history of impact investing, philanthropy, and employee engagement dating back to the 1970s. In more recent decades, the firm emphasized philanthropy, including during the 1990s when Ms. Reddy initially joined Prudential. When she returned in 2012, two shifts occurred. One was to emphasize equally the various resources that the firm used to promote social good. Each of the tools was advantageous for different reasons, and the combination of them was even more powerful. According to Ms. Reddy, the lens became "Here is the issue we're trying to solve. Is it best addressed through philanthropy or an investment or a combination? Looking at our resources holistically allowed us to become issue-driven rather than siloed by activity." The second change related to diversity and inclusion. "We had always done equity work externally through our philanthropy and impact investing." noted Ms. Reddy. "But by shifting DEI from our Human Resources department to my portfolio, we also had the opportunity to align our internal diversity efforts to our external work and vice versa, creating a virtuous circle of an inclusive culture, diverse workforce, and inclusive products and services."

### An array of support for an underserved population

As an example of this organizational chart shift, Ms. Reddy spoke of a new initiative focused on Black consumers in the US, a market segment that has historically had lesser access to financial services. "There is an opportunity for every corporate entity, especially large ones, to think about all the levers you can pull on an issue," said Ms. Reddy. She further explained, "How do you look at a place and a

population within that place, and bring all the resources you have to bear to create a throughline to meet the needs of 'readynow' customers and those with potential to grow into customers in the future?" Prudential is making philanthropic investments in local nonprofits focused on wealth-building programs such as financial education, credit building, and financial coaching. They are working with their network of professional financial advisors to get them into settings to offer education to the targeted population, and to be available should people want to follow through and purchase products. Prudential also is looking at its product suite to see if there are new products they can offer.

### **Inclusive products**

Ms. Reddy provided another example of a product idea that went to market in one of its former businesses. The data shows that more than 50% of Americans do not have access to \$500 in emergency savings. When faced with a crisis, this group of people often tap into their 401(k)- retirement savings, suffer financial penalties from early withdrawal, and put their long-term future at risk.

"We created an emergency savings 'sidecar' that goes alongside our 401(k) offering to our employer



How do you look at a place and a population within that place, and bring all the resources you have to bear to create a throughline to meet the needs of 'ready-now' customers and those with potential to grow into customers in the future?

clients," said Ms. Reddy. "This allows them to offer their employees a vehicle to do payroll deductions to a savings account, in addition to their retirement account, so that employees don't have to dip into their 401(k) when they need cash. The ease of this incentivized savings helps avoid the negative consequences of early withdrawal."

### **Employee engagement**

Prudential invests in affinity groups, called Business Resource Groups (BRG), for employeescommunities where employees can come together based on identity or shared interests. One example of how these groups have been particularly effective is the Inclusion Council, which includes the BRG heads and Prudential's executive leadership team. It is staffed by Ms. Reddy's team, and they come together quarterly. She noted that it has been helpful for managing during a crisis-such as the COVID-19 pandemic-but that even in the best of times, it has proved to be an important outlet for colleagues and a way for senior leaders to keep their finger on the pulse of employee sentiment in real time.

### Leadership buy-in

When asked for advice about helping a standalone CSR person or department gain traction within their business, Ms. Reddy said that, in simple terms, "you have to do the work and then talk about it." More specifically, she suggested benchmarking since it is helpful to learn where others are, especially those companies that your leadership values, wants to be liked by, and/ or strives to beat. She said that not everything a CSR program does needs to be cutting-edge since having a mix of approaches is more realistic. Ms. Reddy further suggested that learning how to talk about your work to reach hearts and minds is important and that this often requires experimentation since it is difficult to predict what will resonate. "If you can add a little data to your storytelling, such as benchmarking or other data points or leveraging employee voices, then you increase your chances of helping leadership understand why the work is important."

# Trends in corporate social responsibility

Ms.Reddy identified several trends in CSR including the growing importance of employee voice, expectations of business, and ESG factors. Employees are increasingly vocal about the kind of companies they wish to work for, and they want more ways to be heard. "If you look at the Edelman Trust Barometer and its year-over-year data, it shows clearly that people around the world expect businesses to lead on societal issues," said Ms. Reddy. "But people also expect that it will be related to your business. By and large, most people understand and expect companies to focus on issues related to your core business. knowledge, and capabilities." She went on to say that when she speaks to colleagues around the world, there is much talk about ESG. Ms. Reddy described ESG as a continuum rather than all or nothing. Using investments as an example, she observed the notion of negative screening, to avoid investments that cause harm. ESG can be about factoring in harmful issues, mitigating against them, and making decisions based on your awareness of them. "But there is also the notion of impact. My sense is that pioneering and leading-edge companies are thinking about all of this in terms of impact," said Ms. Reddy.

# **CSR** in the MENA Region

CSR is one of the more developed philanthropy mechanisms in the region.

Annual rankings such as the Top 100 Companies in the Middle East and the Top 100 Arab Family Business in the Middle East are conducted and widely disseminated, but these are based on market value<sup>40</sup>. In 2020, Cicero & Bernay Communication Consultancy launched an annual survey report about business and government leader perceptions of CSR practices in MENA. The first MENA CSR Survey drew responses from 219 C-suite executives in UAE, KSA, Kuwait, Bahrain, Oman, Jordan, Lebanon, and Egypt; in 2021 the number of respondents rose to 263; and the 2022 edition was based on 314 respondents. The UAE and Saudi Arabia emerged consistently as regional leaders in awareness and adoption of CSR practices, recently joined by Qatar41.

In 2022, PwC began to publish an Annual PwC Middle East Environmental, Social & Governance Report on the state and aspirations of those three CSR priorities for MENA companies. As the executives surveyed by PwC have executive responsibility for ESG in their companies, these reports

Corporations in the region lack benchmarking tools and ranked lists about CSR to inspire possibilities, encourage transparency, aid in strategy development, and measure their performance.

offer greater specificity, and see business leaders calling for clearer government policies and regulations in support of ESG initiatives: "86% of large companies [over \$100M] said increased ESG regulation would strengthen and accelerate the implementation of their own ESG strategies." In 2023, the second edition of the report showed a notable increase in formal ESG strategy adoption over the past 12 months, to 64% of companies. Respondents report an especially sharpened focus on environmental sustainability, with 73% having made or closing in on making carbonneutral commitments. Pressure from regulators and investors as well as internal company motivation are influencing ESG reporting: 70% of respondents now say that their company reports on ESG, and a quarter issue a standalone ESG report. Of those who report, 59%



- 40 https://www.forbesmiddleeast.com/lists/top-100-companies-in-the-middle-east-2021/ https://www.forbesmiddleeast.com/lists/top-100-arab-family-businesses-in-the-middle-east-2021/
- 41 https://middleeast-business.com/uae-and-ksa-retain-regional-corporate-sos cial-responsibility-leadership/

state that their reporting is formally audited or assured, and a further 25% were planning to take that step in 2023.

Although these reports are good starts and show progress in awareness of and commitment to CSR and ESG in MENA, several regional experts have noted the ad hoc nature of corporate giving in the region, with limited alignment with social or business objectives and a slow pace of change.

Currently, there is no scorecard

for CSR performance in the region. Corporations in the region lack benchmarking tools and ranked lists about CSR to inspire possibilities, encourage transparency, aid in strategy development, and measure their performance.

Nonetheless, significant advancements are being realized in the field of CSR, particularly with the UAE government establishing a federal CSR authority to set the framework and governance for CSR practices in the UAE and facilitate

contributions from the business sector towards national priority CSR initiatives. The recent hosting of the last two editions of COP in the region, COP27 in Egypt and COP28 in the UAE, has raised government expectations of companies to reduce their carbon footprint and improve their waste and water management. In response, companies are making notable progress in their CSR activities.







Grantmaking foundations are not yet the norm in the Arab world, despite several Arab foundations setting new standards for collaborative and participatory grantmaking. In the US, grantmaking foundations are more prevalent than operating foundations, in part because the American ecosystem has a wide array of nonprofit organizations that implement programs. According to Candid, the primary data source on institutional giving in the US, as of 2020 there were 1,812,815 nonprofits in the US, of which 126,389 are private and community foundations. US nonprofits have \$3.7 trillion in aggregate annual revenue and \$2.9 trillion in aggregate expenses, and employ 12.5 million people. Further, roughly a quarter of all US adults volunteer at nonprofits each year.

The shift towards grantmaking in the US began at the end of the 19th century, when American charities started taking a more systematic approach to improving social conditions and strengthening their organizational management. Before then, efforts were fragmented, largely driven by religious groups, and characterized by almsgiving and volunteerism aimed at assisting the immediate problems of the urban poor<sup>43</sup>. Modern grantmaking in the US was founded on large-scale donations by individuals and families who made their wealth in the steel, oil, railroad, telegraph, newspaper, banking, and automobile industries in the 19th and 20th centuries. George Peabody, a financier who established the Peabody Education Fund in 1867, is widely considered the father of modern philanthropy<sup>44</sup>. The Russell Sage Foundation, founded in 1907 to study and disseminate knowledge about social problems, is considered the first private family foundation in the US<sup>45</sup>. In the 1910s, Andrew Carnegie started the Carnegie Corporation of New York with a donation of \$125 million<sup>46</sup>, and John D. Rockefeller began the Rockefeller Foundation with a donation of \$35 million<sup>47</sup>.

Their initiatives became a model for industrialists to create endowed and staffed grantmaking foundations. Frederick Goff, an attorney and banker, founded the Cleveland Foundation in 1914, which became the first community foundation in the US<sup>48</sup>. In 1936, Henry Ford's son Edsel established the Ford Foundation with \$25,000; after Edsel and Henry Ford died in the mid-1940s, their bequests turned the foundation into the largest philanthropy in the world<sup>49</sup>.

## **Archetypes**

Rockefeller Philanthropy Advisors (RPA) released a report in April 2022 identifying "operating archetypes," an analytical framework designed to help funders better understand their roles in the philanthropy ecosystem and to support more thoughtful and effective giving. Based on extensive global research, RPA has distilled eight funder archetypes and given them metaphorical names based on familiar organizational concepts<sup>50</sup>.

- 42 https://candid.org/explore-issues/us-social-sector
- 43 https://philanthropynewyork.org/sites/default/files/resources/History%20of%20Philanthropy.pdf
- 44 E. H. West, "The Peabody Education Fund and Negro Education, 1867-1880," History of Education Quarterly, 6, no, 2 (1966), 3–21.https://www.jstor.org/stable/367416?origin=crossref
- 45 https://www.russellsage.org/about
- 46 https://www.carnegie.org/about/
- 47 https://www.rockefellerfoundation.org/about-us/our-history/
- 48 https://www.clevelandfoundation100.org/foundation-of-change/invention/goffs-vision/
- 49 https://www.fordfoundation.org/about/about-ford/our-origins/
- 50 https://www.rockpa.org/wp-content/uploads/2022/04/Operating-Archetypes-Philanthropys-New-Analytical-Tool-for-Strategic-Clarity-2.pdf

- · Talent Agency: Seeks out, strengthens, and promotes leading individual or organizational change agents who are closest to the issue, focusing more on their potential than on their programmatic goals or strategies.
- Think Tank: Applies its in-house expertise and research to design policy or systemic solutions, then introduces, markets, and socializes the approach to others and finds implementers for those solutions.
- Campaign Manager: Pulls together a diverse set of players (funders, grantees, public sector, other larger system actors) to implement complex, timeintensive solutions that often cross sectors and traditional program areas. Often creates collaborative funding vehicles.
- Field Builder: Launches or significantly strengthens institutions to fill a gap and create a robust, vibrant ecosystem needed to address a large challenge or to advance an issue area. Grows organizations and movements through steady, largely hands-off, support.
- · Venture Catalyst: Provides early, often unrestricted funding to organizations or interventions that are new or have little track record. Venture Catalysts often use open competitions to source ideas and rely on extensive networks of external experts to assess and formulate needs, goals, and strategies.
- **Designer:** Leverages mainly internal expertise to design programs and approaches. Starting with an understanding of the context based on research and interaction, and with end users in mind, it prototypes, iterates, and communicates to engage and influence end users.
- **Underwriter:** An institutional or private funder who provides "big bet" support to major institutions (often cultural, medical, or educational), civic groups or favored causes based on long-standing interests, values, or personal experience. Financial support can be provided directly or through a range of trusted individuals.
- **Sower:** Provides a large number of grants across a diverse range of individual actors and institutions, often exercising responsive, flexible, and participatory grantmaking, Sowers bet on the cumulative effect of this approach to seed wide-ranging change.

## Trends in grantmaking foundations

This new research further defines each archetype by core attributes including value proposition, resources, key capabilities, equity, activities, primary audience, community served, alliances, and impact assessment. While recognizing the complexity and diversity of grantmakers and the fact that all of their strategies are unlikely to fit neatly into one archetype, the framework is useful in providing grantmaking foundations with language for what they are doing and a method to engage in an analysis of operational implications, including prioritization of resources and capabilities.

Several dominant trends for grantmaking foundations are focused on partnerships and interrelated, including trust-based philanthropy, participatory grantmaking, and funding with an equity lens. In the Arab world, several foundations including Alwaleed Philanthropies and the Abdulla Al Ghurair Foundation for Education have also been setting new standards for collaborative and participatory grantmaking. Another trend in grantmaking, captured in the William and Flora Hewlett Foundation case study, is the evolution of what encompasses "strategic philanthropy."

### **Trust-based philanthropy**

While some view general support grants as a proxy for trust-based philanthropy, a group of funders at the forefront of the movement argue that it works to build a more equitable nonprofit-funder ecosystem through a rigorous approach that values relationship building and power sharing over transaction and control. By giving nonprofits the ability to plan, grow, and innovate around emergent needs-typically through multi-year, unrestricted grants-trust-based philanthropy helps foster a healthier and more resilient social sector<sup>51</sup>.

The Trust-Based Philanthropy Project, a peer-to-peer learning and advocacy initiative founded by several US foundations, was launched in 2020 to strive to make trust-based practices the norm. It notes that it is rooted in a set of values including working for systemic equity, redistributing power from donors to grantee partners and communities, centering relationships, partnering in a spirit of service, being accountable, and embracing learning<sup>52</sup>. A website for the project offers practical guidance for funders on aligning values with culture (normalize conversations about power dynamics, create space for reflection and dialogue), structures (hiring, decision making, and grants management), leadership (redefine risk and failure, coach rather than control), and practices (simplify and streamline paperwork, be transparent and responsive, offer support beyond the check)53.

### Participatory grantmaking

Participatory grantmaking refers to the practice of involving community members and other stakeholders in the funding process. Entry points for the approach include gathering informal feedback from grantees about strategies and grantmaking through conversations or meetings and seeking more formal input from surveys or focus groups. Some foundations choose to make grants to intermediaries with staff drawn from targeted populations and empower them to regrant to local organizations. Engaging community members on a foundation's grantmaking panels is another method of participatory grantmaking. But taken to its fullest, participatory grantmaking is an approach that cedes some if not all decision-making power about grants to the communities impacted by those funding decisions.

A plethora of participatory grantmaking resources have been developed in recent years, including a framing paper<sup>54</sup>, a GrantCraft how-to guide<sup>55</sup>, an Issue Lab collection with 40+ reports<sup>56</sup>, commissioned research by the Ford Foundation<sup>57</sup>, a book by Meg Massey and Ben Wrobel for philanthropists about "letting go, 58" and a community of practice that engages over 800 people around the world<sup>59</sup>. But fully embracing the practice is difficult. The promising examples across a variety of issue areas and types of grantmaking foundations below give a sense of the innovation and responsiveness to issues driven by participatory models of grantmaking.

https://www.alliancemagazine.org/blog/clear-the-air-what-trust-based-philanthropy-is-isnt/ 51

<sup>52</sup> https://www.trustbasedphilanthropy.org/values

https://www.trustbasedphilanthropy.org/overview 53

https://cdn.givingcompass.org/wp-content/uploads/2018/02/02074824/participatory\_grantmaking-lmv7.pdf 54

https://participatorygrantmaking. is sue lab. or g/resource/deciding-together-shifting-power-and-resources-through-participatorygrantmaking. It is a superior of the property of the propert55 tory-grantmaking.html

<sup>56</sup> https://participatorygrantmaking.issuelab.org/

https://www.fordfoundation.org/work/learning/learning-reflections/participatory-grantmaking-matters-now-more-than-ever/ 57

<sup>58</sup> https://lettinggobook.org/

<sup>59</sup> https://www.participatorygrantmaking.org/



**Arts:** Performing arts funders in the US, such as the Ford, Howard Gilman, Mellon, and Surdna foundations and The New York Community Trust, have made inroads through regranting approaches<sup>60</sup>. The MacArthur Foundation took an additional step when it adopted a participatory grantmaking panel for its Culture, Equity, and the Arts in Chicago portfolio. Comprising eight to twelve community members who reflect the city's diversity and geography, the panel recommends a slate of grantees and award amounts to its president and board of directors, which retain their approval authority61.

Civic engagement: In 2013, the Chicago Community Trust funded an initiative called "On the Table," which engaged 55,000 residents in discussing local issues and suggesting actionable ideas that might merit grant funding. The Knight Foundation, a national funder based in Miami that focuses its grantmaking on communities were Knight newspapers were once published, provided a \$1.15 million grant in 2017 to launch On the Table programs in 10 cities: Akron, Ohio; Charlotte, North Carolina; Columbus, Georgia; Detroit, Michigan; Gary, Indiana; Lexington, Kentucky; Long Beach, California; Miami, Florida; Philadelphia, Pennsylvania; and San Jose, California<sup>62</sup>. Facilitated by community foundations, mealtime conversations sparked neighborhood collaborations, informed city planning efforts, and turned ideas into action. A renewal grant of \$2 million was made in 2018 for 10 communities to deepen public dialogue; address local challenges that emerged in the pilot round including affordable housing, climate change, race relations, public space improvements, and urban design; and make their cities better places to live and work<sup>63</sup>.

Community giving: The Hartford Foundation for Public Giving, a community foundation in Connecticut, launched the Greater Together Community Funds in 2018. The program established 29 funds, one for each town the foundation serves, overseen by community-led advisory committees that design their own grantmaking processes. The Hartford Foundation provided each committee with \$50,000 for current grantmaking and \$50,000 to seed endowment funds. Foundation staff shifted from grant decision making to advisory roles, providing committee members with guidance on topics such as inclusive group practices, participatory decision- making, and grantmaking<sup>64</sup>.

**Environment:** An alliance of 15 environmental leaders including grassroots activists, heads of major environmental organizations, and foundation projects has made two rounds of grants totaling \$9.4 million to 68 projects from 226 co-applicants. These decision makers include representatives of national environmental groups like the National Wildlife Federation, grassroots organizations such as Savannah Riverkeeper, identity-focused movement groups like Asian Pacific Environmental Network, and foundations such as Northlight. Financial backers include major climate change mitigation funders like the William and Flora Hewlett Foundation, individual donors, and a progressive intermediary. The focus is on environmental movement infrastructure, and funded initiatives include a mobile app that lets users report hazardous oil and gas projects, an effort among 28 Native American tribes to develop a toolkit on the rights of nature, and a network of farming groups led by people of color. Lead grantees include national, regional, state, and local organizations with 85% of the chosen projects led by people of color and 87% led by women<sup>65</sup>.

<sup>60</sup> https://www.insidephilanthropy.com/home/2020/12/1/how-can-funders-most-effectively-democratize-performing-arts-grantmaking

https://www.macfound.org/programs/arts/ 61

<sup>62</sup> https://www.insidephilanthropy.com/home/2017/2/16/how-knight-money-is-taking-a-chicago-initiative-to-a- whole-newlevel

<sup>63</sup> On the Table, successful effort to spark new approaches to civic dialogue, receives \$2 million reinvestment from Knight Foundation - Knight Foundation

https://www.insidephilanthropy.com/home/2021/8/25/have-all-voices-be-heard-inside-a-community-founda-tions-bold-para ticipatory-grantmaking-effort

https://www.insidephilanthropy.com/home/2024-4-17-three-ways-to-make-participatory-grantmaking-truly-participatory-and-equitable

A renewal grant of \$2 million was made in 2018 for 10 communities to deepen public dialogue, address local challenges that emerged in the pilot round including affordable housing, climate change, race relations, public space improvements, and urban design; and make their cities better places to live and work.

Women: Founded in Amsterdam in 1983. Mama Cash has become one of the most influential funders of women's rights globally. At the start, activists made the funding decisions. As the organization grew and donors became more active, staff assumed more decisionmaking authority while activists took on an advisory role. After a successful participatory grantmaking pilot in 2018, Mama Cash interviewed leading practitioners, engaged with community members, and prepared staff for a future in which they no longer decide who gets funding. With this new approach, applicants provide input and guidance on which issues to prioritize, and a representative community committee makes the final grantmaking decisions. Staff set overall criteria, pre-screen applications for eligibility, and manage relationships with grantees. As of 2021, Mama Cash became the world's largest fully participatory grantmaker when it awarded 210 grants totaling €6.3 million.

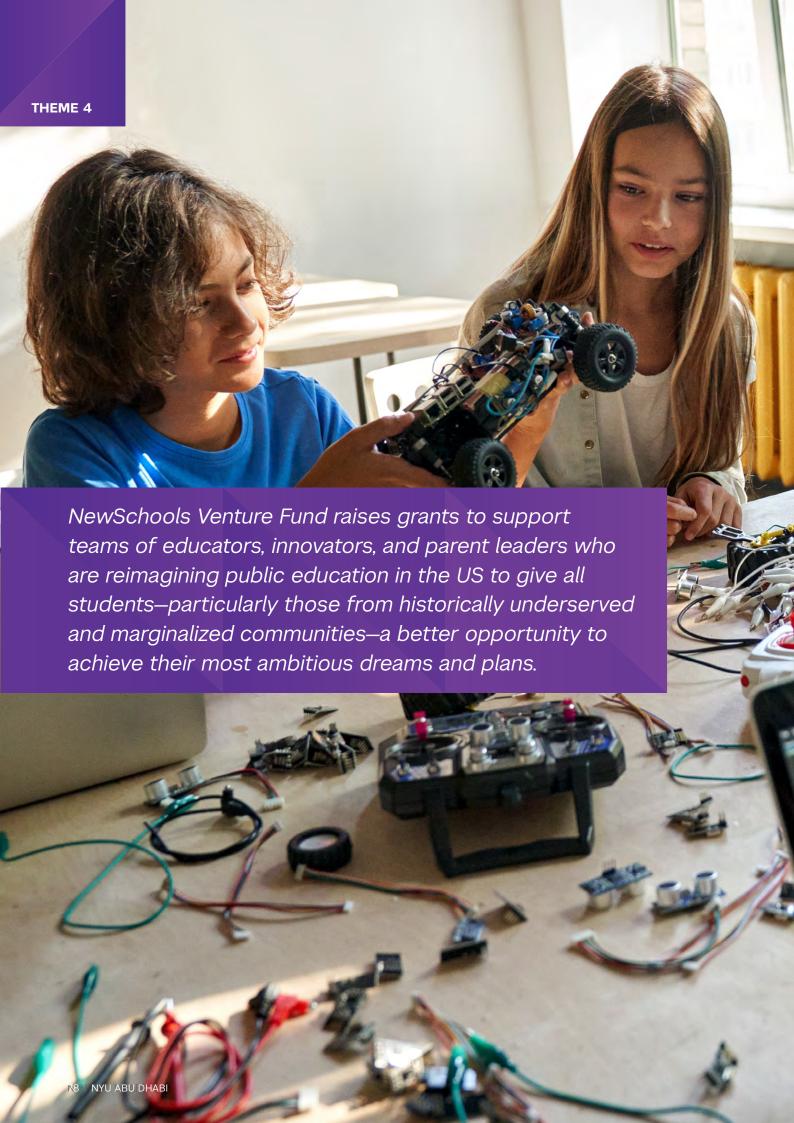
**Education for All:** NewSchools Venture Fund raises grants to support teams of educators, innovators, and parent leaders who are reimagining public education in the US to give all students-particularly those from historically underserved and marginalized communities—a better opportunity to achieve their most ambitious dreams and plans. NewSchools seeks promising innovators from around the country and

supports them with grants, management assistance, and customized resources to help them achieve their missions more quickly and with higher quality<sup>66</sup>. NewSchools recently identified racial equity as a separate investment area and promoted Frances Messano, a woman of color, as its president. In April 2021, NewSchools announced that it would provide \$1.5 million in "dream capital" to innovators of color with bold ideas to advance equity in education. This is the first time New Schools is ceding decision-making control in one of its programs. Parents, students, and education innovators of color will be the decision makers, and they will not be held to follow the particular interests of New Schools' donors, strategies, ways of seeing the world, and selection criteria. Half of the allocated funds will go to Black educator leaders. A 16-member council has final word on who receives funding. This experiment in deriving solutions from the lived experiences of beneficiaries rather than the priorities of major funders is noteworthy, especially as NewSchools' major supporters such as the Chan Zuckerberg Initiative and the Michael and Susan Dell, Gates, Hewlett, and Walton Family foundations have traditionally had strong views of how grants should be made<sup>67</sup>.

In each of these examples, foundations re-imagined their core work as grantmakers to source new and innovative ideas from those meant to be assisted and empowered by their funding.

https://www.newschools.org/about-us/our-model/

https://www.newschools.org/what-we-fund/racial-equity/





## **Mohamed bin Zayed Species Conservation Fund (MBZ Fund)**

The Mohamed bin Zayed Species Conservation Fund (MBZ fund) is a philanthropy based in the UAE providing small grants to grassroots initiatives that support endangered species survival. It is open to conservationists from all over the world who are focused on saving any and all kinds of threatened plant, animal, and fungus species. Since its inception in 2009 the MBZ fund has awarded more than 2600 grants to support over 1600 species and subspecies in more than 160 countries. According to the MBZ Fund website, "Numerous species have been rediscovered and many have been pulled back from the brink of extinction as a result of the MBZ Fund's many grant recipients." The grantmaking fund has an initial endowment of €25,000,000, which it hopes to expand through third-party contributions. MBZ Fund is especially known for its "boots-on-the-ground, get-your-hands-dirty, in-the-field species conservation projects" that allow conservationists to fight extinction instead of having to manage time-consuming bureaucracy and red tape.



Numerous species have been rediscovered and many have been pulled back from the brink of extinction as a result of the MBZ Fund's many grant recipients.

### **Building a natural connection** with nature

According to the MBZ Fund's mission statement, the foundation envisions to create awareness for species conservation and instill a kind of enthusiasm for field-based research in younger people. Head of Fund Management Nicolas Heard speaks of conserving as a way to connect emotionally with nature, which he believes is so crucial to conservation work.

### Small grants: risks and rewards

Handing out smaller grants allows for faster support of a project and less bureaucracy. It is important to support conservationists in the field, minimizing their time at a desk sorting through red tape. Mr. Heard says that the fund wants its beneficiaries to spend most of their time in nature and not necessarily in the office typing up long reports. This is one of the main reasons why once a grant has been awarded, MBZ is rather hands-off. This strategy has bigger risks because projects are prone to change - whether it be the weather or the time of year that can make a project unsuccessful. These are calculated risks. But providing smaller grants also leaves room for younger and unknown or new conservationists who do not yet have a track record. Smaller grants can also make an actual difference to a species that is less beloved than tigers and hasn't gathered as much attention as primates or elephants. "We like to support projects that focus on a small mammal, or maybe an insect or a fungus that might occur in a very limited area," says Mr. Heard.

Mr. Heard almost lovingly speaks of many applicants who have been granted multiple funds over the years. Their local expertise and passion has shown that they do good and important work. Some have even rediscovered species that have been thought to be extinct for decades.

Mr. Heard shared the story of the cave squeaker frog, which benefited from a small MBZ Fund grant. It's a simple but impactful story: A man in Zimbabwe was awarded a grant in 2015 to find a frog in Western Zimbabwe that hadn't been seen in a very long time. He hired a few students at his university, and they tried to go to the area where the frog had been seen last. They were unsuccessful in finding the area or the frog. The next year, the same man applied for and received a second MBZ Fund grant of around USD 4,000 and that led the Zimbabwean group to find the frog a couple of hills over from the area they searched the year before. They brought a few frogs back to their university and have been trying to breed them. The hope is that they'll be able to protect the habitat where the frogs live and also breed a few in the university.

Mr. Heard shares that story as an example of how a small grant with minimal administrative requirements, totaling no more than USD 10,000 to 11,000, can protect a frog that perhaps no one particularly cares about and is not particularly beautiful or charismatic. But its species and habitat need protecting. It's also a story about the persistence of the Zimbabwe team and the accessiwwity of the MBZ Fund grant process.

#### Creating trust, creating stability

Mr. Heard almost lovingly speaks of many applicants who have been granted multiple funds over the years. Their local expertise and passion has shown that they do good and important work. Some have even rediscovered species that have been thought to be extinct for decades. The problem is that the small grant strategy can be challenging for many conservationists, Mr. Heard says. People that are granted USD 10,000 a year never know whether they'll get the grant next year as well. The market is so competitive. And for that reason, Mr. Heard envisions a second philanthropy strategy for MBZ fund: medium-sized grants for larger proposals, e.g. USD 100,000 for up to five years. He says that conservationists need that kind of stability and people need to be paid a salary. This will make the difference between kick-starting a career, which a smaller grant can do, and stepping up to maybe establishing one's own NGO and bringing other conservationists on board. The first step to mobilizing this strategy is to reach out and encourage conservationists to apply for larger grants. This proactive approach can ensure the longevity of a project and local organization, especially during crises like COVID-19 where a lot of global funding was cut.

## Establishing an effective foundation

When asked what advice Mr. Heard would give someone who wants to start a (conservation) foundation, he listed a few key points:

- Find focus: what is your geographical scope? Is it local, regional internatioal?
- Funding: What is your source of funding? Is it a repeated source or a one-off structure that leads to endowments? Here Mr. Heard argues in unison with others that in terms of the environmental crisis, the time to spend money is now.
- Who are the beneficiaries and recipients? Should this be governments, NGOs, organizations, or individuals?
- How much risk are you willing to take? Mr. Heard's advice here is to make the application process as easy as possible and to minimize the burden on recipients. Private foundations are more flexible in regard to project outcomes than public ones.





## **Alwaleed Philanthropies**

An example of a hybrid foundation from the GCC that is a family, grantmaking, and operating foundation all at once is Alwaleed Philanthropies (AP), which was founded in the 1980s by HRH Prince Alwaleed Bin Talal Al Saud. HRH Prince Alwaleed started his career as an investor and entrepreneur. but quickly became a philanthropist, driven by his belief that he has an obligation to give to others. AP developed into a Non-Governmental Organization (NGO) with a five-fold mission:

- Developing communities
- Women & youth empowerment
- · Bridging cultures together
- Providing disaster relief
- Supporting a healthier environment

Since its inception, AP has touched the lives of over 1 billion people across 189 countries.

The organization is a great example of an NGO with features of grantmaking as well as operating foundations.

AP is composed of three philanthropic organizations: AP Saudi Arabia, AP Global, AP Lebanon. The philanthropic strategy for all three is similar: it is structured

In 2015, Alwaleed Philanthropies developed a partnership with UN Women that launched the first gender indicator in Saudi Arabia. Alwaleed Philanthropies and UN Women worked collaboratively to gather gender statistics in Saudi Arabia, in alignment with the country's 2030 vision to achieve gender equality and to empower all women and girls.

around flexibility and a holistic approach. Humanity always comes first. The philanthropies have been widely successful thanks to their ability to create lasting partnerships and work with community institutions.

### Creating a network and interactive communication strategy through shifting foci:

HRH Princess Lamia Bint Majid Al Saud was appointed Secretary General in 2016. Since HRH Princess Lamia joined, AP created its own initiatives in order to broaden its network, reach more people and create awareness. AP also started a rotational focus strategy, concentrating on two of the five focus areas for three years. This means that every three years, two other sectors receive especially full attention.

The foundation's communication strategy mimics this approach. HRH Princess Lamia's professional background in media has strengthened the philanthropies' communication strategy. She finds a robust communications strategy to be effective in making sure that every focus area in their portfolio gets highlighted, since AP supports such a wide range of projects. She says it's especially difficult, because the philanthropy itself doesn't ask for additional funds or specific actions. The communication strategy needs to be interactive and emotionally targeting, so that people feel a need to act and support others. The foundation's rotational focus strategy and communication structure have enabled the philanthropy to create a network of more than 400 partnerships to date.

Innovative Initiatives: In 2015. AP developed a partnership with UN Women that launched the first gender indicator in Saudi Arabia. AP and UN Women worked collaboratively to gather gender statistics in Saudi Arabia, in alignment with the country's 2030 vision to achieve gender equality and to empower all women and girls.

During the Covid-19 pandemic. AP funded a 360 initiative where they participated in an accelerator program, supported the examination of vaccines, built shelters, and economically supported different regions. In Africa, for example, the foundation built factories where women and young Africans produced masks and sanitizers. Another example of AP's innovative projects is their Women's Legal Rights Initiative. It was inspired by an imprisoned woman in 2013, when the taboo around women's legal rights was still strong. At that time, it was not possible in the country to speak about or publish anything on legal rights for women. AP launched a program that both provided training to female lawyers on international human rights law and increased the access

that women in society had to an attorney regardless of their financial means. Women were able to access consultations with female lawyers using an app developed with the support of the foundation. Today, there are 800 women trained and practicing international human rights law in the country. The next initiative is already in process: training 100 women in Saudi Arabia on data privacy and cybersecurity.

#### **Passion as the driving force:**

HRH Princess Lamia's passion for her work and her team is easily spotted in her leadership style. She says that working in philanthropy is not a job, but a passion. "You need to have the spirit to be able to serve others," she claims. Her team of eight women manage their 80 ongoing partnerships. "So it's the passion. It's the strategic thinking, the time management. And above all, that your goal in life is to make a difference." HRH Princess Lamia also notes and expresses appreciation for how learning is an ongoing process. For her, transparency, data-driven evidence, and a deliverable action plan make a successful project and thus an effective philanthropy.

What the future holds: AP is beginning to focus on the virtual world. It has created a center in the metaverse and is documenting its effects. The foundation wants to ensure that people will be remembered by the generations to come, and that their stories are not forgotten. Furthermore, one of the components for Saudi Arabia's vision 2030 is to add philanthropy as a key pillar. One way to carry out this vision is for AP to support aiddependent families in the country to thrive and become productive members of the society and economy.

## William and Flora Hewlett Foundation

Established in 1966 by the cofounder of the Hewlett Packard company and his wife and eldest son, the William and Flora Hewlett Foundation makes grants to a broad range of institutions- from research universities contributing to public knowledge and performing arts centers engaging local communities to grassroots organizations representing millions of individuals and multilateral groups working on international development. In 2020, the Hewlett Foundation disbursed over \$470 million in grants. This case study illustrates the Foundation's path in strategic philanthropy, quest for ideas, staffing model, interplay with government and business, and approach to communications.

Larry Kramer has served as president of the William and Flora Hewlett Foundation since 2012. Under his leadership, the foundation has maintained its focus on education, environment, gender equity and governance, performing arts, and effective philanthropy, while adapting its approaches and strategies to address timely problems such as political polarization and cybersecurity.

Before joining the Foundation, Mr. Kramer served as a professor and dean of Stanford Law School, having previously been on the law school faculty at New York University, University of Michigan, and University of Chicago. His teaching and scholarly interests include American legal history, constitutional law, federalism, separation of powers, the federal courts, conflict of laws, and civil procedure. At the start of his career, Mr. Kramer served as law clerk to US Court of Appeals Judge Henry J. Friendly of the Second Circuit and US Supreme Court Justice William J. Brennan, Jr.

### Strategic philanthropy

A decade ago, Mr. Kramer assumed leadership of a foundation known for helping to define and popularize an approach known as strategic philanthropy. His predecessor Paul Brest, who guided the Hewlett Foundation from 2000-2012, wrote extensively on the subject, garnering supporters and critics. In his 2005 article, In Defense of Strategic Philanthropy, Mr. Brest wrote:

Strategic philanthropy is the application by foundations of the same concepts of strategy that underlie successful projects by businesses and governments or, for that matter, individuals and armies. While there is no single definition of the term, a strategic approach entails setting clear goals and objectives; developing an empirically sound plan designed to achieve those goals; considering the costs, risks, and benefits of the plan to judge its effectiveness compared with other ways of reaching the goals; assessing whether, in light of opportunity costs, implementing the plan is a good use of one's resources; and monitoring whether one is on track toward achieving one's goals, and making reasonable efforts to know if one has succeeded 68.

#### Strategic, effective, good?

When he started at the Hewlett Foundation, Mr. Kramer thought the debate was largely semantic. Strategic philanthropy and effective philanthropy can be considered synonyms for "good" philanthropy. Over time, he refined his thinking. "To me, strategic philanthropy means three things. You have a goal that you can articulate, you have a story that you can tell about how your grantmaking, and other



To me, strategic philanthropy means three things. You have a goal that you can articulate, you have a story that you can tell about how your grantmaking, and other efforts are going to achieve that goal, and you have some way of knowing whether you're doing that.

efforts are going to achieve that goal, and you have some way of knowing whether you're doing that," said Mr. Kramer. "If you don't have those three things, then you're doing philanthropy badly, wasting your resources, or maybe don't even know if you're wasting your resources." Mr. Kramer noted that his predecessor pushed hard to get specific because in the early 2000s so much money was given away without much thought. "When I got to the Foundation, I felt like we didn't need to be quite so orthodox," said Mr. Kramer. "Let's apply a basic rule of reasonableness. Different goals require different stories and different measurements, so we can be flexible."

Mr. Kramer felt the Hewlett
Foundation's focus on strategy
left a gap in thinking about
implementation. A few years into
his tenure, the Foundation created
a practical guide for its staff on
outcome-focused philanthropy with
worksheets about the lifecycle
of a strategy from origination,
implementation, and refresh, to exit.
Mr. Kramer said these tools will be

updated based on lessons learned and recent developments in the field.

#### **Power of ideas**

Mr. Kramer said, "When I focus on major driving forces on the globe today that are distorting everything and that need to be solved, I think of four areas of our work: climate, democracy, racial and gender justice, and economy and society." He observed that the Foundation does not handle them as one integrated program because they have distinct histories. "Also, because while conceptually they are all interrelated, when you get to the actual practice of grantmaking, they are not, and you have to find organizations that specialize to do certain kinds of things."

### He elaborated,

Our economy and society work addresses the question of what do we need to do to make popular government function? One answer is that we need an overarching, shared story about how the society works, through which we

can then argue and figure out our compromises to govern. We had laissez-faire in the 19th century, Keynesian theory in the mid-20th century, and neoliberalism for the last 40 years, and now we need something to replace it. The narrative is breaking down, and it's going to be replaced; that is not the question. But right now, it looks like ethnonationalism, the 21st-century version of fascism, is going to replace it and that's not a good solution. We need to come up with something better and make it persuasive. People have lost faith in institutions, but we haven't replaced the core story with a different common sense about the economy, government, and society. We're in a period where the work that is needed is about ideas-to save democracy, to solve climate, to deal with racial and gender injustice - so that people are able to fulfill their own aspirations. Otherwise, we are just fighting each other.

### William and Flora Hewlett Foundation

Mr. Kramer further noted that a lack of policies being adopted is not the problem, but rather the question of how you make them stick? If the focus is limited to getting movements lined up and pushing policies through, in the US all that can be undone with the next election's loss. He said, "The reason is that whatever those ideas are, they're always embedded in a larger story. And they're either consistent with that story and they make intuitive sense given that story, or they are at odds with that story and then they are not stable."

## Distinctive approach to grantmaking

"We give multi-year general operating support grants, and we treat our grantees as partners not contractors," said Mr. Kramer. He further noted that partnership is a two-way street. Organizations working on the frontlines know certain things, about both opportunities and challenges, better than the Foundation, while foundation staff can offer up a broad perspective on their fields, knowledge about what many organizations are doing, and thoughts on how this might play

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We give multi-year general operating support grants, and we treat our grantees as partners not contractors.

out in the long run. He believes that both perspectives are essential to conducting grantee convenings, connecting leaders with resources beyond grant funding, and creating ecosystems.

Mr. Kramer said that when Bill Hewlett and Dave Packard started Hewlett Packard, they had a distinctive business philosophy that came to be known as the HP way. Their approach was to find good people, define what they are supposed to accomplish, and then give them the space and support they need to do it. That philosophy is embedded at the Hewlett Foundation, as "That's the way we work internally and with our grantees." Mr. Kramer said that when the Foundation is measuring whether it is accomplishing its goals, they do it at the strategy level. For the grant-by-grant level, grantees are asked how they want to measure success, and if that makes sense to the Foundation, then that is what they do.

#### Staffing model

The Hewlett Foundation's staffing model is lean, and gives considerable autonomy to the program officer staff. Each person must take more responsibility for their job because there are not many people watching over them or helping them with it. By design, all staff are in one office in Silicon Valley rather than spread out around the world, despite the foundation's global remit. Mr. Kramer noted that this concentrated footprint can limit the kinds of work that the foundation undertakes, but it also forces people to implement the Hewlett model of larger and longer grants for general operating support and reduces micromanagement of grantees. He observed that a small staff helps create a special kind of community inside the foundation.

To some degree, everybody knows everybody else which is an important feature of how they work together.

Program officers at the Hewlett
Foundation have eight-year term
limits. This approach has been part of
the foundation's operating philosophy
from the beginning. Mr. Kramer does
not believe that staff term limits are
the way to go for all foundations, but
it has worked well for Hewlett. They
have never had trouble finding other
good people, and the result has
been a natural mechanism for fresh
eyes on their focus areas. Moreover,
each of the fields in which they work
include former staff for operational
continuity.

## Philanthropy, government, and business

Mr. Kramer noted that Hewlett does not fund direct services. Nearly all of its work is meant to inform government and/or business policy to produce outcomes. Its climate work, for instance, is designed to provide data and research that help governments and businesses take the steps they need to reduce carbon emissions. Hewlett's conservation work is designed to encourage state and federal governments to make changes to protect land from development and preserve biodiversity. Part of the foundation's work on women's

Part of the foundation's work on women's reproductive health provides support for the availability of services that government does not provide, but most of it is designed to support laws and policies that protect women's access to family planning and services.

reproductive health provides support for the availability of services that government does not provide, but most of it is designed to support laws and policies that protect women's access to family planning and services. Mr. Kramer said, "Almost everything we do is focused on either government or private markets with the notion that we're trying to change the way they behave, to produce some positive outcome, because otherwise, you can never achieve any scale."

### **Role of communications**

The foundation has not historically made full use of its voice to advance its goals due to a long-time culture and practice of humility in the institution. Mr. Kramer recalled:

When I arrived, I thought, that's not quite right. Because sometimes, we need to help our issue-focused grantees speak. Other times we need to fund grantees who focus on speaking. Sometimes to advance the broader strategy, we need to speak. In other words, the line we're really after was not between speaking and not speaking, but between self-promotion and strategic communication.

When I started at Hewlett ten years ago, we were the fifth-largest foundation in the world, which meant we could move fields just by our money, to which we could add influence with our voice. With the growth of mega-foundations and individual donors, we're not as prominent. If we believe in what we're doing and want to continue to have influence, we need to put more focus and emphasis on thought leadership. We're in the process now of once again rethinking our communications, to strengthen the whole operation and make it a larger part of what we do.



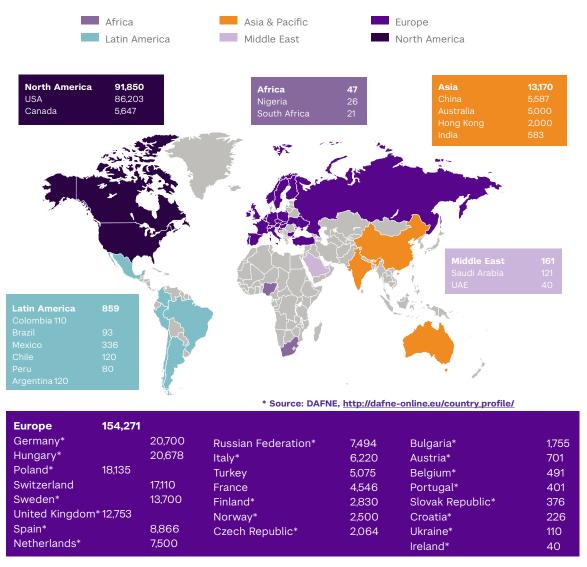
### **Insights for** effective grantmaking The context and trends discussed in this section can provide food for thought for current grantmaking foundations as well as strategy and implementation ideas for those who are contemplating establishing such a foundation. RPA's operating archetypes offer insight into the multiple types of players needed for a thriving philanthropy ecosystem. The values orientation, flexibility, and streamlined processes of trustbased philanthropy are relevant for relationships with grantees and The ethos of participatory operating partners alike. The ethos grantmaking is especially designed of participatory grantmaking is especially designed for grantmaking for grantmaking decisions, but some decisions, but some elements, such elements, such as a lens for an as a lens for an emphasis on women or underserved socioeconomic emphasis on women or underserved backgrounds, could be incorporated socioeconomic backgrounds, could into advisory boards for operating organizations. be incorporated into advisory boards The straightforward approach to strategic philanthropy applied for operating organizations. by Alwaleed Philanthropies, the Hewlett Foundation, and MBZ Fund helps make their philanthropy effective. This approach emphasizes the importance of clearly articulating your goals, engaging with stakeholders rather than assuming their needs, crafting a compelling story that communicates your impact, and measuring your work to track and assess progress. A Comparative Study Of Strategic Philanthropy In MENA And Beyond 91





The Global Philanthropy Report, released in 2018 by the Hauser Institute at Harvard University's Kennedy School of Government, is perhaps the most comprehensive recent study of foundations around the world. The report found that institutional philanthropy has global reach, identifying more than 260,000 foundations in 39 countries, with %60 of that total in Europe and %35 in North America and %0.06 in the Middle East, across Saudi Arabia and the UAE. The sector is notable for its youth and recent growth, as nearly three-quarters of identified foundations were established in the last 25 years.

Figure 1.1
Foundations around the world
Institutional philanthropy has a goal reach 260,358 fondations in 38 countries and Hong Kong were identified representing only a partial picture of the sector



<sup>69</sup> https://cpl.hks.harvard.edu/files/cpl/files/global\_philanthropy\_report\_final\_april\_2018.pdf

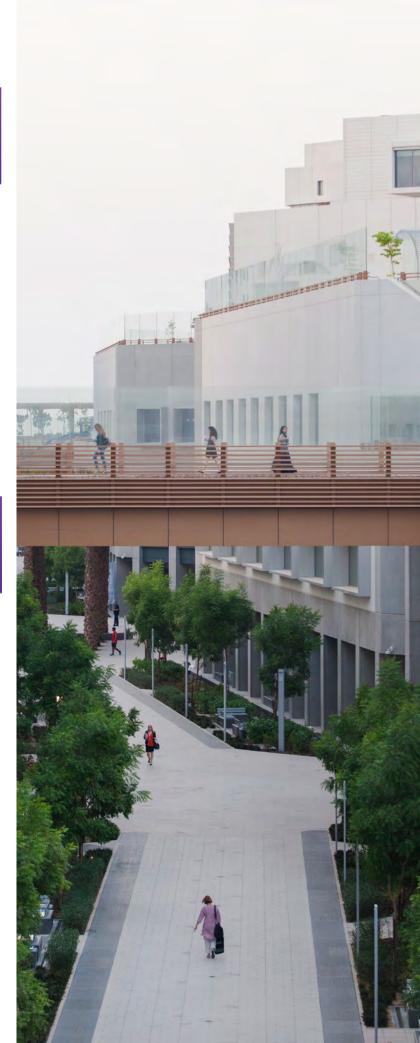


## **Operational** approaches

Most foundations around the world are operating foundations, meaning that they use their own resources to operate programs and activities, rather than make grants to NGOs. There appears to be a shift towards multi-donor and public fundraising models, moving away from the conventional practice of one principal source providing the lion's share of philanthropic capital. Foundations are increasingly employing a range of social investment strategies to maximize their impact, and there is a growing interest in evaluating and measuring program outcomes. Public-private partnerships appear to be particularly significant among foundations in India, Argentina, Colombia, Ireland, Nigeria, and the UAE, all of which reported over 60% of foundations engaged in partnerships with government.

## Types of **foundations**

Over 90% of philanthropic institutions identified in the Global Philanthropy Report are classified as independent foundations, with 5% of those selfidentified as family foundations. But there are strong regional variations. Independent foundations are the predominant model in the US (96%) and in Europe (87%); corporate foundations are significant in Latin America (50%); government-linked foundations are common in China (38%) and the UAE (73%); and family foundations are prevalent in Africa (35%).



Education is a top priority around the world, with 35% of the foundations in the study focusing at least some of their resources on the sector. Other priorities include human services and social welfare (21%), health (20%), and arts and culture (18%).

## **Priorities** and purposes

Education is a top priority around the world, with 35% of the foundations in the study focusing at least some of their resources on the sector. Other priorities include human services and social welfare (21%), health (20%), and arts and culture (18%). Latin American foundations stand out for aligning priorities with the global Sustainable Development Goals (SDGs), including those related to education, health, poverty, and work.

**Worldwide Initiatives for Grantmaker Support** (WINGS) is a network of 180 member organizations across 57 countries focused on philanthropy as a catalyst for social progress 70. Originally structured as a global association of philanthropy associations and networks of funders in 100 countries, the WINGS membership has expanded to include professional support organizations, infrastructure donors, academic institutions, philanthropic advisors, and nonprofits active in supporting the global philanthropy ecosystem. Its network includes five members with either a presence in or focus on MENA: John D. Gerhart Center for Philanthropy and Civic Engagement at the American University in Cairo and Sawiris Foundation for Social Development in Egypt, Arab Foundations Forum and SAANED for Sustainable Development in Jordan, and Dalberg Advisors in the UAE.

According to The Global Landscape of Philanthropy, a WINGS report published in 2018, the number of foundations is increasing, especially in Europe and in some countries of the Global South<sup>71</sup>. Growing wealth and government encouragement of philanthropy to

supplement public sector budgets are two key drivers. The landscape report notes that operating rather than grantmaking foundations are the norm in most of the world, citing in particular China, Colombia, Indonesia, the Philippines, Spain, and Turkey. Three reasons are given for the preference: NGOs are sometimes seen as either incapable or untrustworthy, corporate donors often prefer to conduct programs in-house to align more readily with business strategy, and donors with entrepreneurial backgrounds tend to want to do things themselves. Two drawbacks are highlighted: the inefficiency created by each foundation running its own programs and missed opportunities to strengthen NGOs and develop them into capacitybuilding organizations.

The WINGS report says that most foundation funding in Europe goes to the safest areas such as education, children, and healthcare; that Asian philanthropy remains traditional and focused on charity; but that as of 2018 Russian and Chinese foundations were emerging with global aspirations. Global shocks of the past five years attendant on the COVID-19 pandemic, the climate crisis, and warfare are surely affecting these trends, and new global stocktakes of philanthropy like the Hauser and WINGS reports are now needed.

## Trends in operating foundations

Traditionally, the operating foundation model has been characterized by individual actors creating programs in isolation, but interest in transparency, collaboration, and grantmaking is growing and sparking innovation.

https://wingsweb.org/

https://wings.issuelab.org/resources/29534/29534.pdf

## The China Foundation Center (CFC)

The China Foundation Center provides a compelling example on the role of data transparency in a country's foundation sector. Formed in Beijing in 2011, the CFC serves as an information disclosure platform for foundations to improve public credibility through transparency. Created with inspiration and technical assistance provided by the Foundation Center (now Candid) in New York, the CFC promotes selfregulation in philanthropy, provides capacity-building services, and cultivates a positive public interest culture. Its China Base Transparency Index provides a numeric and lettergrade rank for foundations based upon the amount of information they disclose. When the Index began, most Chinese foundations "failed" due to lack of data. Over the past ten years, disclosing data to the public via CFC has become a norm for Chinese foundations, and the Index is now an important tool for decision-making<sup>72</sup>.

The Association of Family and Business Foundations in Colombia (AFE Colombia) works to strengthen its members through capacity building, fostering collaborative work, and influencing private sector practices and public policies. In a region not known for joint philanthropic efforts, AFE Colombia helped spearhead a comprehensive development program for sustainable communities in two districts of Antioquia supported by 19 Colombian business and family foundations. This collective impact project engages local families in creating solutions for long-term economic, social, and environmental development. Replication efforts in other areas depend on a participatory community process involving existing and new donors. In Brazil, the term social investment was introduced in the 1990s when GIFE (Group of Institutes, Foundations, and Enterprises, the main umbrella body for institutional philanthropy) was founded.

GIFE's members, mainly corporate and family foundations, mostly use their resources to operate their own programs<sup>73</sup>. In contrast, community foundation members of the Philanthropy Network for Social Justice (PNSJ) make grants and are at the forefront of reimagining the work and the value of NGOs in Brazil. Meanwhile, GIFE reports that the majority of its members have declared the intention of moving towards grantmaking, and they recently formed an affinity group focusing on grantmaking practice74.

<sup>72</sup> http://www.foundationcenter.org.cn/

https://gife.org.br/

http://www.psjp.org/wp-content/uploads/2018/05/PHILANTHROR PY-IN-BRAZIL-MAY-2018.pdf



### **Oueen Rania Foundation**

The aspiration of the Queen Rania Foundation (QRF) is quality education for all children because it is the gateway to their future and for society's success and prosperity. Its focus is on improving students' Arabic literacy skills in Jordan and the broader MENA region as the most crucial factor that enables learning in and beyond the classroom. The Foundation designs and implements educational models for homes and parental practices, schools and classrooms, and systems and policies. QRF is an operating foundation that blends big bets, coordinated work of affiliated organizations, creative use of technology, applied research, and accessible data to achieve its goals. Samir Farrag leads the Strategic Partnerships and Fundraising team at the Queen Rania Foundation, where he builds relationships with local and international partners to support the Foundation's vision. Previously, he served as a senior consultant at Graham-Pelton, a global firm headquartered in the US with offices in London that provides fundraising and management services to schools, universities, and the charity sector. Mr. Farrag's experience in higher education includes roles related to alumni

relations and fundraising at King's College London, SOAS University, and London Business School. He started his career in customer service at companies based in Oslo, Norway.

#### **Operating foundation**

In 2013, Her Majesty Queen Rania Al Abdullah established QRF with the aim of improving education outcomes in Jordan and the surrounding region. The Foundation has implemented efforts in a range of overlapping areas including early childhood care and development, innovation in learning, and teacher training. Its current focus is on improving students' Arabic literacy skills to enable learning in and beyond the classroom. Today, QRF carries out research, designs innovative programs, and supports policy makers as they develop education programs. It is a hybrid organization which funds and operates its own programs and also raises money from other donors to support its programs. In describing QRF's model, Mr. Farrag said, "Although we make a small number of grants, the Foundation is primarily hands-on and leads strategic projects itself or co-leads them with a partner. We are a systemlevel organization which looks at innovation and how we can facilitate change."

#### First big bet

When QRF was first founded, it tested out several hypotheses. Mr. Farrag said, "One of the big bets the Foundation made at that time was the Edraak platform, which the Presidential Court of Abu Dhabi and other donors supported as founding partners. It is now a stand-alone platform with five-and-a-half million users." Edraak is a massive open online course (MOOC) platform which first leveraged technology developed by EdX, the online education consortium founded by Harvard University and the Massachusetts Institute of Technology. Today it has evolved to use regional Arab talent to develop education and learning. Launched in 2014, it offers Arab learners free access to courses in Arabic taught and developed with leading global universities, corporations, and nonprofits. Edraak also includes a K-12 platform focused on math and English for Arabic learners. Mr. Farrag noted that two million new users have joined since March 2020, filling a gap during the pandemic with infrastructure created well before the COVID-19 crisis.



### **Affiliated organizations**

Mr. Farrag said that under the umbrella of QRF, there are sister charities that Her Majesty founded and are considered affiliates. "Some of them are older than the Foundation. Most relate to education, but also women's empowerment and child protection. Each of them addresses gaps in the system." In addition to Edraak, they include<sup>75</sup>:

- **Queen Rania Teacher** Academy (QRTA), established in 2009 to support educators with the skills to become creative and diligent professionals. QRTA has provided innovative and evidence-based professional development programs informed by international best practices and research to over 90,000 teachers and school leaders since inception.
- **Royal Health Awareness** Society (RHAS) develops and implements public health and safety programs to increase health awareness in Jordan and change unhealthy habits and lifestyles. RHAS initiatives complement Jordan's national health priorities related to healthy schools, the healthy kitchen, and generations protected (Tahseen) from smoking and drugs.

- The Children's Museum Jordan has served over 2.7 million visitors through more than 185 interactive exhibits, an outdoor space, a library, an art studio, a tinker lab, and a secret garden. The Museum offers yearround programs and activities to children aged 1-12 years and their families.
- The Queen Rania Award for **Excellence in Education** is an association that was founded by Their Majesties King Abdullah and Queen Rania Al Abdullah with the aim of setting a national standard of excellence in teaching as well as celebrating the educators who work tirelessly to meet it. Since its founding in 2005, the Award has honored 373 teachers and provided 1,200 professional development opportunities and 170 scholarships at various universities across Jordan.
- **Jordan River Foundation** was established in 1995 as a nonprofit organization that advocates for

- social justice, poverty alleviation, and economic independence of Jordanians and refugees; supports home-grown solutions that engage local communities; and promotes child safety and protection through a variety of integrated programs.
- Madrasati partners with other nonprofit organizations to rehabilitate schools in Jordan through maintenance activities and the provision of equipment, professional development opportunities including the use of technology, and integration of Syrian refugee children in remedial centers.
- **Al-Aman Fund for the Future** of Orphans provides full-tuition educational scholarships, monthly living allowances, guidance and counseling, internship and employment programs, and medical insurance for orphans after they reach the legal age and leave their care homes. More than 4,200 orphans have received services since the Al-Aman. Fund was established in 2006.

### **Oueen Rania Foundation**

### Early childhood apps

Utilizing its team of experts and researchers, QRF found early traction in the development of mobile educational applications. Mr. Farrag said- the Foundation observed a lack of Arabic resources targeted to children aged three-tosix, and experimented to address those needs with apps focused on math, social-emotional learning, and Arabic literacy. Karim and Jana- Numbers was launched in 2017, with an aim of improving numeracy skills. In 2019, QRF created Karim and Jana-Our World with a focus on socio-emotional skills. Alphabet Journey, launched in 2020, helps children read and write Arabic letters and develop phonemic awareness using a gamified approach. The app also offers parents a set of tools to track their children's linguistic development. More recently, QRF released Rhyming Journey and Words Journey to encourage children to become independent learners, spark their curiosity and interest in Modern Standard Arabic (MSA), and help them find joy in learning as they develop their skills. Over two million Arab children are using free Karim and Jana apps to learn through play in a safe and fun environment.

### Generating an evidence base

Mr. Farrag described QRF's research as the basis for designing and implementing its educational programs. He spoke not only of conducting surveys for baseline and trend data in Jordan, but also of leveraging and adapting best practices developed elsewhere for the Arab world. "Evidence is really at the core of how we derive things and how we make decisions," said Mr. Farrag. Focus areas for QRF's research include large-scale teacher, administrator, and parent surveys in Jordan; comparisons of the performance of Jordanian students, teachers, and principals with global benchmarks; economic implications of investing in early childhood education in Jordan; and investigations into barriers to Arabic literacy such as diglossia and deficits in morphological awareness.

#### Making data accessible

To ensure that research is user friendly, QRF has produced fact sheets with Jordan-specific data on early childhood care and education, nurseries, teaching, curriculum and student assessment, refugee education, education technology, and gender and education. Mr. Farrag said that the Foundation has partnered with the Education Endowment Foundation (EEF) in the UK and Zayed University in the UAE to adapt and translate EEF's Teaching and Learning Toolkit for the MENA region. The Toolkit is an accessible summary of education research based on real-life data about implementation results from schools. It is available on QRF's website along with resources for early childhood development, parent engagement, and children's books.

Alphabet Journey, launched in 2020, helps children read and write Arabic letters and develop phonemic awareness using a gamified approach. The app also offers parents a set of tools to track their children's linguistic development.

## 

Through research, papers, and presentations, the conclusion was a focus on early Arabic literacy as the foundational issue in our educational continuum, knowing that if we don't get that right, then problems compound. The whole MENA region is challenged by Arabic literacy in various ways. In Jordan, there are problems with a lack of resources and needing to teach Arabic more effectively.



#### Distinctive role for QRF

Mr. Farrag said that, prior to his joining QRF, the foundation went through a rigorous process to determine the unique value it adds. "Through research, papers, and presentations, the conclusion was a focus on early Arabic literacy as the foundational issue in our educational continuum, knowing that if we don't get that right, then problems compound," he noted. "The whole MENA region is challenged by Arabic literacy in various ways. In Jordan, there are problems with a lack of resources and needing to teach Arabic more effectively." In 2021, The World Bank released a report on advancing Arabic language teaching and learning to address the fact that over 60% of children in the MENA region cannot read or understand an ageappropriate text by age 1076. The

report highlighted the challenges that children face when learning to read and write in MSA without sufficient exposure prior to entering school, and noted that parents in MENA are less likely to read to their young children or enroll them in preschool than parents in other regions. Recommendations in the report mirror the approaches taken by the QRF.

The QRF provides a thoughtful and integrated model for an operating foundation that draws on baseline studies, policy research, international best practices, replication, partnerships, and the creative use of technology to improve Arabic literacy for children. The QRF's model serves as a compelling example for other organizations and philanthropists aiming to make a significant impact

in their areas of focus. It demonstrates how a strategic, evidence-based approach, combined with innovative practices and strong partnerships, can lead to meaningful and lasting change. This model encourages others to adopt a similarly integrated and thoughtful approach in their philanthropic endeavors, and could inspire a wave of impactful initiatives across various sectors.

https://www.worldbank.org/en/news/press-release/2021/06/28/new-path-to-address-mena-learning-crisis-through-advance ing-arabic-language-teaching-and-learning

### **Role of Government**

Given that the nonprofit sector in the Gulf region is still fairly nascent in many issue areas, major donors seeking on-the-ground solutions in the region typically develop and operate their own programs. In 2019, Abu Dhabi's Department of Community Development undertook to strengthen both the NGO and philanthropic sector in the emirate by establishing Ma'an, the Authority of Social Contribution, to strengthen the growth of the NGO and philanthropic sector and enable organizations to make substantial contributions to society Through a variety of policies, education, and awareness raising, Ma'an is bringing together the resources of government, private sector, and civil society to drive social innovation, encourage philanthropy and CSR commitments, and build a culture of social contribution and participation. While Ma'an aims to help solve social and environmental problems, it also seeks to strengthen community connections and make Abu Dhabi an attractive place to live and work for citizens as well as expatriate communities from around the world. During the COVID-19 pandemic, Ma'an helped raise resources to combat the worst effects of the health crisis and direct them to a wide range of initiatives from community education and volunteer programs to research and public

health awareness. Ma'an is still young, but may become a model for how governments can answer the call from business executives and philanthropists for government support and clear regulations for philanthropy.

Furthermore, in 2024 the UAE established the International Humanitarian and Philanthropic Council under a federal decree by President Sheikh Mohamed bin Zayed Al Nahyan. The Council is tasked with overseeing humanitarian and philanthropic activities, absorbing several existing committees related to African cooperation, humanitarian efforts, foreign aid, and health advisory work. Its responsibilities include policy review and approval, oversight of initiatives and projects, and developing strategic visions for the sector. The Council includes prominent Ministers and high-level officials from different sectors, signifying a collaborative effort across various UAE governmental and humanitarian bodies. The UAE's initiative serves as a role model for other nations, showcasing how strategic organization and leadership commitment can enhance the effectiveness and reach of humanitarian and philanthropic efforts.









The Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere. The 17 goals were adopted by all United Nations member states in 2015, as part of the 2030 Agenda for Sustainable Development. Two years later, the SDGs were made more actionable with the addition of targets and indicators. Each of the 17 goals is aligned with eight to twelve implementation and outcome targets and one to four indicators to measure progress toward reaching the targets.

A growing number of donors are aligning their giving with the SDGs globally and in the MENA region. Two online tools have been created to track and encourage philanthropy's role in supporting the SDGs, which, if leveraged, could lead to greater adoption in MENA.

# SUSTAINABLE G ALS





































#### **SDG Philanthropy Platform**

The SDG Philanthropy Platform is a global and national facilitator that provides an online platform with access to information on philanthropic activities, real-time data on relevant SDGs, and events supported by funders. It is led by the United Nations Development Programme (UNDP) and WINGS, and supported by Rockefeller Philanthropy Advisors (RPA) and the Conrad N. Hilton, Ford, Brach Family Charitable, and UN Foundations. With curated data added every week, the platform helps optimize resources and efforts to achieve the SDGs by enabling effective collaboration with the broader ecosystem. Information is available in 104 languages.

#### **SDG Funders**

SDGfunders.org aims to make data on philanthropic investments more accessible while enabling data to track progress and tell stories about effective collaboration. The website offers the most comprehensive representation available of foundations' giving aligned with the SDGs. The site includes a dashboard of indicators displaying funding from philanthropy by goal, region, country, and population group; a list of top funders and recipients globally, per region and by country; and a knowledge hub with reports, background papers, case studies, and outcome documents. SDGfunders.org was created by Candid (formerly Foundation Center) and was funded by the Conrad N. Hilton, Ford, and MasterCard Foundations77.

#### Practical guidance

Bridging the gap between intention and execution of the SDGs can be challenging. With support from the Conrad N. Hilton Foundation, RPA and the Brookings Institution have produced useful guides for implementing the SDGs.

- Philanthropy and the SDGs: Getting Started and Philanthropy and the SDGs: Practical Tools for Alignment are part of RPA's philanthropy roadmap publication series. The first report describes the 2030 Agenda, makes a case for involvement by all types of donors, and outlines challenges and solutions in working with the SDGs<sup>78</sup>. The second report goes into detail about three steps for aligning with the SDGs: planning, assessing progress, and reporting and using
- City Playbook for Advancing the SDGs is a series of how-to briefs and case studies written by city government officials for other city officials, and are drawn from cities participating in the Brookings SDG Leadership Cities community of practice<sup>80</sup>.

SDG Philanthropy Platform helps optimize resources and efforts to achieve the SDGs by enabling effective collaboration with the broader ecosystem.

https://sdgfunders.org/home/lang/en/

https://wings.issuelab.org/resources/34713/34713.pdf

<sup>79</sup> https://wings.issuelab.org/resources/34714/34714.pdf

https://www.brookings.edu/multi-chapter-report/city-playbook-for-advancing-the-sdgs/

## **Trends in SDG funding**

As funders align their contributions with the SDGs, a growing number of innovative initiatives are emerging which take a field-building approach. Examples from the Conrad N. Hilton, Robert Wood Johnson, and Rockefeller Foundations are included below and focus on leadership development, hybrid business models, and blended finance. Blended finance is an approach where initial philanthropic investments are expected to be followed by commercial investment to make programs or initiatives sustainable.

In 2016 the Conrad N. Hilton Foundation provided \$5.44 million to the WORLD Policy Analysis Center at the University of California, Los Angeles to create an initiative that will train the next generation of world leaders and thinkers. WORLD is the largest global quantitative policy center, capturing over 1,000 health, social, economic, and environmental policy and program indicators for all 193 UN countries. WORLD has partnerships with academic, civil society, and intergovernmental organizations covering all regions. The grant will be used to equip civic leaders with the tools to implement the SDGs with skills-based training to advance knowledge and translate that understanding into more equitable health and education outcomes, increased livelihoods, and an improved environment<sup>81</sup>.

The Robert Wood Johnson Foundation invested \$450,000 in the B Lab Company in Berwyn, Pennsylvania to develop a platform and metrics to help companies in the US and around the world to assess, compare, and improve their performance against prioritized aspects of the SDGs82.

Rockefeller Foundation provided \$5 million in 2021 to Sustainable Energy for All in Vienna in support of its mission to drive faster action towards the achievement of SDG7-access to affordable, reliable, sustainable, and modern energy for all by 203083. The Global Energy Alliance for People and the Planet was launched at the UN Climate Change Conference in 2021 (COP26) to unlock \$100 billion in public and private financing to reach one billion underserved people with reliable, renewable power; avoid and avert four billion tons of carbon emissions; and drive economic growth with 150+ million jobs created, enabled, or improved84.

https://newsroom.ucla.edu/releases/conrad-n-hilton-foundation-awards-5-44-million-to-ucla-to-createprogram-to-train-future-world-leaders

https://www.bcorporation.net/en-us/programs-and-tools/sdg-action-manager 82

<sup>83</sup> https://www.rockefellerfoundation.org/grant/sustainable-energy-for-all-2021-9/

https://www.seforall.org/news/historic-alliance-launches-at-cop26



## **Mohammed Bin Rashid Al Maktoum** Global Initiatives (MBRGI) and Dubai Cares

MBRGI and Dubai Cares are leading examples of philanthropic initiatives that have aligned their work with the United Nations' Sustainable Development Goals. Dubai Cares was established in 2007 to focus on education as a fundamental right and an irrevocable asset. In 2015, MBRGI combined under its umbrella over 30 humanitarian and developmental initiatives and entities, launched and supported by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of UAE and Ruler of Dubai, for more than 20 years. This case study provides insight on scaling up core programs, developing an assessment framework, encouraging creative solutions, changing perceptions, and focusing on root causes in alignment with the SDGs.

Since inception, MBRGI's focus has been fostering hope for the region and the world, building on the work of its partner organizations. The Foundation's humanitarian, social. and development initiatives and entities are devoted to supporting and empowering vulnerable and disadvantaged communities around the world.

Dubai Cares is a civil society organization formally associated with the UN Department of Global

Communications. Its educational interventions focus on access. capacity development, quality, research, monitoring, evaluation, and learning.

#### Addressing basic needs

Humanitarian Aid and Relief is one of the five main pillars of MBRGI, under which fighting hunger is one of the primary causes supported. In the past two years, MBRGI has launched the 10 Million Meals and the 100 Million Meals campaigns. MBRGI has collaborated closely with the UAE Ministry of Foreign Affairs and International Cooperation (MoFAIC) and others to assess and appoint suitable partners in different regions to distribute the meals on-the-ground. The 10 Million Meals campaign in 2020 secured over 15 million meals for COVID-19-impacted communities in the UAE in less than a month. In 2021, when launching the 100 Million Meals campaign, MBRGI extended its reach outside the UAE, securing 216 million meals, more than double its target, for vulnerable groups across four continents. According to Sara Al Nuaimi, Director of MBRGI, the key questions for the organization at the time were: "How can we reach more people? How

can we distribute more food?" The solution was to distribute dry food packages, enough to feed a family of five for a month. MBRGI does not have an execution arm, so after developing the idea, the organization explored a partnership with UN organizations, other charity organizations, and one of the MBRGI entities. For the 100 Million Meals campaign, MBRGI partnered with Mohammed bin Rashid Humanitarian and Charity Establishment (MBRCG) and the UAE Food Bank, to distribute meals in 47 countries.

Dubai Cares, has been working towards providing children and young people in developing countries with access to quality education through the design and funding of programs that aim to be integrated, impactful, sustainable, and scalable.

Humanitarian Aid and Relief is one of the five main pillars of MBRGI, under which fighting hunger is one of the primary causes supported. In the past two years, MBRGI has launched the 10 Million Meals and the 100 Million Meals campaigns.

#### One billion humanitarian messages from the UAE to the world

In March 2022, His Highness Sheikh Mohammed bin Rashid Al Maktoum announced a scaling up of the previous meals campaigns to launch the 1 Billion Meals Endowment campaign during Ramadan, the holiest month in the Islamic calendar. Building on the success of the prior year's 100 Million Meals campaign, the 1 Billion Meals Endowment campaign not only seeks to provide immediate hunger relief by creating the region's largest food donation drive of its kind, but establish a 1 Billion AED food endowment fund as a means of providing long-term assistance to those in need in numerous countries around the world. Sheikh Mohammed bin Rashid's ultimate goal is to develop sustainable food aid programs through collaborative efforts among local, regional and international organizations to combat and eradicate hunger85. The campaign drew support from

more than 320,000 individual benefactors, and immediately began to distribute food support in coordination with the United Nations' World Food Programme (WFP), the Food Banking Regional Network (FBRN), the Mohammed bin Rashid Al Maktoum Humanitarian and Charity Establishment (MBRCH), the United Nations High Commissioner for Refugees (UNHCR), the UAE Food Bank, as well as a number of local charity and humanitarian organizations in beneficiary countries. The campaign's explicit intention was to shift food aid from a time-limited form of charity during Ramadan to a sustainable, long-term effort to support SDG 2, to end world hunger by 2030<sup>86</sup>. While the focus thus far has been on efficiently providing healthy food to the most vulnerable people, the approach could evolve also to build resilient food growing and distribution systems in challenged countries and regions. Similar One Billion Meals challenges in other countries similarly combine instant relief efforts with longerterm sustainable solutions87.

#### **Dubai Cares**

Since its inception in 2007, Dubai Cares, part of MBRGI, has been working towards providing children and young people in developing countries with access to quality education through the design and funding of programs that aim to be integrated, impactful, sustainable, and scalable. Dubai Cares is playing a key role in helping to achieve SDG 4, which aims to ensure inclusive and quality education for all. It has successfully launched programs in early childhood development, access to primary, secondary, technical, and vocational education, and education in emergencies and protracted crises. Programs have reached over 21 million beneficiaries in 60 developing countries. Gender equality-SDG 5-is also a priority across its education programs, to ensure the provision of safe learning environments with appropriate and adequate resources without discrimination88.

https://www.1billionmeals.ae/en/about/#food\_endowment\_fund

<sup>86</sup> https://www.thenationalnews.com/opinion/editorial/2023/03/22/uaes-one-billion-meals-campaign-is-reshaping-ramadan-charity/

See, for example, the campaign and work of Feeding America, 87 https://www.feedingamerica.org/partners/current-promotions/1-billion-meals

<sup>88</sup> https://www.dubaicares.ae/about/

## **Mohammed Bin Rashid Al Maktoum** Global Initiatives (MBRGI) and Dubai Cares

#### Developing an assessment framework

To keep track of its successes and challenges, as well as to maintain transparency, MBRGI has developed an assessment framework for the complex ecosystem of its entities and initiatives. "By breaking up all available data to three primary metrics that can apply across all entities- total spend per year, total beneficiaries per year, and number of countries reached per year- we are able to monitor and assess our progress," said Sara Al Nuaimi, Director of MBRGI. The organization then publishes annual reports to document what it has achieved in a particular year.

**Encouraging creative solutions** Moreover, MBRGI plays the role of a think tank and places a strong emphasis on creative, non-traditional approaches to philanthropy through innovative initiatives. These include the Arab Reading Challenge, launched in 2015 by HH Sheikh Mohammed bin Rashid to establish a culture of reading among young Arabic speakers across the globe, which has grown to attract 22.5 million participants from 44 countries. Madrasa is a leading e-learning platform that provides free Arabic-language videos in general science, math, biology, chemistry, and physics

MBRGI receives tens of thousands of applications every vear and offers an unrestricted AED 1 million prize for winners. In follow-up with awardees.

to students from kindergarten to grade 12 who have no or insufficient internet access. Arab Hope Makers is an award that honors individuals and institutions that improve their communities and make a positive impact on the lives of people through humanitarian efforts. "We call these our flagship initiatives since we run these from the office ourselves, and they supplement the entities, the awards, and the organizations that fall under our umbrella and to which we also provide support when needed," said Ms. Al Nuaimi.

#### Changing perceptions

The Arab Hope Makers initiative reflects MBRGI's goal of drafting narratives that create a culture of hope. The initiative was launched to showcase people who have made positive contributions to help their communities in the region. MBRGI receives tens of thousands of applications every year and offers an unrestricted AED 1 million prize for winners. In follow-up with awardees, "We find that it goes

towards their causes, to expand their shelters, or to some other aspect of their projects," said Ms. Al Nuaimi. "This initiative also helps the winners draw their government's attention to their work" and often mobilizes the government to provide additional support to the winners' causes.

#### Focusing on root causes

In reflecting on the MENA and UAE philanthropic landscape specifically, Ms. Al Nuaimi recognized the need to look at fundamental things instead of "just putting a bandaid on the problem." According to Ms. Al Nuaimi, there are many potential synergies between organizations in the region that have not been tapped yet. She identified the need to work on empowering communities to be self-sufficient, especially as external help in the long term becomes hard to sustain.

## The Role of Leadership and Philanthropy in Accelerating the SDGs

In 2019, the UN reported that global progress on the SDGs was not proceeding quickly enough to achieve the targets by 203089. Since then, multiple and simultaneous health, climate, biodiversity, geopolitical, and military crises have posed major setbacks for sustainable development around the world. The SDG Index world average slightly decreased in 2021 for the second year in a row, largely due to the impact of the pandemic on SDG1 (no poverty) and SDG8 (decent work and economic growth) and poor performance on SDG11-15 (climate, biodiversity, and sustainable urban development goals)90. In the MENA region, while many countries are still navigating their path towards achievement of the SDGs, six countries-Jordan, Tunisia, the UAE, Algeria, Morocco, and Oman-stand out for having completed two-thirds of the road towards achieving the SDGs<sup>91</sup>. From their examples, it is clear that government leadership and directives matter.

Although the limited progress is dispiriting, the SDGs remain a useful roadmap for articulating ambitious and important goals, measuring them, garnering broad societal energy in their support,



In the MENA region, six countries-Jordan, Tunisia, the UAE, Algeria, Morocco, and Oman-stand out for having completed two-thirds of the road towards achieving the SDGs.

and collaborating with others to make progress. The UAE's Billion Meals Endowment campaign and Dubai Cares offer two examples of philanthropists in the UAE aligning its work with the SDGs. The Billion Meals Endowment, in particular, galvanized major support from members of civil society at all scales of contribution. Developing greater awareness about online

tools and practical guidance can lead to additional adoption of SDGs in the region. A starting point here and elsewhere in the world is for philanthropists to assess current grants and programs against the SDG framework and "get on the map" for work underway. Dreaming bigger, such as designing initiatives for SDGs to permeate and improve a field, can grow from there.

https://unstats.un.org/sdgs/report/2019/

<sup>90</sup> https://sdgtransformationcenter.org/reports/sustainable-development-report-2022

https://www.arabsdgindex.com/static/downloads/files/MBRSG-UNSDSN-AGDA\_2022\_SDG\_Index\_and\_Dash-board\_En\_w.pdf

THEME 7

# MEGA-DONORS EXPAND THE WOMEN'S FUNDING MOVEMENT



The origins of the women's funding movement can be traced back to 1984, during a discussion at a US philanthropy conference about the need for philanthropy to recognize and include women's voices more fully. A year later, 20 organizations gathered for the first conference of women's funds in Washington, DC. Over the past four decades, the number of women's funds has grown around the world, along with two main support networks for these institutions:

#### Women's Funding Network92

The Women's Funding Network (WFN) evolved from the 1985 gathering and became a nonprofit organization in 1990. Today the WFN includes a growing community of more than 120 women's funds and foundations across 14 countries, which collectively invest \$420 million annually to advance gender equity. Over 60% of the membership is based in the US with representation in 36 of 50 states. WFN works to strengthen its members and their allies through capacity building, strategy development, influence and amplification, and knowledge and research.

#### **Prospera International Network of Women's** Funds93

In 2000, a group of six women's funds from Asia, Europe, Latin America, and the US decided to create a peer-learning network to encourage greater opportunities for collaboration for funds emerging from the Global South. This evolved into a membership organization called the Prospera International Network of Women's Funds which currently supports 44 international, regional, and national funds based in 33 countries and mobilizes \$120 million annually through 2,800 grants to women's organizations across 177

WFN and Prospera's memberships include women's funds based in Argentina, Armenia, Australia, Bolivia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Democratic Republic of the Congo, Fiji, France, Georgia, Germany, Ghana, Hong Kong, India, Kenya, Mexico,

Mongolia, Nepal, the Netherlands, Nicaragua, Peru, the Philippines, Poland, Puerto Rico, Serbia, South Korea, Spain, Sri Lanka, Tanzania, Togo, Ukraine, the US, and Zambia. Although these two networks lack MENA members, countries in the region have significant organizations dedicated to women's needs. Alwaleed Philanthropies, for example, has Women and Youth Empowerment as one of its five focus areas. The practices outlined in this section may suggest new channels that could be explored to expand women's funds in the region.

#### **Guiding principles**

Women's funds tend to align their work around a set of guiding principles such as these articulated by The New York Women's Foundation94:

- Effective and sustainable solutions come from within communities.
- · Women are authors of their lives and change makers in their communities.
- · Grantees are partners and knowledgeable experts.
- · We carry out philanthropy with transparency, respect, and partnership.
- A participatory approach between community members, leaders, and funders creates opportunities for local solutions and long-lasting change.
- Long-term investment in grantee partners facilitates leadership and organizational sustainability.

https://www.womensfundingnetwork.org/ 92

<sup>93</sup> https://www.prospera-inwf.org/

https://www.nywf.org/our-work/grantmaking-approach/ 94

## Trends in women's funding

These long-standing principles are aligned with and likely informed the values and practices of trust-based philanthropy described in Theme Four.

The most exciting recent developments in womenfocused funding are the emergence of two individual mega-donors, Melinda French Gates and MacKenzie Scott, and the launch of a gender fund to advance global equality and women's leadership. Ms. Gates and Ms. Scott fund separately but joined together to support the first major prize competition centered on gender equality in the US, and both serve as founding donors of the new global gender fund.

In 2019, Melinda French Gates wrote an op-ed committing \$1 billion over the next ten years to expanding women's power and influence in the US<sup>95</sup>. In the article, she described three approaches for Pivotal Ventures, her investment and incubation company: dismantling barriers to women's professional advancement; fast-tracking women in sectors with outsized impact such as technology, media, and public office; and mobilizing shareholders, consumers, and employees to amplify external pressures on companies and organizations in need of reform.

Notable investments under this rubric since then include a \$50 million Gender Equality in Tech (GET) Cities<sup>96</sup> initiative to develop inclusive tech hubs in Chicago, Washington, DC, and Miami to increase the number of women working in the industry, and a \$40 million Equality Can't Wait Challenge to award organizations or coalitions with the most compelling ideas to help expand women's influence in the United States by 2030. The Challenge was also funded by

Ms. Scott and administered by Lever for Change, an intermediary for prize philanthropy (discussed further under Theme Nine). MacKenzie Scott, an American novelist and philanthropist, has charted her own course since she signed the Giving Pledge in 2019 through several rounds of large, unsolicited, nostrings- attached grants to 1,257 organizations totaling \$12.4 billion<sup>97</sup>. The former wife of Amazon founder and executive chairman Jeff Bezos, Ms. Scott has outlined her approach through six blog posts between July 2020 and March 2022, noting that approximately 60% of the organizations that have received her gifts are led by women, and 75% are led by people with lived experience in the regions they support and the issues they seek to address. She focuses on "high-impact organizations in categories and communities that have been historically underfunded and overlooked.98" Philanthropic advisors working for Ms. Scott and her husband Dan Jewett quietly but thoroughly vet organizations for consideration. No applications are required or allowed, and grant recipients are given the flexibility to determine how best to spend the funds, including organizations that regrant to smaller nonprofits99.

Co-Impact, a global collaborative working to advance systems change to help improve the lives of millions of people, launched its **Gender Fund** in March 2022 to raise and disburse \$1 billion over the next decade to transform systems to be more just and inclusive 100. Through this fund, Co-Impact will award large, longterm, flexible funding to predominantly women-led, locally rooted organizations in Africa, Asia, and Latin America. Funding will be awarded to advance gender equality and women's leadership through tangible actions as well as to generate, curate, and disseminate research and learning on how to advance gender equality. Initial financial contributions to the fund total \$320 million from a group of donors including Ms. Gates and Ms. Scott.

https://time.com/5690596/melinda-gates-empowering-women/ 95

<sup>96</sup> https://www.getcities.org/

https://www.bloomberg.com/news/articles/2022-03-23/mackenzie-scott-gave-3-9-billion-to-nonprofits-in-past-9-months#

<sup>98</sup> https://blog.candid.org/post/seeding-by-ceding-what-we-know-about-the-latest-group-of-organizations-fund-ed-by-mackenzie-scott/

<sup>99</sup> https://blog.candid.org/post/what-we-know-about-mackenzie-scotts-2020-grants/

https://www.co-impact.org/leaders-launch-new-1bn-gender-fund-to-advance-global-equality-and-womens- leadership/

#### **Intisar Foundation**

The Intisar Foundation is the first charitable organization that utilizes drama therapy to achieve positive social change across the Arab world. The foundation's vision is to foster peace through supporting Arab women who have been traumatized by war and violence. Its mission is to alleviate the trauma of one million Arab women using drama therapy. This goal is set to be achieved by 2050.

The Intisar Foundation was born out of a need, as HH Sheikha Intisar AlSabah says. At a 2017 roundtable for the International Red Cross Committee, she realized that there was no psychological support for women affected by war in the Arab world. Having been a war survivor herself, and knowing many family members and friends who have been diagnosed with war traumas, she knew she had to do something to ease their suffering and pave the road to and for peace.

When it comes to strategic philanthropy, Sheikha Intisar believes that you cannot write out a strategy without doing the actual work. It is a transformative path, because we are all humans and we work with humans.

Strategizing drama therapy for social change

Sheikha Intisar sees the change within women in her programs. To her, women become agents of peace. If their traumas are systematically processed through guided drama therapy, women feel better, parent better, work better, and live better. "They become peacemakers, within their families, within their communities and society."

Drama therapy creates a support group for women in a given community. Because the foundation's projects stay within communities, they allow a sustainable building process that has a domino effect: it empowers women who in return empower other women. Drama therapy also requires participants to speak openly and share experiences, questions, and insights with other women. Sheikha Intisar found that "drama therapy visibly grows women. Their voices grow, their ability to articulate their emotions. to connect with their emotions." To Sheikha Intisar, public speaking brings the biggest psychological change in traumatized women, because it gives women a voice that is being heard.





#### **Intisar Foundation**

## **Evidence** and data as a necessity

Before any recommendations to policymakers are made, the foundation wants to study the psychological and physical impact of drama therapy within this population. A large-scale research study is underway to provide this kind of data. With this study, HH Sheikha Intisar wants to show that the foundation is not doing charitable work, but actively building a better society. "We're supporting finance, health, mental health, and families -- long term." This is what the Intisar Foundation strives for: long term social change, and for policymakers to understand the transformation that drama therapy can effect in society as a whole. In order for policymakers to understand and appreciate the outcomes of HH Sheikha Intisar's project, valid data that conveys the positive impact of drama therapy is needed.

## Collaboration is crucial for strategic philanthropy

Sheikha Intisar calls collaboration "working smart." In order to achieve set goals, the philanthropy has to develop strong relationships with partners. In Sheikha Intisar's experience, women tend to aim to collaborate, and because the foundation is womencentered and women-led, it is easy to make partnerships. She stresses that it is crucial for collaborators to adhere to the same values, ethics, and level of professionalism. Compromises are sometimes necessary, as common ground has to be found and trust needs to be established. For the Intisar Foundation, the closest collaborations emerge when working with local NGOs that have networks of women and good reputations in their communities. Collaborative work also means that strategies can be planned, but will often change as projects take form.

We're supporting finance, health. mental health. and families long term.

#### **Transparency** is key

Sheikha Intisar laid specific emphasis on the foundation being registered in the UK, as she believes that this allows her philanthropy to be most transparent. Being registered in the UK makes the Intisar Foundation a truly global and neutral philanthropy that cannot be politicized by any country. The transparency also makes it easier to make lasting international partnerships.



The quality you invest in a woman. it's a big multiplier for mental health and everything else. That's very powerful!

## Investing in women as multipliers

By 2050 the Intisar Foundation aims to have trained 600 women in drama therapy. Sheikha Intisar believes that "The quality you invest in a woman, it's a big multiplier for mental health and everything else. That's very powerful." But the Intisar Foundation does not just train women to work with women. The foundation believes that drama therapy is an effective tool for society as a whole: it can be used for team building exercises, leadership programs, for teachers and students alike. It makes people engage with each other, and become more expressive, selfaware, and capable of a vision for the future.

## Be confident & trust your instincts

This simple sentence is the key advice Sheikha Intisar gives for future philanthropists. The more success you have, the easier it gets. Once you believe in yourself, it will be easier to convince others. And you shouldn't be afraid to be different, or to be the first at something, as the Intisar Foundation is. As Sheikha Intisar puts it, "When you go against the grain, it becomes easier to believe in oneself." You gain a reputation and with that your confidence grows. Conviction allows for a clear vision and the ability to pass it on to your team members and to stakeholders.

## Women **Philanthropy** in the MENA region

The Intisar Foundation is a prime example among many in the MENA region showcasing a strong commitment to supporting women and their families, drawing from the region's considerable history and deep-rooted traditions of philanthropy and support.

While the decades-long movement of small groups of women sparking funding and aid for women has gained traction across the world, it is important to note the current absence of MENA representation in organizations such as WFN or Prospera, which offer a wealth of resources

for those interested in establishing local women's funds. The MENA region has significant opportunity to leverage its existing networks and philanthropic practices to integrate a gender lens more fully. Already, many individual women, and especially members of ruling families, have established philanthropic institutions and NGOs dedicated to the potentials and needs of women. These individuals serve as leaders and role models in MENA. Examples from the Gulf region include:

- · HH Shaikha Mai bint Mohammed Al Khalifa, founder and president of the Shaikh Ebrahim bin Mohammed Al Khalifa Center for Culture and Research in Bahrain;
- · HH Sheikha Intisar AlSabah. founder and chairwoman of the Intisar Foundation in Kuwait<sup>101</sup>;
- HH Sheikha Hind bint Hamad Al Thani, vice chairperson and

- CEO of the Qatar Foundation 102;
- HH Princess Nouf bint Mohammed bin Abdullah Al Saud. CEO. board member. and member of the Investment Committee for the King Khalid Foundation in Saudi Arabia<sup>103</sup>;
- HH Princess Lamia bint Majid Al Saud, Secretary General of Alwaleed Philanthropies;
- HH Sheikha Salama bint Hamdan Al Nahyan, founder of a foundation based in Abu Dhabi that bears her name<sup>104</sup>:
- HH Sheikha Fatima bint Hazza bin Zayed Al Nahyan, founder of a foundation in Abu Dhabi that bears her name;
- · HH Sheikha Jawaher bint Mohammed Al Qasimi, founder and chairperson of The Big Heart Foundation in Sharjah, with a mission to support vulnerable children and families105; and
- HH Sheikha Hoor Al Qasimi, president and director of the Sharjah Art Foundation 106.

<sup>101</sup> https://intisarfoundation.org/

https://www.qf.org.qa/ 102

<sup>103</sup> https://kkf.org.sa/en/

<sup>104</sup> https://www.shf.ae/en/

https://tbhf.ae/ 105

<sup>106</sup> http://www.sharjahart.org/



## The New York Women's Foundation

The New York Women's Foundation is a leader in a powerful movement of women helping women via philanthropy in the US and around the world. This case study highlights the role of core values, guidance on assessment, capacity-building, participatory grantmaking, and collaboration.

Ana Oliveira is president and CEO of The New York Women's Foundation (NYWF), the largest public women's foundation in the US and a leading institution in a global movement of women's philanthropy. Since 2006, Ms. Oliveria has led the increase of the Foundation's grantmaking from \$1.7 million to \$7.6 million annually. Focusing on economic security, safety, and health, the Foundation has distributed over \$58 million to 371 community-based organizations over the past 30 years.

Ms. Oliveira said, "I always like to describe the foundation as a good egg. What does that mean? It was created with some essential ingredients that have proven to be important to change the world, to change the lives of women, and to keep philanthropy very relevant."

# Ingredients for success

Ms. Oliveira went on to identify four ingredients for success:
Problems and solutions live in the same place, meaning that people are agents of their solutions. They are not empty vessels that someone else must pour knowledge into.
NYWF values contrast. It creates conversational tables that are inclusive in terms of color, race, ethnicity, socioeconomic background, life trajectory, ways of thinking about the world, and different perspectives.

There is a willingness to view philanthropy as a transformational experience, not one of solidifying privilege, but engaging women in philanthropy as authors, using their access to capital, to ideas, to hopes, and to visions in ways that can shape and transform the world. Philanthropy is collective work. Getting the group together propels the significance of what each person does, creating a multiplier effect, stability for grantee partners, and easier tracking of results. Ms. Oliveira also shared insights on additional themes including assessment, capacity-building, participatory grantmaking, the bubble of birth, and the need for a conductor.

**Assessment:** "The foundation's overarching goal is for girls and women in the New York area to have thriving lives. Measurable components of that include pillars such as education, mental health, and physical safety. Because we believe problems and solutions live in the same place, that means we have an iterative relationship with our grantee partners to define how their interventions are responsive to their constituents. We're joined at the hip to help them succeed rather than using assessment as a yes or no indicator of their success."

Capacity-building: "We provide capacity-building support to our grantee partners. This encompasses everything from funding retreats so they can restore themselves to financial management and planning, human resources management, board recruitment and training, and legal services. We're flexible in supporting whatever it is that people need for their leadership and the functioning of the organization. This flows from our investment in them for their vision vs. fidelity to a model."

#### Participatory grantmaking:

"As a grantmaking public charity which raises funds to make grants, the Foundation has four legs of support: individual donors, events, corporations, and other foundations. The mix has changed in recent years from an over-reliance on eventsprimarily our Celebrating Women Breakfast-to one that is more diversified, including support from other institutional givers. For many years we tried in vain to get large national and local funders to give us funding by saying 'give it to us, we have roots in communities, we have an approach that works, but we hit walls."

Recently the Foundation developed collaborative funds with the support of other foundations. With Black

Lives Matter and other social movements at the forefront in the US, funders are increasingly seeking to engage the communities they serve in the grantmaking process. The Foundation has been able to play a key role in facilitating a participatory grantmaking process by bringing communities impacted by funding decisions to the funding table along with foundation staff.

**Breaking out of the bubble** of birth: "Many of our high-networth donors have described being connected to the foundation as a way of increasing their knowledge and reducing their gaps from living in an elite but small world. But if you think about it, our community leaders also are

living in domes with prescribed edges of where they belong. The Foundation consciously strives to help women break out of what I call the bubble of their birth through exposure to many different perspectives. We want to make boundaries permeable and less rigid so solutions can be developed together."

Need for a conductor: When asked about the role of leaders of women's funds, Ms. Oliveira made an analogy to a conductor. "An orchestra needs a variety of players to perform well together, but you also need a conductor to inspire with a big vision of what's necessary and what could be possible."

#### Ideas from and for MENA

Given the considerable history of charitable support for women and families across the MENA region, it is surprising that the decades-long global women's funding movement sparked by small groups of women helping women has not gained significant traction in this region, and there are no WFN or Prospera members in MENA. Both organizations and their members have developed resources for women who are interested in starting a local women's fund. The giving circles and peer networks described in the individual giving section also have the potential to be organized with a gender focus.

The leadership of two of North America's highestprofile female philanthropists also shines a light on continued opportunities for high-net-worth donors in MENA. MacKenzie Scott's advisors make extensive use of publicly available information

about nonprofits to help her make decisions on which organizations to support with large, unrestricted grants. She makes her gifts through a US-based donor-advised fund (DAF), an alternative charitable giving vehicle to a private foundation. Melinda French Gates established Pivotal Ventures as a limited liability corporation (LLC) in 2015 to pursue ideas, projects, and investments. Her approach includes seeding innovation, advancing existing fields of inquiry, and advocacy and policy reform. These models could be attractive in the dynamic Gulf states that are diversifying their economies, promoting women's education and leadership, and strengthening social cohesion in their family-oriented societies with new public-private partnership models, including philanthropy.

THEME 8 PHILANTHROPIES DEVELOP PIPELINES OF BIG BETS 128 NYU ABU DHABI



The current funding landscape for nonprofit organizations is not favorable to transformational change at scale. Unlike businesses which have access to infusions of flexible capital from investors and credit markets, social change organizations often must piece together bits of restricted funding to implement their missions. Some are locked into multi-year contracts with donors even when evidence from implementation suggests the need for a strategy pivot. These constraints incentivize thinking small and maintaining organizational budgets rather than the creative and flexible approaches required to address the world's most intractable problems.

#### "Big bets"

The Bridgespan Group recently studied some of the most ambitious social change philanthropists and leaders to identify and learn from those who pursue "big bets, typically defined as multi- million-dollar philanthropic investments." The research pursues two lines of inquiry: guidance for funders who aspire to reimagine philanthropy by concentrating their giving for greater impact, and insight for nonprofits on how to become big-bettable to secure major donations. Bridgespan argues in favor of innovation commensurate with the growth of global billionaires, whereby giving is increasingly channeled to promising opportunities focused on society's greatest needs.

According to Bridgespan, there are five elements that can make an organization big-bettable:

- **1 Important problem** which is ripe for action now with an addressable market.
- **2 Point of arrival** including a specific goal, measurable results, and demand-side interest from relevant stakeholders.
- **3 Credible path** with a strategic plan encompassing logic, milestones, processes, evidence, financial projections, and risk mitigation strategies.
- 4 Articulation of why philanthropy is needed for execution.
- **5 Strong leader and team** with commitment, qualifications, and a plan for donor cultivation.

#### For philanthropists, they recommend:

- 1 Dramatically expand your pipeline by building relationships with leadership development organizations, consulting with knowledgeable advisors, and researching current initiatives.
- 2 Broaden the range of ways you consider using your philanthropy to include strategies such as policy reform and systems change.
- 3 Track how you are doing on supporting leaders of color and leaders from a range of educational backgrounds.
- 4 Support a broader range of organizations to get into a position to receive big bet opportunities, including assistance in developing "shovel-ready" investment concepts.

#### Trends in big bets

For philanthropists interested in this approach, recent innovations relate to a growing source of online ideas for potential big bets. The growth in donor collaboratives and prize philanthropy has led to websites featuring highly vetted and top-rated organizations and coalitions that can be leveraged by philanthropists seeking to make big bet investments. Three examples include the Bold Solutions Network, Blue Meridian Partners, and Co-Impact.

The Bold Solutions Network showcases the highest-rated proposals that emerged from competitions managed by Lever for Change, a prize philanthropy intermediary profiled under Theme 9. In April 2022, its database included 146 finalists from 10 awards programs, searchable by subject, location, population served, and SDGs. Each profile contains a project overview, a two-page fact sheet, and a 90-second video. Culled from thousands of entries, these projects have undergone extensive due diligence to ensure that they offer the potential of measurable progress to accelerate social change.

Blue Meridian Partners and Co-Impact, two of the funds featured in the Funder Collaboratives section of this paper, also offer online information for donors interested in big bets. Blue Meridian has pooled over \$3 billion in five investment portfolios that aim to scale solutions to the problems that trap young people and families in poverty across the US. Organizations undergo a rigorous process focused on finding and supporting evidence-based solutions that remove systemic barriers to opportunity and target key drivers of change. A section of its website articulates each promising solution along with its quantifiable benefits, Blue Meridian's investment, reasons why it was selected, organizational information, leadership bio, a short video, and news<sup>107</sup>.

The Foundational Fund at **Co-Impact** focuses on collaborative systems change efforts to achieve significant improvements in education, health, and economic opportunities in Africa, Asia, and Latin America. Its new Gender Fund will use similar principles to advance gender equality and women's leadership and to achieve equitable outcomes at scale. As of March 2022, Co-Impact had invested nearly \$144 million through 54 grants. Philanthropists interested in solutions in the developing world can download a grantee list which is updated monthly<sup>108</sup>. Many other online resources are available to expand

a big-bet philanthropist's pipeline of interest but will require additional fact-finding to get to shovel-ready projects. Categories include online stories, donor websites, and nonprofit tools.

#### **Online stories**

Both mainstream and philanthropic media write stories about major donors and big charitable gifts that can spark ideas for philanthropists with overlapping interests.

Forbes is well-known for its top lists of individuals and companies in the US and around the world. A review of their website reveals this approach for philanthropy as well, including stories such as America's Top Charities, America's Top Givers 2022: The 25 Most Philanthropic Billionaires<sup>109</sup>, Asia's 2021 Heroes of Philanthropy, and The Philanthropy of Africa's Billionaires. Although these lists rank by organizational budget size or total amount of giving rather than impact, they can serve as a start for research on potential nonprofits to support. Philanthropic media, with their subject matter expertise, go deeper in their storytelling and are likely to be more valuable as resources for ideas on potential nonprofit investments. The following is a list of thoughtful coverage:

https://www.bluemeridian.org/our-investments/

<sup>108</sup> https://www.co-impact.org/grants/

https://www.forbes.com/sites/ranawehbe/2021/12/13/asias-2021-heroes-of-philanthropy/?sh=194673e538ed 109 https://www.forbes.com/sites/mfonobongnsehe/2019/01/09/the-philanthropy-of-africas-billionaires/?sh=2d-f039907fd9

Alliance Magazine covers the global philanthropy and social investment sectors from London: https://www.alliancemagazine.org/

Chronicle of Philanthropy provides nonprofit and foundation staff with news, opinion, and benchmarking data from Washington, DC. Resources include a database of charitable gifts of \$1 million or more from individuals:

https://www.philanthropy.com/tag/data

Inside Philanthropy, based in Los Angeles, aims to bring more transparency and accountability to philanthropy through its coverage of how foundations and major donors are giving away their money and why: https://www.insidephilanthropy.com/

Philanthropy Age is the leading source of philanthropic news for the Arab region and is based in Abu Dhabi:

https://www.philanthropyage.org/

Through Project Inspired, Philanthropy Age features case studies of the region's leading donors to share insights and best practices:

https://inspire.philanthropyage.org/

Philanthropy News Digest is a daily news service of Candid in New York which synthesizes philanthropyrelated articles culled from mainstream US media outlets and press releases:

https://philanthropynewsdigest.org/

Stanford Social Innovation Review writes about cross-cutting solutions to global problems for social change leaders in all sectors from its base at Stanford University in Silicon Valley:

https://ssir.org/

#### **Donor websites**

Most of the leading foundations around the world use their websites to share insight on their strategies, initiatives, and grantees. Searchable grants databases such as those for the Ford Foundation<sup>110</sup> and the Bill and Melinda Gates Foundation<sup>™</sup> can be used by philanthropists to expand their pipelines of vetted nonprofits. Although she does not fund through a foundation, in December 2022 MacKenzie Scott rolled out her website Yield Giving, which includes a searchable database of her grantees as well as essays she has posted over the years as purpose and mechanisms of how her philanthropy came into focus 112. Within the MENA region, Circlemena offers an invaluable resource also known as the Circle Index<sup>113</sup> - a comprehensible and searchable database that encompasses a wide range of nonprofits and foundations from across the region.

#### Nonprofit tools

Candid is the world's largest source of information on nonprofits, foundations, and the funding flows that connect them. Three tools can serve as resources for donors seeking to expand their horizons on big bet opportunities:

Since 2010. 231 of the world's wealthiest individuals and couples from 28 countries have publicly committed to giving away most of their wealth to philanthropy.

<sup>110</sup> https://www.fordfoundation.org/work/our-grants/grants-database/grants-all

https://www.gatesfoundation.org/about/committed-grants

https://yieldgiving.com/; for a sense of the evolution of her ideas also see https://mackenzie-scott.medium.com/.

<sup>113</sup> https://www.circlemena.org/circle-index/

https://maps.foundationcenter.org/home.php 114

https://www.guidestar.org/guidestar-pro/



#### **Community Jameel**

The Jameel family of Saudi Arabia has been successful in its pursuit of big philanthropic bets, drawing on resources developed over the decades from its business interests. including Abdul Latif Jameel, a family-owned, diversified global investor and operator founded in 1945 in Jeddah. Mohammed Abdul Latif Jameel, Chairman and CEO of Abdul Latif Jameel, in 2003 founded Community Jameel to build upon his family's philanthropy. Today, the family's portfolio of philanthropic institutions includes Bab Rizq Jameel, a job creation platform; Art Jameel, for the arts and culture; Community Jameel Saudi, a foundation dedicated to serving the people of Saudi Arabia; and Community Jameel, an independent, global organization that supports scientists, humanitarians, technologists, and creatives to advance and use science to understand and address pressing human challenges.

At the time Community Jameel was established, three economics professors at the Massachusetts Institute of Technology (MIT) were focused on the lack of data about the effectiveness of health and education interventions<sup>116</sup>. They created the Poverty Action Lab to

conduct randomized evaluations to provide evidence to help governments, donors, and NGOs advance programs that deliver the most value and impact. In 2005, Community Jameel made a longterm, sustainable investment in the Poverty Action Lab by endowing a professorship, two fellowships, and a research and teaching fund, all in the areas of poverty alleviation and development economics. Since then, Community Jameel has continued to provide flexible support that has been integral to the efforts of the renamed Abdul Latif Jameel Poverty Action Lab (J-PAL).

With this big bet guaranteeing J-PAL's funding from year to year, the Lab could develop a scalable approach through evaluation rather than direct service provision and play a key role in advancing the "what works" movement. In addition, J-PAL helped build demand for data by shifting the focus of governments, NGOs, and donors from good intentions to evidenceinformed decision-making. Through the partnership with Community Jameel, J-PAL has evolved from a start-up to an organization that has benefited more than 400 million people worldwide through programs and policies that J-PAL

affiliates have evaluated and found to be effective. In the Arab region, J-PAL has launched its newest regional office, J-PAL MENA, based at the American University of Cairo. J-PAL MENA will partner with local philanthropists to evaluate compelling global education, employment, and anti- poverty interventions.

The mission of Community Jameel is to advance science to help communities thrive in a rapidly changing world by supporting scientists, humanitarians, technologists, and creatives to understand and address pressing human challenges. The organization adopts a unique approach, providing strategic support to its researchers while offering them the latitude to do what they do best. "We do seek to be helpful and useful as a partner beyond simply the funding, whether that's in providing strategic direction or being involved in the design of new projects," said George Richards, Director of Community Jameel.

<sup>116</sup> https://inspire.philanthropyage.org/project-listing/j-pal/



Today, the family's portfolio of philanthropic institutions includes Bab Rizq Jameel, a job creation platform; Art Jameel, for the arts and culture; Community Jameel Saudi, a foundation dedicated to serving the people of Saudi Arabia; and Community Jameel, an independent, global organization that supports scientists, humanitarians, technologists, and creatives to advance and use science to understand and address pressing human challenges.

#### **Community Jameel**

## Unlocking the potential of research

Community Jameel has developed a strategy for unlocking research potential in the Global South. The key aim of this strategy is to support applied scientific research that can positively impact global communities at scale. This means pulling together policymakers, governmental actors, and scientists to address specific problems. Even when funding institutions that are based in the North, such as J-PAL at MIT, Community Jameel is clear that it wants to see the benefits extended to people most in need. Community Jameel strengthens scientific capacity through training and engaging with researchers in the Global South. "I think a duty for an organization like Community Jameel is to ensure that we are trying to advance scientific endeavors in the South as much as we are in the North," said Mr. Richards.

J-PAL pursues this broader goal by opening offices around the world and engaging with economists and policymakers in the Global South. Furthermore, both J-PAL and Community Jameel support

partnerships and projects that promote peer-to-peer collaboration and knowledge-sharing between researchers and institutions in the Global South and the Global North, rather than allowing the usually wealthier northern institutions to dominate these endeavors.

# Translating research into policy

Currently, the focus of Community Jameel is applied research that can help transform policy. The organization's basic "playbook" is to support translational research with a strong evidence base to encourage policymakers to make decisions that will lead to positive outcomes at scale, and in turn improve the lives of local communities. For example, when Community Jameel is supporting a new center, an objective is to ensure that the knowledge generated can be applied to helping people by testing the efficacy and effectiveness of interventions or by disseminating research for system-wide change. Community Jameel measures its success by tracking policymaker engagement and assessing the impact of newly implemented policies.





# **Creating communities**

In conceptualizing a community,
Community Jameel focuses on
creating a platform for scale that
emphasizes a holistic, peopledriven- perspective. For example,
Community Jameel builds centers
which function as hubs with nodes
of diverse, local actors such as
social enterprises, tech start-ups,

creative agents, and governmental agencies. Community Jameel believes these collaborators are best positioned to advise on program design and fund allocation in a way that paves the way for fundamental change by delving into a specific field rather than adopting a model spanning multiple portfolios with different grants attached to them. Where possible, Community Jameel also seeks to leverage local, traditional knowledge, and integrate it with the research produced by its centers

as a means of offering innovative solutions for communities. By coordinating its actions in this way, Community Jameel builds a community of practice and strengthens links between different research centers. A notable new hub created by Community Jameel is the **Jameel Observatory**, which combines the local knowledge and concerns of communities facing on-the-ground threats of hunger with innovations in data science and humanitarian action.

#### **Community Jameel**

# Continuing to improve

The Jameel family's business has long-standing ties with Japan, including over 65 years of partnership with Toyota Motor Company. Kaizen is a Japanese term meaning "improvement," and is a concept referring to activities that continuously improve all functions of a business through the engagement of everyone from the CEO to front-line workers. According to Mr. Richards, kaizen is a "fluid production system mentality, which Community Jameel has adopted from the Jameel family." Community Jameel uses this approach to allow for rapid growth, change, and reorganization as needed. With its emphasis on a strong work ethic and ongoing course correction, kaizen is helping Community Jameel to achieve its goals in better ways.

Community Jameel also brings a strong sense of humility to its work and defers to the subject matter experts it supports. Rather than taking center stage, Community Jameel seeks to provide its centers with opportunities to speak for themselves about what works and what does not. Community Jameel's public voice and narrative focuses on its own guiding principles related to strengthening research capacity in the Global South and fostering open science and open learning in the Arab world.

## Big Bets as a Strategic Model

Seeking big bet opportunities is a key strategy to grow philanthropy in any region, including MENA, where the practice has been expanding. Bridgespan offers a framework and a rationale for this approach, and others have responded to the need to identify and promote shovel- ready opportunities.

MENA-based philanthropists are showing increasing commitment to impactful philanthropy and are actively participating in this trend. Others interested in adopting a similar approach can draw from best practice models from the region and the US, including members of The Giving Pledge, the remarkable example of Community Jameel, and the intensive vetting process conducted by organizations like Lever for Change, Blue Meridian Partners, and Co-Impact. Alternatively, they can access a variety of online stories, donor websites, and nonprofit tools to seek inspiration for organizations to support.

Kaizen is a Japanese term meaning "improvement," and is a concept referring to activities that continuously improve all functions of a business through the engagement of everyone from the CEO to front-line workers. The mission of Community Jameel is to advance science to help communities thrive in a rapidly changing world by supporting scientists, humanitarians, technologists, and creatives to understand and address pressing human challenges.







Prizes are ubiquitous—from children competing for blue ribbons to committees and academies awarding Nobels, Pulitzers, and Oscars. Joel Best, an American sociologist, has written about the proliferation of prizes in all aspects of society, in government agencies, industries, private businesses, and schools. While observing that it is impossible to calculate the precise number of prizes, he estimates that it could run into the tens of millions or more in the US alone."

Prize philanthropy also is on the rise around the world, and has some presence in the MENA region. Candid's database tracks \$3.5 billion for awards, prizes, and competitions made by 4,400 funders globally since 2006. The European Foundation Centre, a membership organization of foundations from more than 30 countries (now known as Philea), found that 41% of its members give prizes<sup>19</sup>. McKinsey & Company researchers found that prizes are a powerful tool that should be in the basic toolkit of many philanthropists because they enable funders to identify new levels of excellence, encourage specific innovations, change perceptions, improve the performance of communities of problem-solvers, build the skills of individuals, and mobilize new talent or capital<sup>120</sup>. Prize philanthropy as a tool for driving innovation and impact in MENA is largely being encouraged through government action; examples from MENA and the rest of the world, outlined in this section, can serve as models for private philanthropists in the region.

Best, J. (2008). Prize Proliferation. Sociological Forum, 23(1), 1–27. http://www.jstor.org/stable/20110245

<sup>118</sup> Data retrieved on June 21, 2022, from Candid's Foundation Maps tool.

<sup>119</sup> https://philea.issuelab.org/resources/35514/35514.pdf

<sup>120</sup> https://www.mckinsey.com/industries/public-and-social-sector/our-insights/and-the-winner-is-philanthropists-and-gove ernments-make-prizes-count

#### **Distribution Chart**

Grants for Awards, prizes and competitions; starting in year(s) 2006 to present



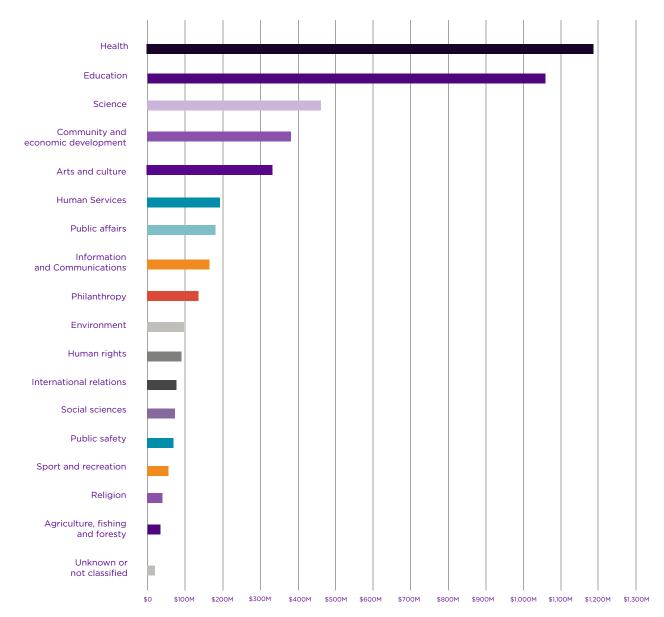






#### DISTRIBUTION CHART

Grants for Awards, prizes and competitions; starting in year(s) 2006 to present

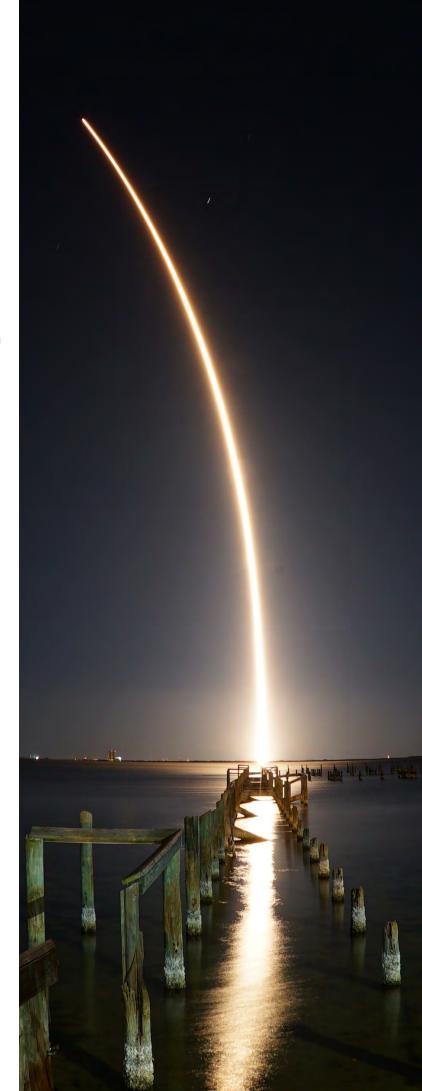


Rockefeller Philanthropy Advisors (RPA) recently published a workbook to help donors decide whether to embark on a prize philanthropy competition and offer practical guidance on how to design a successful competition<sup>121</sup>.

RPA notes that the distinction between philanthropic prizes and traditional grants relates to the ceremony, visibility, cachet, and increased participation that accompany awards compared to the typical grantmaking process. Benefits of well-designed competitions include promoting innovation, broadening awareness of key issues and actors in a field, increasing diversity among the pool of potential recipients, building networks, mobilizing additional funds, and helping contenders to refine their work. RPA says that significant administrative demands and potentially uncertain outcomes are the downsides of prize philanthropy. In deciding whether to engage in this approach, RPA suggests an assessment of how a competition fits within the strategic goals of the donor, organizational capacity, size of the potential candidate pool, availability of expert assistance, and the stage of potential solutions.

Practical guidance includes the following competition checklist, along with much more detail on each step in the workbook:

- · Choose the type of competition that fits your goals
- Identify potential contenders and how they will get involved
- Establish evaluation criteria
- Identify other participants and their responsibilities
- Determine how the competition will take place
- Specify the prize
- Build in learning
- Attract entries
- Reduce the burden on contenders
- Plan for post-competition activities





With a first prize of \$10 million in 1995 focused on private spaceflight, XPRIZE spurred the development of a commercial spaceflight industry. Since that time, XPRIZE has refined its approach to use large-scale global incentive competitions to crowdsource solutions in new frontiers, a healthy planet, and human potential.

Prize philanthropy typically recognizes a history of achievement or incentivizes completion of a goal or future achievement. A Stanford Social Innovation Review article on the future of prize philanthropy finds a promising new trend in prize competitions that provide awardees with funding for work in progress rather than completed projects<sup>122</sup>.

# **Trends in prize** philanthropy

The most notable recent innovation in prize philanthropy is the emergence of intermediary organizations such as XPRIZE and Lever for Change that offer expertise to run a competition on behalf of a donor. This development lowers the barriers to entry for those interested in this approach and reduces the potential for poorly run or excessively time-consuming contests.

With a first prize of \$10 million in 1995 focused on private spaceflight, **XPRIZE** spurred the development of a commercial spaceflight industry 123. Since that time, XPRIZE has refined its approach to use largescale global incentive competitions to crowdsource solutions in new frontiers, a healthy planet, and human potential. A core belief is that solutions can come from anyone, anywhere. Scientists, engineers, academics, entrepreneurs, and other innovators with new ideas from all over the world are invited to form teams and compete to win the prize. Each prize is intended to incentivize industry-changing technology for a better, safer, and more sustainable world. XPRIZE has launched \$269 million in prize purses, including current prizes focused on ideas for racial equity, carbon removal, rainforest preservation, feeding the next billion, rapid reskilling for the digital economy, and creation of an avatar system to transport people.

In 2017, the John D. and Catherine T. MacArthur Foundation launched 100 & Change, a competition for a \$100 million grant to fund a single proposal that will make a measurable difference toward solving a significant problem<sup>124</sup>. Sesame Workshop and International Rescue Committee received the award to educate young children displaced by conflict and persecution in the Middle East. A second competition was launched in 2019, and the winner was Community Solutions to accelerate the end of homelessness in 75 communities in the United States in five years. Significantly, any organization can apply for the grant, and all finalists receive significant feedback from experts and MacArthur program staff, and many gain new visibility and opportunities to access new sources of funding even if their proposals don't win.

<sup>122</sup> https://doi.org/10.48558/2W5A-0681

<sup>123</sup> https://www.xprize.org/

<sup>124</sup> https://www.macfound.org/programs/100change/

### **Spotlight:**

### **Lever for Change**

With the lessons learned from their experience implementing the 100&Change challenges, the MacArthur Foundation created Lever for Change in 2019 as a nonprofit affiliate<sup>125</sup>. Its mandate is broader than XPRIZE in that it was created to connect donors with nonprofits and problem solvers they can be excited and confident about funding. Donors can sponsor customized competitions designed to identify the most effective and enduring solutions that address the issues that matter most to them. With a minimum award size of \$10 million, competitions employ a transparent and rigorous process to source, vet, and evaluate proposals. Lever for Change uses its platform and staff to manage every step of the process including competition design and launch, proposal evaluation, technical support for top applicants, support in grantee selection, and post-grant management-with the level of donors' involvement tailored to their preference and capacity.

# A new model

While noting that Lever for Change is a new intermediary to implement prize philanthropy, Mr. Hassan said that some of its larger goals are to "unlock more philanthropic capital, and also motivate and incentivize organizations that are on the ground working to tackle these challenges that we've all identified as critical, to think bigger, to be bolder in their approaches, and in the solutions that they're designing and putting forth for funding consideration." He elaborated on the benefits of collaboration: "If we're truly going to have holistic solutions, we're going to need different stakeholders to come together and work in concert. Challenges can help spur folks to seek non-traditional partners."

If we're truly going to have holistic solutions, we're going to need different stakeholders to come together and work in concert.

# Typical client

Mr. Hassan said that Lever for Change clients are varied but noted that they often are people who have reached an inflection point in their giving. One example is "a new philanthropist who is looking to venture into philanthropy in a serious way but doesn't have the infrastructure of a family foundation or staff or grantmaking mechanisms in place. A challenge allows them to do this without setting up an institution." Many high-net-worth individuals find this model appealing, and they benefit from access to a very detailed and current landscape picture of trends on key issues that can benefit from philanthropic investment. Mr. Hassan explained that "with our challenges, you're hearing from folks in the field. We seek their guidance. And if you're a donor looking to understand the dynamics of an area you're interested in, then you're able to learn about the real priorities expressed by organizations working in that space."

#### Process

When asked about the process, Mr. Hassan said, "We work with the donor teams to help them understand the sectors that they are interested in. So, in the beginning stage, we work very closely together on the challenge design. We need to figure out the parameters, what makes sense, and determine areas where there are gaps. If the issue is broad-such as climate change, gender equity or racial equity-then we acknowledge that there are a lot of people already working there. We have conversations with the donor about where they might have an impact and how to avoid duplication and redundancy."

After the competition is launched, Mr. Hassan said that Lever for Change continues walking a client through the different steps, making sure to be a resource, answering questions, clarifying the rubrics, and recruiting judges for a second round of evaluation. "When it comes to decision points, such as the selection of finalists and selection of the awardees, we again work very closely with the donors and their selection committees and advisors to make those decisions."

#### **Alternatives to competitions?**

Mr. Hassan said that when donors are looking to have a more immediate impact, he will discourage them from starting a challenge. "A Lever for Change competition is a very meticulous process and roughly takes between 12 to 16 months. So, if you're looking to identify organizations that you can fund immediately, such as those helping refugees fleeing Ukraine, then it doesn't make sense to run a challenge. We will let the donor know that there are organizations doing this work and that we could work with them to identify, say, 10-15 organizations across different areas, understand what the needs

are, and make recommendations aligned with their interests." Mr. Hassan said that sometimes it becomes clear that the kind of work a donor cares about is already being addressed by organizations in Lever for Change's Bold Solutions Network. "So, in that case, rather than running a whole new challenge, we would let them know that we have a few organizations that we think would be great for what you're trying to do. We'll make those introductions, share the due diligence and materials that we have on these organizations, and encourage the donor to fund these organizations if they also agree that they are aligned to their objectives."

# **Outreach & additional fundraising**

For launches and announcements, Lever for Change conducts extensive outreach efforts within its networks and with media. The organization also develops additional collateral, such as videos, to generate excitement and a buzz around a challenge, usually with a call to action to invite others interested to join. MacKenzie Scott, Dan Jewett, and Charles and Lynn Schusterman Family Philanthropies joined in the Equality Can't Wait Challenge with Melinda Gates' Pivotal Ventures, and the Sea

Grape Foundation supported the Larsen Lam ICONIQ Impact Award for refugees.

"We're currently in the middle of another challenge right now, a very timely one, the Stronger Democracy award, which started at \$10 million but then another donor came in at \$10 million followed by another at \$2 million," said Mr. Hassan. "Our goal is to bridge that divide and to get more resources to organizations working on these issues. The more donors we have the merrier, really, and the more impactful we can be."

# **Spotlight:**

### **Lever for Change**



# **Feedback** loops

Another benefit of Lever for Change's challenge approach is substantive feedback for applicants. The first level is peer-to-peer, with constructive feedback from those who are also in the running for that challenge. Those who advance in the process hear from a panel of experts. Each application receives

feedback from several leaders in that field-an invaluable benefit for new or small organizations that don't yet have relationships with funders or other experts. Lever for Change has started to offer stipends to reviewers to enable a broad range of community expertise and solicits feedback on its processes to refine them. For the finalist phase, five to ten organizations are selected. Lever for Change works with them for three or four months to improve their

applications, incorporate feedback received, and then submit new proposals. During that time, they are paired with technical experts for support. By the end of this process, finalists have a detailed implementation plan which clearly captures milestones, outcomes, results, and impact. Lever for Change also conducts a more robust due diligence process on the financial and legal health of these organizations.

## **Prize Philanthropy in MENA**

Prize philanthropy has some presence in the MENA region. The UAE-based Global Institute for Disease Elimination's Falcon Awards offer five prizes up to \$200,000 each to groups focused on the elimination of polio, malaria, lymphatic filariasis, and river blindness. The \$5 million Ibrahim Prize for Excellence in African Leadership, offered by the Mo Ibrahim Foundation based in Dakar and London, recognizes and celebrates former African executive heads of State or Government" who, under challenging circumstances, have developed their countries and strengthened democracy and human rights for the shared benefit of their people, paving the way for sustainable and equitable prosperity<sup>126</sup>." North African leaders are eligible for the prize. The award of \$5 million over ten years is designed to highlight exceptional role models for the African continent and to ensure that the continent continues to benefit from the experience and wisdom of these leaders, by enabling them to continue to play public roles once they have left office.

Many funders in the MENA region have not considered major prizes

as an idea-generating approach to philanthropy because highimpact opportunities can be hard to identify, evaluate, implement. and monitor. As in other areas of philanthropy in the region, initiatives led by the government are now serving as benchmarks for private philanthropists, illustrating effective strategies and outcomes. The Zayed Sustainability Prize, for example, was established by the UAE government in 2008 to recognize and champion not-forprofit organizations, small and medium businesses, and global high schools "for their impactful, innovative and inspiring sustainable solutions across the categories of

Health, Food, Energy, Water, Climate Action and Global High Schools." The Zayed Sustainability Prize currently awards \$600.000 in each of the six categories, for a total annual fund of \$3.6 million. Since 2009, 106 Zayed Sustainability Prize winners have helped some 378 million people around the world live more sustainable lives.127

With the know-how gained from such examples and the development of guidance tools and implementation intermediaries, the pathway for MENA philanthropists to participate in prize philanthropy is becoming more accessible and easier to navigate.

The Ibrahim prize of \$5 million over ten years is designed to highlight exceptional role models for the African continent and to ensure that the continent continues to benefit from the experience and wisdom of its leaders, by enabling them to continue to play public roles once they have left office.

<sup>126</sup> https://mo.ibrahim.foundation/prize https://zayedsustainabilityprize.com

https://zayedsustainabilityprize.com





Collaboration has been a buzzword in philanthropy for decades, but observers of the field have long noticed more talk than action. Most giving around the world remains a solo endeavor. In recent years, however, the scale of investment and number of independent funder collaboratives have increased significantly. In the MENA region, this trend serves as an indicator of the active development of strategic philanthropy.

### Types and benefits

A literature review of funder collaboratives by Bridgespan identified types and benefits. Funder collaboratives can be viewed along a continuum with information and knowledge exchange at one end of the scale and aligned giving, pooled funds, and re-granting entities at the other end. In one approach, resources are coordinated but remain under the direct control of each individual donor. In another model, donors pool their investments and share decision- making about allocations. Benefits of funder collaboratives include galvanizing more money for an issue; offering the potential for greater scale and visibility; increasing effectiveness due to shared strategic thinking, knowledge exchange, diligence, monitoring, expertise, and networks; enhancing efficiency due to a lower cost of capital and shared resources; and serving as a mitigation strategy as risk is shared across multiple donors.

#### **Success factors**

A recent Stanford Social Innovation Review article based on ten highly regarded funder collaboratives found that all have a clear "primary investment thesis for how the collaborative will achieve impact beyond what individual funders can achieve alone, what types of goals it will pursue, and how it will create value for its funders and grantees<sup>128</sup>." While it is difficult to get the investment thesis "right," clarity of purpose and strategy seems to be key to collaborative performance. The researchers categorized three primary investment theses:

- 1 Organization funders put grant recipients at the forefront and send a signal to other donors that the vetted organizations and leaders are worthy of trust and investment.
- 2 Field builders aim to increase resiliency by focusing on a set of practices over time to enable organizations in that field to carry out their strategies more effectively.
- 3 Goal aligners focus on "winnable milestones" to identify or create areas of strategic overlap among funders and develop coordinated giving approaches.

Conversely, an unclear investment thesis caused other collaboratives to falter due to an inability to answer questions for investors and grantees about values and roles.

https://ssir.org/articles/entry/how\_philanthropic\_collaborations\_succeed\_and\_why\_they\_fail

#### **Drivers**

Another Bridgespan study based on more than 100 survey respondents found that three related factors are driving the recent popularity of collaborative platforms: efficiency, effectiveness, and engagement<sup>129</sup>. Efficiency comes from outsourcing giving to the collaborative's team. Just as investors typically leave stock-picking and performance oversight to mutual fund managers, staffed funder collaboratives find organizations, conduct due diligence, assemble a docket, support grantees, and monitor grants on behalf of donors. Effectiveness derives from the specialized knowledge, skills, and relationships that collaboratives offer. Examples include the ability of donors to leverage issue-based expertise, pipelines of vetted projects, and reach into far-flung geographies. Engagement allows funders to fill knowledge gaps and broaden their giving horizons while taking part in allocation decisions. Learning and doing go hand-in-hand, and may also inform additional direct grantmaking beyond that of the funder collaborative.

While it is difficult to get the investment thesis "right," clarity of purpose and strategy seems to be key to collaborative performance. The researchers categorized three primary investment theses: organization funders, field builders and goal aligners.

#### Mindset shifts

Shared interest around a topic or community is a necessary but insufficient reason for participating in a funder collaborative. From its survey, Bridgespan derived three mindset shifts needed for potential donors to commit to participation in funder collaboratives.

- 1 Interest in philanthropic collaboratives as a model for giving: Donors often derive satisfaction from personal involvement in their giving, including deepening relationships and determining their individual contribution. But proponents argue for a diversified approach that includes both collaboratives and individual grantees in an overall philanthropic portfolio.
- 2 Understanding of the importance of supporting systems change: A growing interest in measurable results is more easily accommodated by those supporting specific social impact outcomes in short timeframes. When a donor collaborative focuses on field-building or seeks population-level change, results are typically harder to measure and require longer timelines.
- 3 Comfort with power-sharing: Funders traditionally maintain control over their own grantmaking decisions. Power-sharing with other donors, grantees, and affected communities is a learned behavior that can develop over time.

https://www.bridgespan.org/insights/library/philanthropy/philanthropic-collaborations

Blue Meridian Partners has pooled over \$3 billion in five investment portfolios that scale solutions to the problems that trap young people and families in poverty in the US. Current areas of focus include nationwide solutions, place matters, justice and the mobility fund.

# Trends in funder collaboratives

Several large-scale funder collaboratives, most launched within the past decade, are unlocking great sums of support for systems change efforts. Characterized by deep issue-area expertise, intensive vetting, measurable outcomes, and long-term and flexible funding, these efforts show great promise for investments at scale. Five to watch include the Audacious Project, Blue Meridian Partners, Co-Impact and Dasra.

Housed at TED and administered with the support of Bridgespan, the **Audacious Project** is a collaborative funding initiative focused on catalyzing social impact on a grand scale 130. The emphasis is on matching bold ideas-sourced from an open application process and a global network of partners-with catalytic resources. Each finalist project is supported by rigorous ideation, due diligence, and investment support in proposal development. Finalist proposals are then presented privately to groups of donors before being publicly unveiled at a TED conference. Funded projects share regular updates on key milestones reached with donors and the public.

A new cohort of grantees was announced on April 11, 2022, with projects including integrating permafrost into a global solution for climate change, unlocking legal rights so that refugees can resettle safely, and building mental health support in Central America's Northern Triangle. They join an existing portfolio of 39 projects with over \$3.1 billion catalyzed since 2015131.

Blue Meridian Partners has pooled over \$3 billion in five investment portfolios that scale solutions to the problems that trap young people and families in poverty in the US. Current areas of focus include nationwide solutions, place matters, justice and mobility fund, the studio @ Blue Meridian, and COVID-19 responses. Organizations undergo a rigorous process focused on finding and supporting evidence-based solutions that remove systemic barriers to opportunity and target key drivers of change. With support from its partnership of results- oriented philanthropists, Blue Meridian makes strategic, multi-year investments designed to open pathways to economic opportunity and equity. Addressing systemic racial inequities and the injustices they create is core to its mission<sup>132</sup>.

<sup>130</sup> https://www.audaciousproject.org/about

https://www.audaciousproject.org/news/introducing-the-audacious-projects-new-cohort.

https://www.bluemeridian.org/ 132



**Co-Impact** brings together philanthropists, foundations, and private sector partners from around the world to pool funding that supports efforts to drive systems change in the sectors of health, education and economic opportunity, in Africa, Asia, and Latin America.

Founded in 2017, **Co-Impact** is a global organization focused on building just and equitable systems. It brings together philanthropists, foundations, and private sector partners from around the world to pool funding that supports efforts to drive systems change in the sectors of health, education and economic opportunity, in Africa, Asia, and Latin America. Together with local program partners and advisors, Co-Impact advances inclusive systems change, gender equality, and women's leadership through grantmaking and influencing philanthropy. It was established to address three market failures: small and fragmented giving that is not aligned with what is required for scale and impact; the lack of investment-ready systems change efforts; and too few efficient mechanisms for philanthropists to find and support high-potential investments and collaborate with one another across borders<sup>133</sup>.

Dasra was founded in Mumbai in 1999 as a venture philanthropy fund for early-stage nonprofits, and over the past decade has grown into a full-fledged collaborative among funders, nonprofits, corporations, and government agencies. It serves as an intermediary that blends evidence with storytelling to raise funds for credible NGOs and provides data-led research to donors to match their interests. Dasra works to educate donors to be more strategic in their giving and help nonprofits use funds in an optimal manner. With the SDGs as a driving force, Dasra aims to have a positive impact on the lives of a billion Indians through jointly developed solutions that work. To date, it believes it has catalyzed more than \$300 million towards social causes in India, supported over 1500 NGOs across the country, advised more than 750 philanthropists, and made a difference in the lives of over 90 million people 134.

133 https://www.co-impact.org/

134 https://www.dasra.org/









Social entrepreneurship and philanthropy are not the same thing, yet strategic practices in philanthropy are akin to key aspects of successful funding of social ventures. Certain philanthropic organizations, including the Skoll Foundation, are almost entirely dedicated to supporting social entrepreneurs, and deploy strategies and practices that are valued in entrepreneurial business itself. The MENA region, and especially the Gulf, has enabling environments for entrepreneurship, and these policies hold great promise for the advancement of social entrepreneurship.



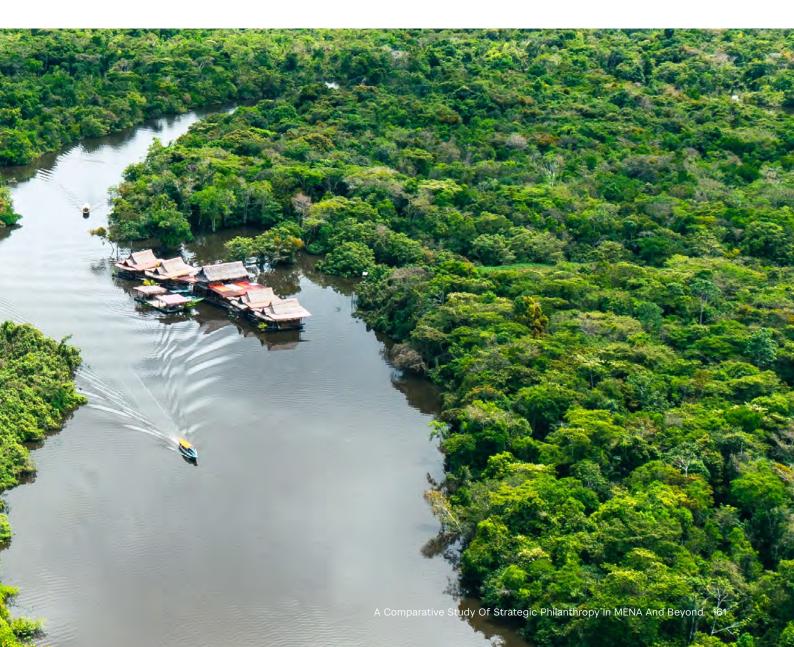
<sup>135</sup> https://www.ashoka.org/en-us/story/ashokas-history

<sup>136</sup> https://www.ashoka.org/en-us/about-ashoka

The story of social entrepreneurship becoming a field in the US was always a global tale, the history of which can offer insights for many parts of the world. In 1980, Bill Drayton introduced the concept of a social entrepreneur when he created Ashoka, named after a Sanskrit word that means the active absence of sorrow<sup>135</sup>. He put forward the idea that a social entrepreneur is someone who takes the passion and rigor of an entrepreneur and applies it to a social problem. Most philanthropy up until that point focused on the organization rather than on its leadership and talent, but Drayton argued that nonprofits should still follow basic business tenets, including sound management, transparent accounting, and strategic planning.

Since then, Ashoka has built and nurtured the largest network of social entrepreneurs in the world with over 4.000 fellows from 95 countries. After a rigorous selection process, they are introduced to a lifelong fellowship, where every member is committed to championing new patterns of social good. Ashoka's social entrepreneurs are ambitious and persistent, tackling major issues and offering new ideas for systems-level change<sup>196</sup>.

As Ashoka solidified its social entrepreneurship model and began expanding internationally, the growth equity firm General Atlantic was developing a similar idea. Echoing Green was launched in 1987, named after a William Blake poem about creating a better world. Its first investment was in a social entrepreneur with an idea to create an alternative economic base for Amazonian residents that was not based on deforestation. Over the past 35 years, Echoing Green has supported and championed nearly 1,000 transformational leaders who challenge the status quo.



### Social Entrepreneurship Funds

The success of Ashoka and Echoing Green helped provide impetus for the development of an extraordinary group of funds dedicated to social entrepreneurship in the late 1990s and early 2000s. Over a five-year span, nine leading grantmaking institutions were created and each of them continues on a path of innovation today.

- Investor George Roberts launched the Roberts Enterprise Development Fund in 1997.
- Tech entrepreneur Paul Brainerd created Social Venture Partners that same year.
- In 1998, eBay founder Pierre Omidyar and his wife Pam formed the Omidyar Family Foundation, which evolved into the Omidyar Network.
- The World Economic Forum's co-founders Klaus and Hilde Schwab started the Schwab Foundation for Social Entrepreneurship in 1998.
- That year also saw the launch of New Profit by social entrepreneur Vanessa Kirsch and New Schools Venture Fund by social entrepreneur Kim Smith and venture capitalists John Doerr and Brook Byers.
- Jeff Skoll, the first full-time employee and president of eBay, formed the Skoll Foundation in 1999.
- Business leaders Mario Marino, Raul Fernandez, and Mark Warner started Venture Philanthropy Partners in 2000
- Venture capitalists William Draper, III, and Robin Richards Donohoe formed the Draper Richards Foundation in 2001.

In 2011, the Asia Venture Philanthropy Network (AVPN) was created to become Asia's social investment network, with an emphasis on increasing the share of capital allocated toward impact in Asia, and ensuring that resources are deployed effectively where they can make the greatest difference for good.

Roberts Enterprise Development Fund: REDF is the first venture philanthropy dedicated to investing in and supporting social enterprises. The Fund is a leader in measurement and evaluation, having pioneered the concept of social return on investment in the 1990s. conducted cost-benefit analyses of its portfolios, measured social enterprise sustainability, and assessed employee performance<sup>137</sup>. At its start in 1997, REDF supported 14 businesses across the San Francisco Bay Area. Twenty-five years later, the Fund is a national organization and leader in the employment social enterprise field and has provided capital, capacity, and community to over 200 enterprises across 33 states and the District of Columbia. Together, these businesses have generated over \$1.3 billion in revenue reinvested in their employees and employed over 84,000 people<sup>138</sup>.

Social Venture Partners (SVP): After Paul Brainerd sold his software company and set up his private foundation in Seattle in the 1990s, he made himself available to peers in their 30s, 40s, and 50s who sought a more engaged way to give back beyond writing a check or joining a board. He wanted to create a model for investing in people and their ideas that combined traditional philanthropic approaches with more innovative approaches to giving. The mission that Brainerd and several friends developed for SVP was "to develop philanthropy and volunteerism to achieve positive social change in the Puget Sound region. Using the venture capital approach as a model, SVP partners are committed to giving time, money, and expertise to create partnerships with not-for-profit organizations 139." Around this time, Harvard Business Review published "Virtuous Capital: What Foundations Can Learn from

<sup>137</sup> https://redf.org/the-impact/

<sup>138</sup> https://redf.org/about/our-story/

<sup>139</sup> https://journals.sagepub.com/doi/pdf/10.1177/0899764099284009

After Paul Brainerd sold his software company and set up his private foundation in Seattle in the 1990s, he made himself available to peers who sought a more engaged way to give back beyond writing a check or joining a board. He wanted to create a model for investing in people and their ideas that combined traditional philanthropic approaches with more innovative approaches to giving.

Venture Capitalists" by Christine Letts, which articulated ideas that Brainerd was independently exploring, and became an influential resource for nascent venture philanthropists<sup>140</sup>. Today, with its 40 SVP affiliate organizations in nine countries and more than 3,400 partners, SVP is recognized as the largest network of engaged donors in the world141.

New Profit: New Profit was founded in 1998 to help catalyze the nascent social entrepreneurship movement in the US. Since then, it has invested \$325 million in unrestricted and capacity-building support for 165 social entrepreneurs, who together have had a positive impact on 31 million people and unlocked \$1.7 billion in public funding. New Profit's process is built on three

- 1 investing in social entrepreneurs equipped to create bold and equitable change, including leaders of color who see the multi-dimensional root causes of issues and develop innovative solutions to address them;
- 2 seeking a diversity of models and approaches in solving social challenges, including those aimed at disrupting and reshaping systems to achieve equitable and sustainable outcomes; and
- 3 encompassing a range of issue areas that shape what opportunity looks like in America.

NewSchools Venture Fund: In 1998, NewSchools Venture Fund was built to enable a new type of philanthropic support for innovative ventures serving all children-especially those in underserved communitieswithin public education. Each of the three founders had witnessed the impact of visionary entrepreneurs to create dramatic change in other sectors such as technology. Each shared a desire to provide teams of educators and education entrepreneurs access to both early-stage capital and strategic, hands-on support to start and grow their organizations. Since inception, NewSchools has invested nearly \$345 million in over 1,000 education innovators in the US. Its ventures have started new public schools that serve 54,000 students at full enrollment, implemented new models at existing schools that serve 124,000 students, created education technologies reaching more than 46 million new students, and worked to close the racial leadership gap by serving 26,000 Black and Latino educators and leaders142.

https://hbr.org/1997/03/virtuous-capital-what-foundations-can-learn-from-venture-capitalists

https://www.socialventurepartners.org/what-we-do/

https://www.newschools.org/our-story/

Omidyar Network: Omidyar's early approach to change centered on making direct investments to thousands of social entrepreneurs who could have an outsized impact on their sectors. But over time, Pam and Pierre Omidyar recognized that the eBay platform experience that empowered millions of people to make a living as entrepreneurs offered lessons for scaling up their philanthropy. This led to the creation of Omidyar Network in 2004, a hybrid LLC and foundation entity that enabled for-profit investing alongside grantmaking. This structure allowed them to support early-stage organizations that catalyzed economic and social change, and the autonomy to work flexibly across a continuum of returns. From 2013-18, the Omidyar Network reorganized around nine verticals such as education, financial inclusion, and property rights. Each vertical came with a distinct strategy and theory of change. They expanded from Silicon Valley to teams based in Johannesburg, Mumbai, Bangalore, London, and Washington, DC. In the wake of challenges including sharp and rising inequality, a planet in crisis, technology's increasingly pervasive role in our lives, and liberal democracy under threat, Omidyar Network updated its approach to address a core set of pressing, difficult, and interrelated issues that permeate our society today. Current areas of focus include reimagining capitalism, promoting the responsible development of technology. and building cultures of belonging in a pluralist world. Several long-standing initiatives were spun off as independent sister organizations.

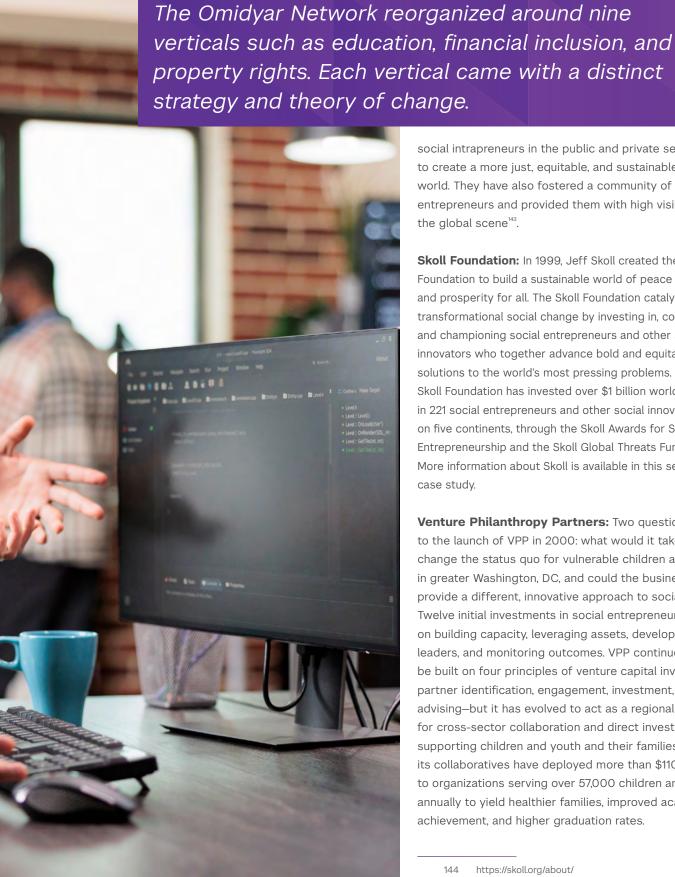
#### **Schwab Foundation for Social Entrepreneurship:**

After decades of participation by civil society organizations at the World Economic Forum's annual meeting in Davos, Hilde and Klaus Schwab observed the emergence of a new model for social change. They created their foundation in 1998 to support social entrepreneurs who combine mission, dedication, and compassion to serve the most vulnerable and marginalized populations of society with business principles and the best techniques from the private sector.

Over the past 20 years, the Schwab Foundation has supported over 400 social entrepreneurs, along with



https://www.schwabfound.org/about



social intrapreneurs in the public and private sectors, to create a more just, equitable, and sustainable world. They have also fostered a community of social entrepreneurs and provided them with high visibility on the global scene 143.

Skoll Foundation: In 1999, Jeff Skoll created the Foundation to build a sustainable world of peace and prosperity for all. The Skoll Foundation catalyzes transformational social change by investing in, connecting, and championing social entrepreneurs and other social innovators who together advance bold and equitable solutions to the world's most pressing problems. The Skoll Foundation has invested over \$1 billion worldwide in 221 social entrepreneurs and other social innovators on five continents, through the Skoll Awards for Social Entrepreneurship and the Skoll Global Threats Fund<sup>144</sup>. More information about Skoll is available in this section's case study.

**Venture Philanthropy Partners:** Two questions led to the launch of VPP in 2000: what would it take to change the status quo for vulnerable children and youth in greater Washington, DC, and could the business world provide a different, innovative approach to social change? Twelve initial investments in social entrepreneurs focused on building capacity, leveraging assets, developing leaders, and monitoring outcomes. VPP continues to be built on four principles of venture capital investingpartner identification, engagement, investment, and advising-but it has evolved to act as a regional backbone for cross-sector collaboration and direct investments, supporting children and youth and their families. VPP and its collaboratives have deployed more than \$110 million to organizations serving over 57,000 children and youth annually to yield healthier families, improved academic achievement, and higher graduation rates.

144

https://skoll.org/about/

shelter146.

**Draper Richards Kaplan Foundation:** In 2010, the Draper Richards Foundation added Kaplan to its name when Robert S. Kaplan, former vice chairman of Goldman Sachs and professor of leadership at Harvard Business School, joined as co-chair<sup>145</sup>. DRK Foundation is a global venture philanthropy firm which, since its inception, has supported nearly 200 early stage, highimpact social enterprises in the US and around the world. Borrowing from their venture capital legacy, the DRK finds, funds, and supports exceptional leaders with innovative and highly impactful ideas that have the potential to scale. DRK provides unrestricted capital and rigorous, ongoing support by joining boards of directors and partnering with leaders to open their networks, facilitate meetings, gather resources, and work side-by-side to help them grow and succeed. Its current portfolio includes organizations working around the world that provide critical access to healthcare, education, food security, social justice, water and sanitation, transparency and accountability, and

From fledgling beginnings in the 1980s with Ashoka and Echoing Green, social entrepreneurship became a field by the early 2000s through the independent creation of venture philanthropy foundations by tech innovators and financiers. It is a remarkable story of growth and synergy that has subsequently been adopted around the world.

#### Asia Venture Philanthropy Network (AVPN):

The Asian Venture Philanthropy Network (AVPN) is a unique funders' network headquartered in Singapore, committed to building a vibrant and high-impact philanthropy and social investment community across Asia. Established in 2011, AVPN now supports over 600 members spanning 33 markets from a wide array of sectors, including private equity firms, financial institutions, impact investment funds, foundations, family offices, corporations with CSR initiatives, and government-related entities. Their mission is to move capital towards impact by identifying social investment opportunities, fostering impact communities, and providing valuable resources and tools. Through its

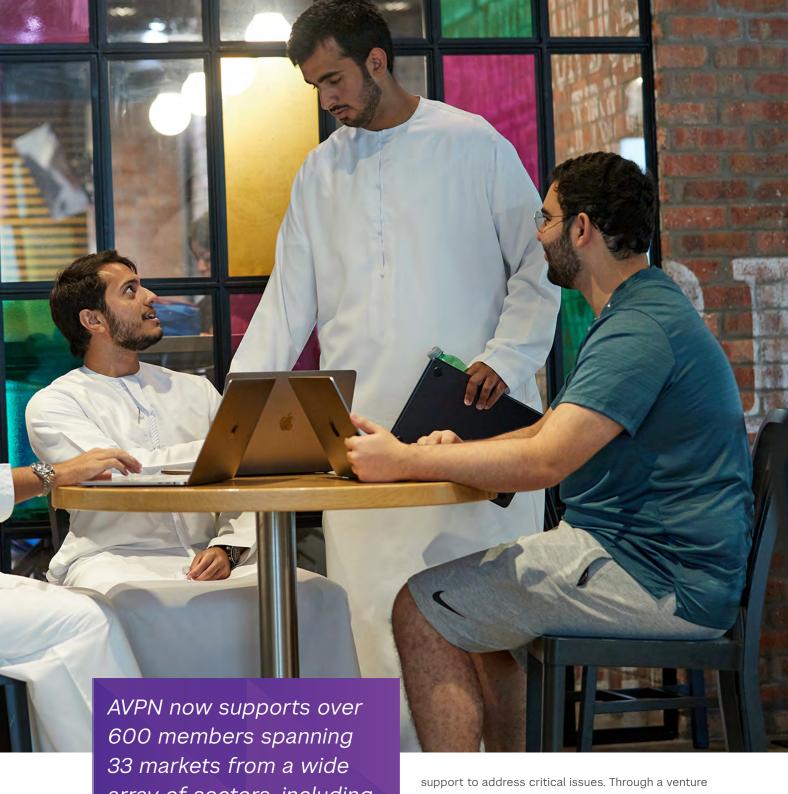


work, AVPN plays a pivotal role in addressing the region's most pressing challenges by facilitating a greater flow of financial, human, and intellectual capital towards impactful and sustainable development goals.

**Alfanar:** Alfanar is the first venture philanthropy organization in the Arab region. Since its establishment in 2005, Alfanar's goal has been to empower and help social enterprises scale sustainably and ensure longterm impact, by providing both capital and management

https://www.drkfoundation.org/about/history/ 145

https://www.drkfoundation.org/about/our-model/ 146



array of sectors, including private equity firms, financial institutions, impact investment funds, foundations, family offices, corporations with CSR initiatives, and government-related entities.

philanthropy approach, Alfanar offers tailored financing, management guidance, bespoke training, and impact measurement. They have funded 74 social enterprises in Egypt, Lebanon and Jordan, impacting over 273,000 lives. Alfanar's dedication to sustainable impact and social change makes them a pioneer in the field, with a focus on helping social enterprises scale effectively and achieve long-term success.

### Recent trends in social entrepreneurship

The social entrepreneurship field has expanded, deepened, and matured over the past 20 years. The evidence base is growing. Universities increasingly offer courses, concentrations, and even master's degrees in social entrepreneurship in schools of business and public policy. Social entrepreneurship is appealing as a career choice for the younger generation. Ground-breaking developments in the global South have lessons for the rest of the world as social enterprises tackle problems at scale. Trends in the field include collaboration, public policy change, racial equity, and ecosystem development.

Collaboration: Encouraging collaboration among social entrepreneurs is woven into the business models of each of the nine organizations profiled above. VPP is noteworthy for evolving its model to include launching initiatives that resource solutions from across sectors. Since 2010, VPP has used its convener role to form collaboratives including Youth Connect, Common Outcomes Framework, Capital Kids Report, and Ready for Work. VPP has taken a major leap forward through its leadership in Raise DC, a partnership of more than 250 organizations that has agreed on a common set of city-wide goals and five cradle-to-career goals in education and workforce. Raise DC uses a collaboration methodology articulated by FSG, a global nonprofit consulting firm, in "Collective Impact," its influential article of 2011 in Stanford Social Innovation Review<sup>147</sup>. In the spirit of collective action, the Skoll World Forum convenes annually to encourage its growing network to collaborate on social and environmental change. The 2022 virtual event, open and free to all, was designed for learning, connection, and action<sup>148</sup>.



Public policy: REDF's government partnerships and policy work aims to develop public-private partnerships and influence policy at the federal and state levels to promote public investment in employment social enterprises (ESEs). In 2015, REDF co-created LA:RISE, the first public- private partnership in the US that connects the workforce system with ESEs. In 2020, REDF partnered with the County of Los Angeles to distribute \$46 million in US Federal funding designed to mitigate the impact of the COVID-19 crisis to 1,400

https://ssir.org/articles/entry/collective\_impact 147

<sup>148</sup> https://skoll.org/skoll-world-forum/

<sup>149</sup> https://redf.org/what-we-do/government-partnerships-and-policy/

https://echoinggreen.org/invest-in-black-leaders/ 150



leap forward through its leadership in Raise DC, a partnership of more than 250 organizations that has agreed on a common set of citywide goals and five cradle-to-career goals in education and workforce.

social enterprises, small businesses, and nonprofits. REDF sponsored legislation in California that was signed into law in 2021, defining employment social enterprise in the labor code and opening state and federal funding opportunities<sup>149</sup>.

Racial equity: This group of social entrepreneurship organizations have recently changed their practices based on a closer look at racial equity and racial justice issues that have become more visible and urgent around the world.

• Echoing Green created an Investing in Black Leaders campaign in 2020 to highlight insights from Black leaders supported through its Black Male Achievement Fellowship in a recently released film and forthcoming report<sup>150</sup>.

The organization also launched a three-year Racial Equity Philanthropic Fund (2021-24) to ensure that today's heightened awareness of racial inequity translates into sustained action in the social innovation field. By the end of 2023, Echoing Green plans to launch and scale 500 social enterprises, improve social innovation on-ramps for 5,000 emerging leaders, and engage 10,000 corporate employees<sup>151</sup>.

- The founding chapter of SVP began a reexamination of its grantmaking and donor
  partnership composition in 2018 with an explicit
  racial equity lens. Acknowledging that it was time
  to move beyond being perceived as "an elite club
  of former tech folks," the organization worked to
  reimagine its role<sup>152</sup>. SVP Seattle currently describes
  itself as a community of people and organizations
  working together to advance racial justice through
  philanthropy. It supports and invests in communityled solutions that are powered by people doing the
- The Omidyar Network reorganized itself from nine issue areas to three broad themes, including building cultures of belonging in a pluralist world. Confronting anti-Black racism and dismantling systemic oppression is the first idea Omidyar is exploring related to this theme. In 2020, the foundation committed \$500,000 to organizations that are fighting for racial justice <sup>163</sup>.
- NewSchools recently identified racial equity as a separate investment area and announced that it will provide \$1.5 million in "dream capital" to innovators of color with bold ideas to advance racial equity in education. Significantly, allocation decisions will be made by education innovators, parents, and students

of color rather than staff and donors<sup>154</sup>.

 The Advancing Racial Justice program at the Skoll Foundation supports social innovations that address intergenerational oppression, remove systemic barriers that limit opportunity, and elevate oppressed voices and narratives to shift attitudes and behavior.

**Ecosystem:** As each of these pioneering organizations matured, focus expanded to encompass the development of an ecosystem of social enterprises. Integrated with the World Economic Forum, the Schwab Foundation for Social Entrepreneurship has championed social innovators at one of the world's premier gatherings of political, business, and cultural leaders. Its awards programs highlight and expand leading models of social innovation as part of its mandate to shape global, regional, and industry agendas<sup>155</sup>. Many additional networks for social entrepreneurs have formed around the world to build out an ecosystem of support. An example is the Aspen Network of Development Entrepreneurs (ANDE), a global network of organizations that propel entrepreneurship in developing economies. ANDE members provide financial, educational, and business support services to "the missing middle"—small and growing businesses that are the engines of growth in developing economies and have the potential to address critical social and environmental challenges. Members include investment funds, capacity development providers, research and academic institutions, development finance institutions, foundations, and corporations from around the world 156.

<sup>151</sup> https://echoinggreen.org/racial-equity-philann thropic-fund/

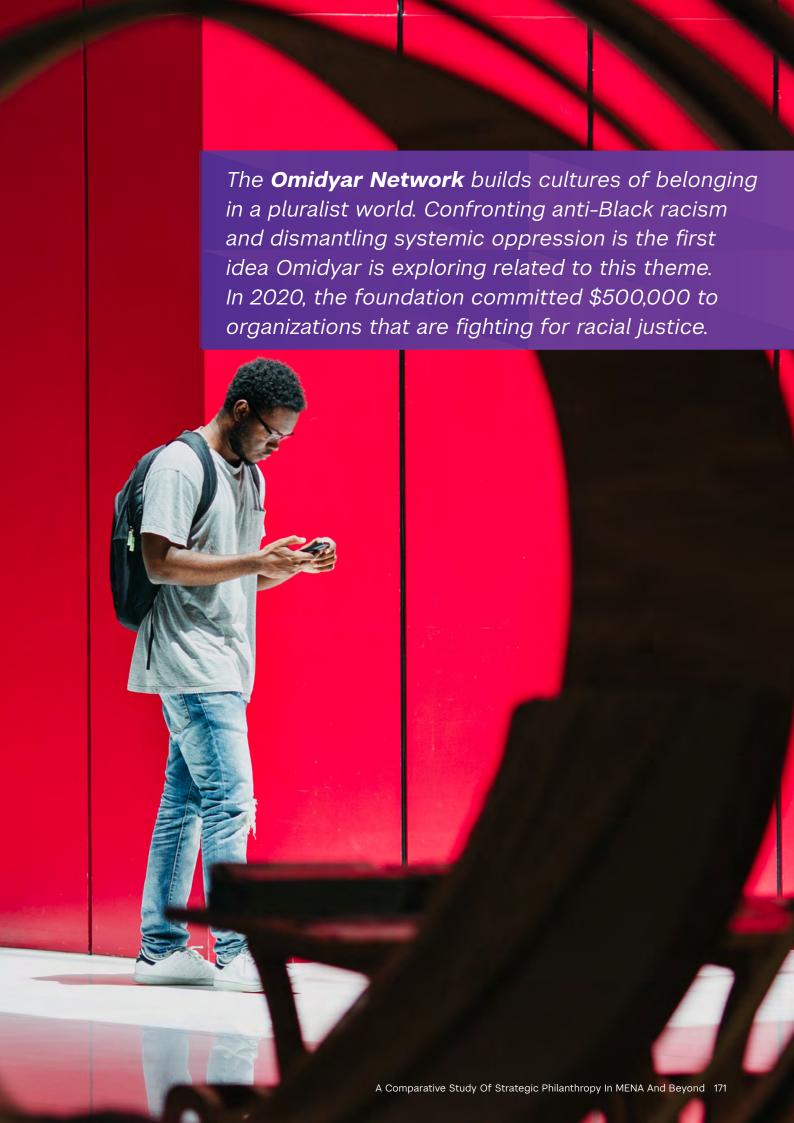
<sup>152</sup> https://www.geekwire.com/2018/paul-brainerds-exe traordinary-career-went-revolutionizing-publishing-empow-ering-enviros/

<sup>153</sup> https://omidyar.com/building-cultures-of-belongn

<sup>154</sup> https://skoll.org/jeff-skoll-group/

<sup>155</sup> https://theelders.org/who-we-are

<sup>156</sup> https://www.usaid.gov/



### **Spotlight:**

#### **Skoll Foundation**

The Skoll Foundation expanded its investment approach in 2021 in terms of the "who" by not limiting its work to social entrepreneurs but also supporting innovators and problem-solvers across sectors. At the same time it deepened its "what" to focus on five interconnected solution areas including strengthening health systems and preventing pandemics; mobilizing climate action; reimagining inclusive and sustainable economies; promoting effective governance; and advancing racial justice.157

Prior to joining Skoll in 2019, he led the Albright Stonebridge Group's Africa Practice, worked in the White House as director of Presidential Personnel, and served as U.S. Ambassador to South Africa. Early in his career, he helped design and create a \$650 million startup government corporation to promote community service which became the AmeriCorps program. He served as chief domestic policy advisor to Vice President Al Gore and chief of the International Bureau at the Federal Communications Commission. Early in his career, he developed a clean water project and managed a refugee camp in Sri Lanka

# A portfolio of enterprises<sup>158</sup>

A portfolio of organizations sits under the broader umbrella of the Jeff Skoll Group, which helps oversee, connect, and drive strategic initiatives across the Skoll Foundation, Capricorn Investment Group, and Participant. A brief description explains the evolution of the Skoll Foundation. Established in 2004, Capricorn Investment Group has grown into one of the largest missionaligned investment firms in the world with over \$6 billion in assets under management. Participant is a leading media company dedicated to entertainment that inspires audiences to engage in positive social change. Since 2004, Participant has produced more than 100 feature and documentary films that have collectively earned 82 Academy Award nominations and 21 wins while elevating some of the most pressing issues of our time. From 2009 to 2017, the Skoll Foundation operated the Skoll Global Threats Fund as a private foundation that focused on five global challenges: climate change, pandemics, water security,

nuclear proliferation, and conflict in the Middle East. After its sunset, the Global Threats Fund spun off two stand-alone initiatives, Climate Advocacy Lab and Ending Pandemics, and it incorporated its peace and security work into the Skoll Foundation's programs.

# Towards collective action

Mr. Gips joined the Skoll Foundation out of a desire to focus on innovative, collaborative solutions to address urgent global problems. He recognized that a foundation can help to generate outsized impact alongside social innovators through a thoughtful combination of funding, community building, and narrative support. Working with Shivani Garg Patel, the Skoll Foundation's chief strategy officer, Mr. Gips led a strategy process to uncover key leverage points where the foundation could deepen its impact and collaboration within the field of social innovation. This included an expansion of the foundation's conception of social

<sup>157</sup> https://globalgovernanceforum.org/global-embrace-localization-changing-power-dynamics-development-hu-manitariian-aid-systems/

<sup>158</sup> https://www.gemconsortium.org/reports/latest-global-report

The Global Fund works to accelerate the end of AIDS. tuberculosis, and malaria as epidemics through partnership with governments, civil society, technical agencies, the private sector, and people affected by the diseases.



innovators to include "systems orchestrators" (also called "field catalysts"). Systems orchestrators are individuals and organizations working-often behind the scenesacross government, business, and civil society to drive social change at a systemic level.

"For Skoll, it's an acknowledgement that change happens with those who lead networks and build coalitions," said Ms. Garg Patel.

"Ultimately, it's collective action at the systems level that is critical in driving change. And that can take many shapes and forms, including a social entrepreneur who is a type of social innovator."

In addition to adding interconnected issue areas, the Foundation also began to seek out solutions in the emerging area of rebuilding a healthy information ecosystem. In response to acute crises, conflicts, and disasters, the Skoll Foundation

also deploys flexible capital like emergency funds to help grantees weather difficult times.

#### Seeking Leverage

The Skoll Foundation now gives away about \$50-200 million per year. While sizable, the grant outlays by themselves do not measure up to the deeply entrenched challenges the Foundation works to address.

# Spotlight:

#### **Skoll Foundation**

"We're looking for the highest leverage opportunities we can find and where our philanthropy can really help change systems, and that often involves collaboration with government," said Mr. Gips. Current examples include work alongside the Global Fund, Africa Frontline First, and ongoing collaboration with The Elders, Hyphen Partners, and USAID.

The Global Fund works to accelerate the end of AIDS, tuberculosis, and malaria as epidemics through partnership with governments, civil society, technical agencies, the private sector, and people affected by the diseases. Based in Geneva, it mobilizes and invests more than \$4 billion a year from participating country governments and major foundations to support programs run by local experts in more than 100 countries<sup>159</sup>. The Skoll Foundation is supporting the Global Fund's seventh replenishment, a three-year cycle of fundraising to cover its work from 2024-26.

Africa Frontline First is a collaborative initiative under the leadership of Ellen Johnson Sirleaf, the former president of Liberia, that supports the scaling and

strengthening of community health delivery in Africa. The initiative launched in 2022 seeks to bolster health systems to fight existing challenges-maternal and child health, HIV, TB, and malaria-but also to prepare a workforce for future public health challenges so that infectious disease outbreaks can be ended before they become pandemics.

The Africa Frontline First Catalytic Fund-one of Skoll's largest investments in 2022-combines the power of The Global Fund to defeat HIV, TB, and malaria with the deep proximity and expertise of social innovators to scale community health in partnership with government. "This is an example of where the role of philanthropy can be catalytic in helping to allocate government funds to a high-leverage opportunity," said Mr. Gips. Founded by Nelson Mandela, The Elders are an independent group of global leaders working together for peace, justice, and human rights. Working both publicly and through private diplomacy, the organization's mission is to engage with leaders and civil society at all levels to resolve conflict and address its root causes, to challenge injustice, and to promote ethical leadership and good governance<sup>160</sup>. The Elders are

working at a global level to shift and adjust current systems that are facing so many crises, said Mr. Gips.

USAID leads the US government's international development and humanitarian efforts to save lives, reduce poverty, strengthen democratic governance, and help people progress beyond assistance<sup>161</sup>. USAID Administrator Samantha Powers has committed to a "localization" agenda whereby 25 percent of direct funding over the next four years will go to local civil society, business, and other institutions that are supported by and accountable to local communities. Over the next decade, 50 percent of its projects will put local partners in the lead to codesign projects, set priorities, drive implementation, and evaluate the impact of aid programs<sup>162</sup>. "We're aiding that effort by convening, connecting, and supporting some of those organizations working with USAID," said Mr. Gips.

#### Staying proximate

The Skoll Foundation prioritizes proximity in its philanthropic practice. One of its named values speaks directly to this idea: we trust those closest to the challenge to lead the change.

<sup>159</sup> https://www.heron.org/enterprise/

<sup>160</sup> https://missioninvestors.org/our-history

<sup>161</sup> https://www.fordfoundation.org/news-and-stories/stories/unleashing-the-power-of-endowments-the-next-great-challenge-for-

<sup>162</sup> https://ssir.org/articles/entry/roles\_foundations\_play\_in\_shaping\_impact\_investing#



The COVID pandemic created a set of circumstances that sometimes hindered that ideal of proximity though, said Mr. Gips. In-person relationship building abruptly halted around the world. The Foundation leaned into a range of partnerships that continued to build networks and communities, like TED, as well as doubled down on collaborative funding, like Co-Impact. TED, a nonprofit devoted to spreading ideas initially in the form of short, powerful talks, was discussed earlier in the Prize Philanthropy section. The Skoll Foundation supports TEDx,

comprised of independently run, TED-branded events which help share ideas in communities around the world, and the Audacious Project, TED's collaborative initiative to fund bold ideas for social impact. "TEDx has been a leader in serving as a 'sensing' network for us to find new and different people,"

said Mr. Gips. "TEDx organizers help

and Latin America.

us learn about what's going on in communities, like an entrepreneurial intelligence network." In its effort to help Indigenous communities protect their tropical rainforests, the Skoll Foundation is supporting Tenure Facility, an Audacious Prize winner, which works closely with Indigenous peoples to secure their

closely with Indigenous peoples to

secure their land rights in Africa, Asia,

# Spotlight:

### **Skoll Foundation**

land rights in Africa, Asia, and Latin

Mr. Gips also noted that the Skoll Foundation supported Olivia Leland when she was setting up Co-Impact, the ambitious funder collaborative profiled under Theme 8. "We're huge believers that the more we collaborate with other philanthropists, the more we'll learn and drive change," said Mr. Gips. Skoll also helped foster a donor collaborative to support an overarching government plan by Africa CDC to address COVID while engaging community-based organizations. With participation by African philanthropists, donors could be educated faster and money could be moved at scale to help people solve difficult problems. "Part of our equity journey has been investing in what we call system intermediaries," said Mr. Gips. "These are proximate people in a community who know what's going on better than we're ever going to, and giving them the funding to re-grant to other people." He said there are many examples, such as The/Nudge and Dasra in India: African Visionary Fund: and Grantmakers for Girls of Color and the NDN Collective for Indigenous communities in the US.

#### Connectivity

Mr. Gips emphasized the connectivity aspect of the Skoll Foundation's work. "Bringing changemakers together at gatherings like the Skoll World Forum is so important." he said. "They provide each other with emotional support, ways to tackle shared challenges, energy, and new ideas. We're funding something now called Catalyst 2030 which involves over 800 social entrepreneurs from around the world who work on the SDGs." He noted that this network brings together Echoing Green fellows, Schwab fellows, and many other social innovator programs. The field of social entrepreneurs has become a family of change leaders," said Mr. Gips.

#### Know your end game

Mr. Gips spoke of the need for social entrepreneurs and innovators to have a vision for their end game from the start. He said that organizations that hold government and businesses accountable will always need philanthropic funding as a core source of support. He also noted two other models. "Organizations that set standards for fair labor, such as the Marine Stewardship Council and its certification of sustainable seafood, can eventually be supported by industry fees," he said. "MSC needed philanthropic support, including winning a Skoll Award in 2007, to get them there." Others need grant capital for research and startup costs but can work toward supporting themselves with private capital later. "An example of this is an early investment we made in Oxygen Hub. an innovative approach to lowering barriers to oxygen production in Africa through a franchising model," he said. "This was an opportunity to use philanthropic risk capital in the short term to solve a longer-term business challenge for public health. The hope is that each franchise should be able to support itself with private capital once it is built."

#### Advice for fellow philanthropists

Mr. Gips struck a pragmatic tone when asked for advice for new philanthropists. "Don't reinvent the wheel," he said. "Find out who's already doing work in the area that interests you. Ask yourself if you can leverage that, so you're not creating an infrastructure that already exists. Take advantage of donor education options such as The Philanthropy Workshop and philanthropic networks like Toniic and the Founders Pledge. Work with organizations that provide turn- key solutions such as DRK Foundation or Co-Impact. Given the urgency of global challenges, funders need to work together and in coordination just like the social innovators we fund."

In 2021, of the 47 GEM-participating economies, national expert assessments scored the UAE as having the most supportive environment for entrepreneurship. The UAE had the highest total score by a clear margin, having improved in 11 of the 13 framework conditions since 2020, and scoring highest of all 47 economies in four of them.

# The role of enabling ecosystems

The strategies and practices driven forth by philanthropic organizations outlined in this section have been key to supporting social entrepreneurship in the US and globally. Forward-thinking nonprofit organizations defined the approach, scanned the globe for practitioners, and supported their development and growth. Venture capitalists and other business leaders created private foundations to align their experiences with smart people with ideas, and evolved their approaches to use all available tools to create a thriving ecosystem. Increased attention to public forums, network development, collaboration, public policy, and racial and ethnic equity issues further strengthened individual actors, system orchestrators, and field catalysts.

In MENA and the Gulf region, there is great potential to expand existing entrepreneurial ecosystems to include an emphasis on social entrepreneurship and social innovation. Global Entrepreneurship Monitor (GEM), a consortium of national country teams primarily associated with top academic institutions, carries out survey-based research on entrepreneurship globally and defines 13 entrepreneurial framework conditions, many of which are the direct responsibility of the national government in each country. In 2021, of the 47 GEM-participating economies, national expert assessments scored the UAE as having the most supportive environment for entrepreneurship. The UAE had the highest total score by a clear margin, having improved in 11 of the 13 framework conditions since 2020, and scoring highest of all 47 economies in four of them<sup>163</sup>. This recognition highlights the potential of the UAE and other Gulf countries to leverage further their enabling environment for entrepreneurship and strengthen ecosystems for social enterprises.





The story of impact investing illustrates the strategic role that philanthropy can play in naming, growing, and improving a field. Unlike social entrepreneurship, which was primarily fostered by new philanthropists, impact investing grew out of established foundations seeking to use their long-standing assets in new ways. While impact investing in MENA is nascent, there is great potential for philanthropists in the region to embrace impact investing fully and draw from global practices and lessons learned by early adopters.

Private, non-operating foundations in the US must make charitable expenditures each year that equal or exceed five percent of the value of their net investment assets. Grant allocations drawn from this required payout have long been the focus of judging a foundation's impact. But in the 1990s, the conversation began to shift to the question of "the other 95%, and how those assets could contribute to impact as well."

### The other 95%

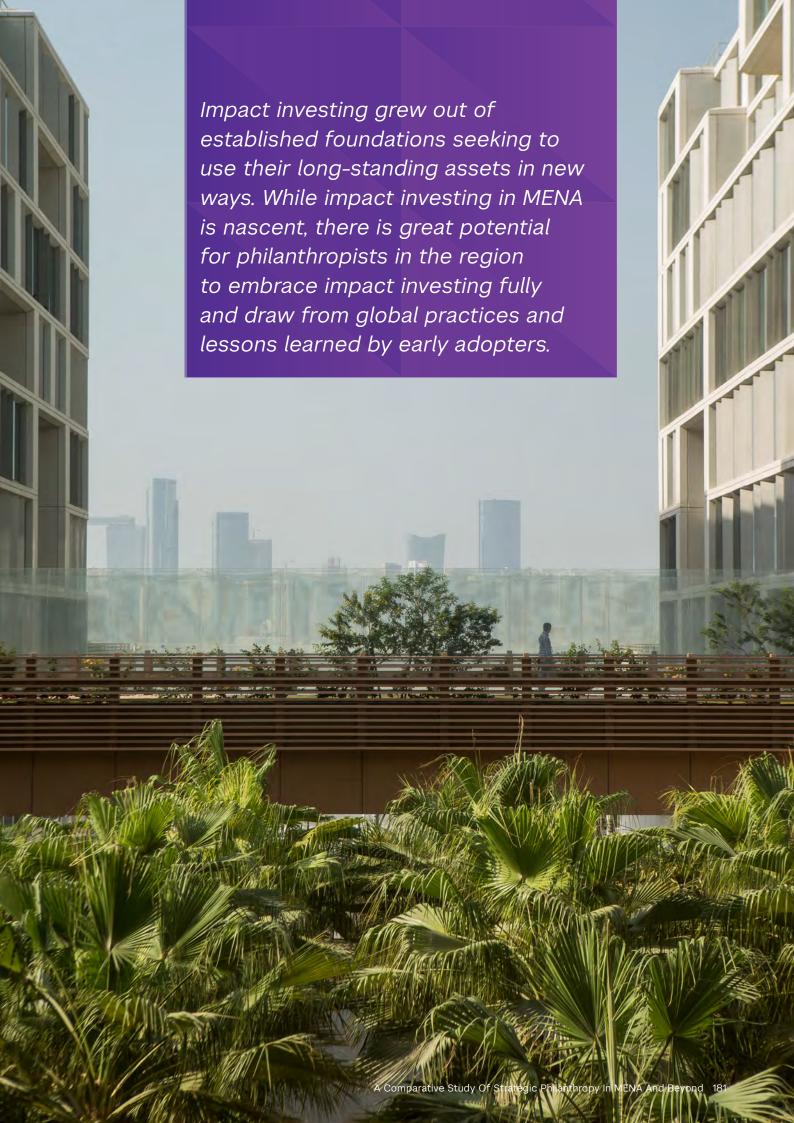
In 1996, the F.B. Heron Foundation's board meetings operated like those of most American foundations, with time split between investment management review and program matters. After a meeting where a long financial conversation crowded out the grants discussion, the board began to view the 5% payout requirement as the narrowest expression of the Heron Foundation's philanthropic goals. By looking to the other 95% of assets, the foundation could potentially generate greater social impact than by grantmaking alone. The board encouraged staff to explore ways in which Heron could engage more of its assets through a combination of grantmaking and "mission-related" investment strategies<sup>164</sup>.

# Program-related investments

By the early 2000s a growing number of funders had become interested in new ways to use their capital for impact. In addition to Heron, the Annie E. Casey, Ford, George Gund, John D. and Catherine T. MacArthur, David & Lucile Packard, Prudential, and Rasmuson Foundations and the Meyer Memorial Trust had started to diversify their activity beyond grantmaking. Many of these institutions had been making program-related investments (PRIs), which often take the form of loans, loan guarantees, or equity investments and are derived from a foundation's assets but count toward its required payout. Pioneered by the Ford Foundation in 1968, PRIs allowed foundations to take risks consistent with their missions in ways that for-profit investors cannot, and helped pave the way for foundations to move beyond grantmaking budgets to reconsider how their endowments might be managed in a more missiondriven way165.

<sup>164</sup> https://iris.thegiin.org/standards/

<sup>165</sup> https://missioninvestors.org/our-history



# Impact investing

In 2007, the term "impact investing" was coined at meetings convened by the Rockefeller Foundation, putting a name to investments made with the intention of generating both financial return and social and/or environmental impact. In 2009 the Monitor Institute released Investing for Social and Environmental Impact: A Design for Catalyzing an Emerging Industry, a report funded by the Rockefeller, Annie E. Casey, W.K. Kellogg, and JPMorgan Chase foundations. It was the first publication to use the term impact investing and, along with Impact Investing: Transforming the Way We Make Money while Making a Difference (2011), a book written by Antony Bugg-Levine and Jed Emerson, promoted the idea that organized philanthropy could bring together disparate practices that would help the industry mature into a viable financial practice<sup>166</sup>.

Members of Confluence Philanthropy represent more than \$96 billion in philanthropic assets under management and over \$3.5 trillion in managed capital.

# Creating a field through data and standards

The Global Impact Investing Network (GIIN) grew out of Rockefeller's Impact Investing Initiative (2008-13) as the prime collective action platform for the new field, and became the foundation's legacy instrument to continue its growth. The GIIN has increased the scale and effectiveness of impact investing around the world through activities, education, and research that have accelerated the development of a coherent industry. Rockefeller also seeded the Impact Reporting **Investment Standards** (IRIS) to generate comparable data on social performance and the Global Impact Investment Ratings System (GIIRS) to allow investors to compare the social impact of fund portfolios 167. Now managed by the GIIN, IRIS+ is the generally accepted impact accounting system that leading impact investors use to measure, manage, and optimize their impact<sup>168</sup>. GIIRS became a project of **B Lab** and was met with early success, but its rating system proved to be too cumbersome for wide adoption. More recently, the grant-funded Impact Management Project has sought to create broad consensus on impact measurement and management standards. Now known as Impact Frontiers, their effort encompasses a wide range of conventional and mission-oriented investors<sup>169</sup>.

https://www.confluencephilanthropy.org/ 166

<sup>167</sup> https://toniic.com/

https://www.theimpact.org/about 168

<sup>169</sup> https://pvmwvmic.com/about-us/

https://wgf.org/wp-content/uploads/2022/04/mobilizi-170 ing-more-for-mission.pdf

https://www.aecf.org/resources/aligning-capital-with-misi-171

<sup>172</sup> https://search.issuelab.org/resources/26430/26430.pdf

<sup>173</sup> https://noyes.org/2018/07/01/new-white-paper-on-social-

<sup>174</sup> https://search.issuelab.org/resources/39995/39995.pdf

https://www.macfound.org/programs/catalytic-capip tal-consortium/

<sup>176</sup> https://www.macfound.org/programs/catalytic-capip tal-consortium/

https://www.guaranteepool.org/guarantees-making-a-diff-

https://www.insidephilanthropy.com/home/2022/4/13/inthe-latest-push-for-vaccine-equity-a-funder-taps-impactinvesting-to-ease-purchase-of-doses

https://www.insidephilanthropy.com/home/2018/5/24/ housing-is-healthcare-can-this-health-provider-makeheadway-on-a-tough-urban-challenge

# Creating an ecosystem through networks

The PRI Makers Network and the More for Mission campaign encouraged foundations to expand their use of PRIs and challenged them to increase the percentage of their endowments allocated to mission investments. The two organizations combined into Mission Investors Exchange (MIE), the leading impact investing network for foundations dedicated to deploying capital for social and environmental change. With over 200 members, MIE provides resources, inspiration, and connections to help its members increase the scale and impact of their impact investing practice<sup>170</sup>.

Additional networks have been created to advance the ecosystem of impact investing through a broader set of constituents. The mission of Confluence **Philanthropy** is to transform the practice of investing by aligning capital with its community's values of sustainability, equity, and justice. Members include

private, public, and community foundations; family offices; individual donors; and values-aligned investment advisors, together representing more than \$96 billion in philanthropic assets under management and over \$3.5 trillion in managed capital<sup>77</sup>. **Toniic** is a global community of asset owners seeking deeper positive net impact across the spectrum of capital. Its members consist of around 500 high-net-worth individuals, family offices, and foundation asset owners in more than 25 countries<sup>172</sup>. **The ImPact** is a global membership community of 70 families from 20 countries committed to aligning their assets with their values. Its purpose is to improve the probability and pace of solving social and environmental problems by increasing the flow of capital to investments that generate measurable impact<sup>173</sup>. **Pymwymic** is a co-owned impact cooperative of more than 150 individuals, families, and entrepreneurs who invest in impact-driven companies through SDG-themed sub-funds.

# Guidance from early adopters

Several foundations have published case studies and reports on their experiences with mission investing and impact investing to share their process, lessons learned, and insight for peers. Examples include:

- Mobilizing More for Mission: Redesigning Wallace Global Fund's Endowment is a case study about fossil fuel divestment, high-impact private equity investments, and investments along the ESG spectrum.
- Aligning Capital with Mission—Lessons Learned from the Annie E. Casey Foundation Social Investment Program includes key findings related to the foundation's housing, business, and commercial and community real estate investments<sup>174</sup>.
- Mapping the Journey to Impact Investing focuses on how the Surdna Foundation organized a generative process to learn about and discuss impact investing for a multi-generational family foundation<sup>175</sup>.
- Building Power Across the Impact Investment Field: Key Takeaways from Our Investment Advisor

- Search is a white paper documenting themes that emerged from the Jessie Smith Noyes Foundation's open inquiry of the impact advisor community<sup>176</sup>.
- The Impact Investing Journey: Aligning Portfolio with Purpose is a report by The Russell Family Foundation with an emphasis on thoughtful portfolio management<sup>177</sup>.
- Values Proposition: How and Why We Transformed Our Investment Model to Align Our Capital with Our Mission shares what the Nathan Cummings Foundation learned, what they wish they had known at the outset, and why they are sure they made the right call to go all-in on impact investing<sup>178</sup>.
- Mission-Aligned Investing: How We Assess Our Progress reports on the Rockefeller Brothers Fund's strategies of exercising active ownership, adopting an ESG lens, impact investing, increasing diversity among its managers, and leveraging its influence to build the field 179.

# Trends in impact investing

The concept of impact investing is only 15 years old, yet strategic choices by a community of forward-thinking donors have enabled it to grow and innovate quickly. Many of these early adopters continue to expand and deepen the field by identifying financing gaps, coordinating funding, experimenting with guarantees, and expanding into issue areas such as affordable housing and the creative economy.

Catalytic capital: A group of funders led by The John D. and Catherine T. MacArthur Foundation, The Rockefeller Foundation, and the Omidyar Network recently focused attention on the role of catalytic capital in helping impact investing realize its full potential. Recognizing that most of the attention in impact investing focused on market-rate returns, they highlighted a need for patient, risk-tolerant, concessionary, and flexible financing for funds and intermediaries that are not a fit for conventional investment. Catalytic capital can help prove new and innovative business models, demonstrate the financial viability of high-need geographies and populations, establish a track record for new and diverse managers, and grow small-scale efforts so they can attract market investors 180.

The Catalytic Capital Consortium (C3) was announced at a GIIN meeting in March 2019 to address gaps in impact investing, particularly for funds and intermediaries that are not a fit for conventional investment. MacArthur dedicated \$150 million for C3 investments aimed at strengthening communities, expanding opportunity and economic growth, and fueling innovation that advances the wellbeing of people and the planet, while laying the groundwork for

mainstream investors to participate in transformative investments. Examples of C3 field partnerships include funds addressing climate change, economic opportunity for low-income people, life-saving technology products, promising new financing vehicles, and smallholder farmers. C3's grantmaking focuses on strengthening the evidence base, advancing practice, and fostering solutions and infrastructure<sup>181</sup>.

**Guarantees:** Guarantees are unfunded commitments from an organization's endowment that offer risk mitigation. American foundations are recognizing that the "other 95%" can serve as collateral on behalf of institutions aligned with their missions, but which do not have their investable assets. If all goes well, the foundation providing the guarantee does not need to pay anything, nor does it get any payment from the financial institution receiving the guarantee. Impact investors are increasingly recognizing the potential of guarantees as shown in the following community development and vaccine examples.

### **Community Investment Guarantee Pool (CIGP):**

In 2019, a team of national and local impact investors led by the Kresge Foundation came together to create an innovative way to advance community impact with particular attention paid to advancing equity. These investors saw potential in creating a guarantee pool that could backstop promising projects and allow capital to flow to borrowers who faced challenges in accessing the resources needed to launch and sustain their projects. CIGP launched in January 2020 as a platform for guarantors to deploy financial guarantees jointly and efficiently in the affordable housing, climate, and small business sectors. Backed by guarantee commitments totaling \$33.1 million from 10 US philanthropic organizations and a large health care system, the Pool is expected to catalyze more than \$150 million in new community investments in small businesses, climate action, and affordable housing 182.

 $<sup>180 \</sup>qquad \text{https://www.lisc.org/bay-area/what-we-do/affordable-housing/partnership-bays-future/} \\$ 

<sup>181</sup> https://blogs.microsoft.com/on-the-issues/2019/01/16/ensuring-a-healthy-community-the-need-for-afforda-ble-housing/

Vaccine equity: In April 2022, Open Society Foundations (OSF), MedAccess, and Gavi announced a new partnership to create a \$200 million risk-sharing facility to help low- and middle-income countries procure additional COVID-19 vaccine doses. Functioning like a group- discount buying club, the facility will give governments more control over what vaccines they order and when they receive them, and accelerate the purchasing process. OSF and MedAccess each made a \$100 million procurement guarantee to the risk-sharing facility.

**Affordable housing** has long been a challenge for traditional philanthropy because the solutions are capital intensive. But the rise of impact investing has created new possibilities. For example, after the Ford Foundation pledged a billion-dollar commitment from its endowment to impact investing in 2017, most of its new investments from this allocation have gone toward housing ventures 183. In the overheated real estate markets of San Francisco and Seattle on the cusp of the COVID-19 pandemic, donors had been experimenting with new approaches. The Partnership for the Bay's Future committed to raising and investing \$500 million by 2025 in building new affordable housing and preserving existing stock. With the Chan-Zuckerberg Initiative as a lead supporter, the Partnership is managed by LISC, which extends lines of credit to community development organizations to make more construction possible 184.

In April 2022, Open Society Foundations. MedAccess. and Gavi announced a new partnership to create a \$200 million risk-sharing facility to help low- and middle-income countries procure additional COVID-19 vaccine dose.

In 2019, Microsoft pledged \$500 million for affordable housing in Seattle: \$250 million to support low-income housing throughout King County at market-rate returns, \$225 million to preserve and develop middle-income housing on the Eastside at below-market-rate returns, and \$25 million in philanthropic grants to address homelessness in the region<sup>185</sup>.

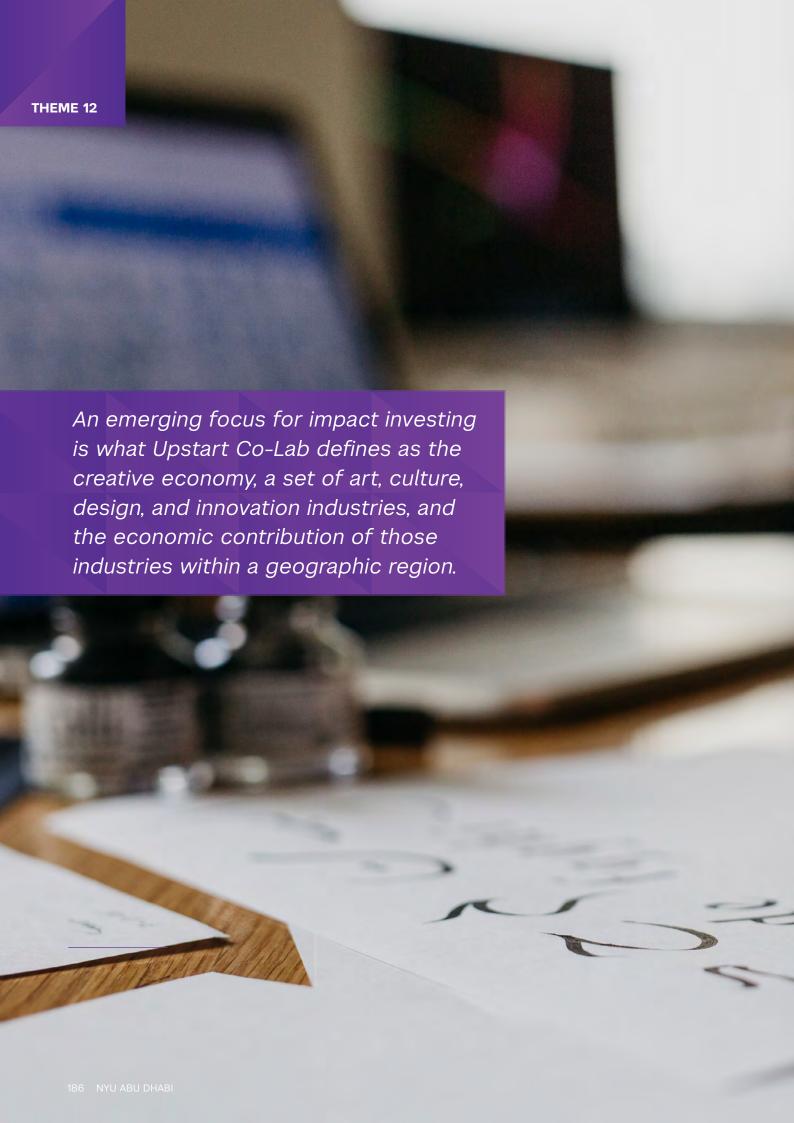
An emerging focus for impact investing is what **Upstart** Co-Lab defines as the creative economy, a set of art, culture, design, and innovation industries, and the economic contribution of those industries within a geographic region. Upstart groups these creative industries in five categories: ethical fashion, sustainable food, social impact media, other creative businesses, and creative places. Since its launch in 2016 with the support of grantmaking foundations, Upstart Co-Lab has built a coalition of impact investors from the creative economy, introduced a creative lens to impact investing, released original research to define this new field, built awareness through media and conferences, and cocreated the New York City Inclusive Creative Economy Fund, which is the first targeted investment opportunity for the creative economy in the US.

<sup>182</sup> https://upstartco-lab.org/about-upstart-co-lab/

<sup>183</sup> https://lebanon.givingtuesday.me/

https://cairo.universitypressscholarship.com/view/10.5743/cairo/9789774162077.001.0001/upso-9789774162077

<sup>185</sup> Data retrieved from Candid's Foundation Maps database on June 15, 2022.





# Spotlight:

# F.B. Heron Foundation

Heron is a 30-year-old private foundation that has long been a leading force in both mission investing and impact investing. Its overall focus is on championing people, places, and enterprises that can challenge broken conventions and dare to change. The Foundation has served as a trailblazer, thought leader, and resource for donors focused on the intersection of communities and capital markets.

**Overview** 

Dana K. Bezerra has served as president of the F.B. Heron Foundation since 2017. After working in the private sector at Merrill Lynch specializing in philanthropy and nonprofit management, she joined Heron as a program officer in 2006. Her initial work at Heron centered on local communities in the US. Over the next 10 years, Ms. Bezerra was responsible for sourcing deals, identifying and developing relationships across a spectrum of investors, syndicating capital when possible, and cultivating opportunities to deploy the full range of Heron's philanthropic and market-rate toolkit. She began her

career in agriculture in California. Her family owned a dairy farm in the San Joaquin Valley, where she bore witness to the bankruptcy of a local creamery, the formation of an independent milk producers' cooperative, and the provision of a local tax abatement package to a multinational food company. Those experiences left Bezerra with lasting impressions of the importance of social cohesion within a community as well as the complicated relationship between communities and capital markets. The Heron Foundation was established in 1992 as a private foundation. Its stated goal was to "help people and communities help themselves" across the US. Heron has used various methods over the years to respond to the changing nature and scale of the issues it addresses. Heron has also modified its investment objectives on occasion and identifies itself as a learning organization. A significant change to Heron's operations has been the rotation of its endowment to an impact-based investment approach, with a profound shift occurring in the wake of the 2008 financial crisis, and its continued rotation in pursuit of increasingly mission- aligned investments in the

period since 2016.

A discussion with Ms. Bezerra shed light on these developments at Heron and provided a wealth of information on the potential and attendant challenges of strategic philanthropy. Heron's shift from narrowly defined mission investments to impact investing, measuring the net contribution of community enterprises, its "Dare to Change" strategy, and the necessity of generative networks for community development work are all themes she addressed.

Mission investing, impact investing: Ms. Bezerra noted that the heavy focus on mission-based investments at Heron was driven by the fact that "philanthropy and grantmaking were our bread and butter." This was upended by the 2008 economic situation as this latter approach led to unprecedented challenges for identifying suitable investment areas in a time of urgent need for the kind of relief offered by Heron. Ms. Bezerra gave the example of an investment that was stymied by Heron's narrow focus on a single mission-related goal. She highlighted a case where an investment in the construction of



We spent two years re-acculturating the staff to Heron's brand behavior in the market: we are servant leaders. we listen more than we talk, we have ideas but we bring our ideas after our partners share theirs, we try to be additive, and we're not a heavy-handed funder.

a medical campus, which would have helped Heron achieve its goal of job creation at the time, was undermined by Heron's failure to consider the larger potential collateral impact of the campus. As Heron discovered later, for example, without thoughtful planning, the growth of the campus could have been destructive for local environmental preservation efforts. Such upsets led Heron to develop an investment strategy that was informed by "its total effect on the people, place, and planet of an operating enterprise," instead of one based solely on whether enterprises receiving investment support from Heron would produce outcomes based on narrowly defined objectives related to the Heron's mission as a foundation. The effect of this is that Heron ended up adding new investments to its portfolio that were not centrally

aligned with its mission as a foundation but had a positive overall impact.

### **Net contribution of enterprises:**

The transition from narrowly defined mission-focused investing to one privileging impact assessment necessitated the language of netcontributions inside Heron. And so, to measure the impact of any enterprise Heron had to consider the "effect of input or output of that enterprise on natural capital, human capital, civic capital, and financial capital." Such appraisal made sure that Heron comprehensively evaluated all enterprises. And under this view, only those enterprises that were net contributors to society's wherewithal were included into Heron's investment portfolio. Ms. Bezerra noted that under

this new approach, unlike before when only the mission outcomes mattered, it was necessary to identify whether local enterprises were neutral, net contributors, or net extractors before making investments.

### "Dare to Change" strategy:

The initial changes in Heron's investment approach were not easy and neither were the changes a few years later, beginning in 2016 when Heron began refocusing on investments primarily attuned to its mission goals once more. Ms. Bezerra pointed out that the main challenges with these multiple transitions were the high turnover of staff and the change in institutional culture at Heron, noting that during the transition from impact-oriented investing back to more mission-focused investing, "We spent two years reacculturating the staff to Heron's brand behavior in the market; we

# **Spotlight:**

# F.B. Heron Foundation



Traditional philanthropy may unintentionally steal the agency of people on the ground.

Because most programs or systems designed to help move out of poverty have been engineered to be prescriptive, telling people what to do. It steals the agency of the people. We're trying to inspire them to take it back.



are servant leaders, we listen more than we talk, we have ideas but we bring our ideas after our partners share theirs, we try to be additive, and we're not a heavy-handed funder." Thus, during both transitions Heron had to grapple with major changes.

The focus on working closer with communities despite a long period of not doing so is what constitutes Heron's current "Dare to Change"

strategy. And it has been accelerated by the events of the recent pandemic. Ms. Bezerra said that during this period, Heron's board fully committed to transitioning power and control of the endowment to Heron's partners at the community level. Because Heron has come to appreciate that giving money does not equate with "understanding the plight of the people you are trying to help." Ms. Bezerra adds that

the idea behind Dare to Change rests on the fact that "traditional philanthropy may unintentionally steal the agency of people on the ground. Because most programs or systems designed to help move out of poverty have been engineered to be prescriptive, telling people what to do. It steals the agency of the people. We're trying to inspire them to take it back."



### leveraging pre-existing networks as well as studying the generative networks in the local communities where much of Heron's work is to take place. Ms. Bezerra pointed out that the focus on networks is

**Generative networks:** Part

of this new strategy relies on

partly because Heron identified some strong partners through its work but attempts at broader cooperation were not successful as these partners had competing

objectives. Heron's focus is now on "the generative network path" which involves identifying people who have already come together of their own volition and are trying to steward their place and accelerating these associations through community investments.

# **Impact Investing in** MENA

Reports with lessons learned by early adopters have encouraged additional funders to embark on their own journeys around impact investing. The cases described in this section outline how smart investments in data aggregation, the creation of standards, and the development of networks have helped create an ecosystem of impact investing. New trends in catalytic capital, impact investing collaboratives, guarantee pools, and expansion to additional issues demonstrate ongoing innovation. Regional experts in the "Philanthropy in the Arab Region" working paper summarize the current situation of impact investing in the Arab region as having a lot of potential but still in a nascent stage. Arab Foundations Forum members have expressed a desire for capacity building for impact investing, signaling a growing interest among a select few who have started engaging in it. This potential has not yet been fully realized, but the landscape in the MENA region, as elsewhere, is offering new investment opportunities and bodes well for growth in this realm in the years ahead. There is significant potential for philanthropy in the UAE to grow impact investing while adding its own distinctive stamp.



## Several of the themes highlighted in this paper are observed in the MENA region. Noteworthy examples include:

- Individual giving: Crowdfunding platforms are represented by Zoomal, Giving Loop, and HasanaH. Communications campaigns in the region include participation in Giving Tuesday and the video interviews and case studies produced by Project Inspired. The Circle, a collaboration between the Pearl Initiative in Sharjah and Philanthropy Age in Abu Dhabi, is a promising new peer network for donors in the Gulf Region.
- Family foundations: The Abdulla Al Ghurair Foundation for Education is a relatively young and highly active family foundation that has a sharply focused mission in giving Arab youth and refugees access to education.
- Corporate social responsibility: The UAE and Saudi Arabia have emerged as regional leaders in awareness and adoption of CSR practices according to surveyed C-suite leaders in those countries.
- Grantmaking foundations are quite active across the region, and engage in the kinds of partnership building and participatory grantmaking that are strong currents in philanthropy today; Alwaleed Philanthropies and the Mohamed Bin Zayed Species Conservation Fund are leading examples.
- Operating foundations: The Queen Rania Foundation in Jordan draws upon research, international best practices, replication, partnerships, and the creative use of technology to implement programs and achieve its mission. Alwaleed Philanthropies has the characteristics of an operating as well as a grantmaking foundation.
- SDG-aligned philanthropy: Dubai Cares works in 60 countries and aligns its efforts to help achieve SDG 4, which aims to ensure inclusive and quality education for all. The galvanizing efforts of the Mohammed Bin Rashid Al Maktoum Global Initiatives (MBRGI) on SDG 2 - end hunger - show that in the region governmental leadership can be very effective in promoting coordinated philanthropic action for impact.

- Philanthropy for and led by women is growing in the MENA region as it is elsewhere in the world, from the Queen Rania Foundation in Jordan. Intisar Foundation in Kuwait, and the Qatar Foundation to Alwaleed Philanthropies in Saudi Arabia and several leading foundations in the UAE.
- Big bets: Community Jameel in Riyadh has made a big bet on J-PAL at MIT which has led to randomized evaluations of social programs that have benefited more than 400 million people worldwide.
- **Prize philanthropy** is making inroads in areas like sustainable energy, food, water, and education, thanks to the example of the Zayed Sustainability Prize in six categories, first launched in 2008.

Social entrepreneurship and impact investing are not highly prevalent in the MENA region, though many small businesses for social good across the region could be described as founded and led by social entrepreneurs. The encouraging regulatory environment for entrepreneurship in countries like the UAE bodes well for the greater potential support for social entrepreneurs. Similarly, the creation of organizations like the Pearl Initiative, the Family Business Council -Gulf, and the Family Wealth Centre at DIFC in Dubai indicates new potential for impact investing as third or fourth generations of families are becoming more strategic about maintaining their wealth and also using it well for philanthropic purposes.

# Incremental scenario

One potential scenario for the future of philanthropy in the region is incremental and flexible: deepen current efforts such as those above and ride the waves of the trends described in this paper as inspiration and a source of information for new initiatives. A proactive approach to building awareness of available resources, replicating innovative practices, and participating in strategic partnerships would contribute toward increasing the amount and strategic impact of philanthropy in MENA.

A menu of recommendations based on the 12 themes follows.

### **Individual giving**

Participate in the annual **Giving Tuesday** campaign, tapping the sponsoring organization for how-to toolkits and other resources. Lebanon is the only country in MENA that is currently an official partner of the movement.

Facilitate the usage in MENA of **donor education** materials created by leading organizations such as the Centre for Asian Philanthropy and Society, the John D. Gerhart Center for Philanthropy, Civic Engagement and Responsible Business at the American University in Cairo, Center for Effective Philanthropy, Center for High-Impact Philanthropy at the University of Pennsylvania, Center on Philanthropy and Civil Society at Stanford University, Centre for Strategic Philanthropy at the University of Cambridge, Giving Compass, and the Lilly Family School of Philanthropy at Indiana University. Encourage MENA participation in **peer networks** and giving circles through support for philanthropic education at local universities such as New York

University Abu Dhabi and donor networks at nonprofit organizations like the Pearl Initiative. Build awareness of global networks such as the Global Philanthropists Circle at Synergos, The Philanthropy Workshop, and Social Venture Partners to encourage participation by MENA donors.

### Family, grantmaking, and operating foundations

- Encourage MENA donors who are currently active in family philanthropy to participate in **international conferences** and sponsor **conferences in the MENA region** to build networks and foster best practices for multi-generation philanthropists. A potential model or partner is the National Center for Family Philanthropy and its National Forum for Family Philanthropy biennial conference.
- Encourage MENA family business leaders to engage with the Family Business Council - Gulf,
   Pearl Initiative, and Family Wealth Centre at DIFC in Dubai to learn more about opportunities to create foundations and engage in impact investing and support for social entrepreneurs in areas of interest to the families.
- Build awareness of trends in grantmaking foundations including the values orientation, flexibility, and streamlined processes of trust-based philanthropy and an actionable approach to strategic philanthropy: articulate your goal, tell a story about how you are achieving that goal, and measure so you know if you are making progress.
- Commission a study on best practices in operating foundations in MENA to develop blueprints for the region.

### **Corporate social responsibility**

Create an annual ranking of the Best Corporate Citizens in MENA focused on ESG transparency and performance, modeled after the approach of 3BL Media. Adapt the Chief Executives for Corporate Purpose approach for **benchmarking data in MENA** or partner with them to expand the Giving in Numbers survey to include MENA companies.

### **SDG-aligned philanthropy**

- Develop greater awareness in MENA about online tools and practical guidance for SDG- aligned philanthropy such as the **SDG Philanthropy** Platform and SDG Funders.
- Encourage MENA-based governments and funders to share their impressive SDG- aligned efforts with these global data tools so that the region is recognized for its contributions.

### **Women's funding movement**

- For MENA donors interested in supporting grassroots women's organizations, build awareness of the member funds of the **Women's Funding Network** and Prospera.
- Encourage participation in the Co-Impact Gender Fund by high-net-worth MENA donors interested in a pooled fund to advance gender equality and women's leadership in the developing world.

### Big bets

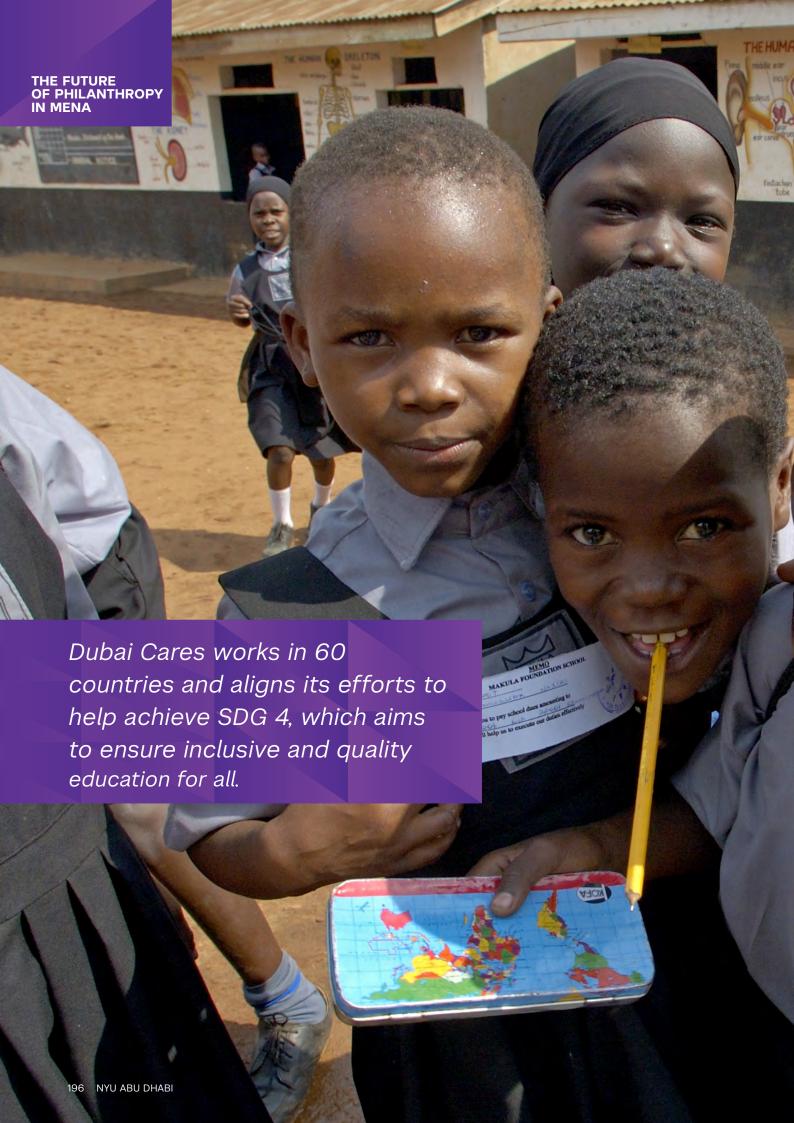
- · Build awareness in MENA of the pipeline of philanthropic big bets developed by Lever for Change's **Bold Solutions Network**, **Blue Meridian** Partners, and Co-Impact.
- Draw attention to big bet philanthropy of the kind pursued by Community Jameel.
- Build awareness in MENA of the array of resources available to source funding ideas including Alliance Magazine, Chronicle of Philanthropy, Inside Philanthropy, Philanthropy Age, Philanthropy **News Digest, and Stanford Social Innovation** Review.

### **Prize Philanthropy**

- · Build MENA donor awareness of the benefits and challenges of prize philanthropy, including resources like the Rockefeller Philanthropy Advisors report.
- · Call attention to the effectiveness of the prize philanthropy methods and results of the Zayed Sustainability Prize.
- Encourage participation by MENA donors in current Lever for Change challenges and foster the development of new challenges with its support.

### Funder collaboratives

Encourage MENA participation in ambitious funder collaboratives such as the Audacious Project, Blue Meridian Partners, Co-Impact and Dasra.





### Social entrepreneurship

- · Build awareness among MENA donors about the ecosystem of social entrepreneurship. Donors interested in investing in a variety of social entrepreneurs can do so by supporting Ashoka and/ or Echoing Green.
- Those interested in an engaged portfolio process can partner with the Draper Richards Kaplan Foundation.
- Engage with the Family Business Council Gulf and Family Wealth Centre at DIFC in Dubai on possible educational offerings about investing in social entrepreneurs in the region.

### Impact investing

- Encourage participation by MENA philanthropists in one of the global impact investing networks such as Confluence Philanthropy, GIIN, Toniic, The ImPact, and Pymwymic.
- Build awareness in MENA of donor education materials on impact investing created by early adopters including the Annie E. Casey, Nathan Cummings, Jessie Smith Noyes, Russell Family, and Surdna foundations and the Rockefeller Brothers and Wallace Global funds, and engage with the Family Business Council - Gulf and Family Wealth Centre at DIFC on possible educational offerings about impact investing opportunities.
- For those in MENA already active in philanthropy and impact investing, encourage funding of and participation in the Catalytic Capital Consortium (C3) or the Tipping Point Fund on Impact Investing (TPF).

# Frontier scenario

Each theme in this paper became a frontier in philanthropy thanks to favorable underlying conditions. Updated variations on individual giving such as effective crowdsourcing, donor education, and peer networks can thrive when connected with ecosystems of charitable activity. Foundations—be they grantmaking or operating, family or independent-are growing more strategic after decades of experience with these philanthropic vehicles. The most interesting developments related to SDG-aligned philanthropy are occurring where donors build on individual grants and programs to embrace field-building strategies. Women's funds, especially those established as grantmaking public charities, are taking hold in locations where fundraising is possible. Ambitious funder collaboratives and other pipelines for big bets are proliferating where the enabling environment allows for aggregation. Prize philanthropy is taking on new life with the advent of intermediaries established in conducive environments. The remarkable stories of social entrepreneurship and impact investing are developing from dozens of individual actors iterating in communities amenable to new solutions.

The MENA region has embraced these trends up to a point, particularly where some of those same favorable circumstances for their flourishing exist. Government leaders have taken notable actions to set philanthropic examples and encourage private citizens and businesses to give for social and environmental good. Another potential scenario for the future of philanthropy in the region is less incremental and aggregative than the combination of these thematic emphases. A bold and catalytic approach would seek to dismantle some barriers and experiment with policy changes to incentivize behavior change. Rather than stopping at awareness, replication, and participation in models created elsewhere, countries in the MENA region could become frontiers of innovation in philanthropy and major sources of thought leadership.

Prize philanthropy is taking on new life with the advent of intermediaries established in conducive environments. The remarkable stories of social entrepreneurship and impact investing are developing from dozens of individual actors iterating in communities amenable to new solutions.



# Barriers to a thriving philanthropy ecosystem in MENA

Although the Arab world has long-standing traditions of charitable giving, including the centuries-old framework of zakat, sadagah, and wagf endowments, they have not translated into the development of a robust set of philanthropic institutions. Individual generosity tends to occur privately and often anonymously. An American University of Cairo study identifies four reasons for this gap:

- Many venerable religious traditions of institutionalized giving failed to make a robust transition to modern circumstances due to restrictive or unfavorable policies.
- Foreign donor contributions have dominated the development scene in places like Egypt and
- The civil society institutions that do exist tend to be isolated and young in age.
- Governments have not always been friendly to private, home-grown institutionalized giving or they have attempted to meet the needs for public goods and services without assistance from private sources.

Additional observations about barriers to the development of organized philanthropy in MENA include the inter-related issues of trust and transparency, national security concerns, a lack of an enabling environment, and the absence of career pathways in the sector.

### **Trust and transparency**

In many MENA countries, charitable organizations tend to suffer from a lack of public trust. Nonprofits rely on generosity and goodwill, and trust underwrites the social contract they have with donors and potential donors. Trust is an important component of the relationship between the sector and the public. A lack of transparency about local charities means that people don't know who is doing what, and it erodes the potential for trusted relationships.

Several of our sources with knowledge of the MENA region noted that there is a general awareness of what the problems are that philanthropy could help solve, but not who you can give money to. For example, expatriates in the Gulf know that there are societal issues in their countries of residence and origin, but they are not aware of the largest organizations working on those issues, let alone which ones demonstrate effectiveness. In short, they wonder who they can trust to make an impact with their philanthropic support.



### National security concerns

Especially since September 11, 2001, national security has been a driving force in the regulation of the charitable sector around the world. This holds true in the MENA region as well and has led to necessary restrictions that make it difficult for bad actors to establish and operate philanthropic institutions. However, all-encompassing regulations against the establishment of institutions and solicitation of funds also prevent good actors from contributing their time, talent, and treasure toward addressing society's ills. The charitable impulses of citizens and residents are hampered by an undifferentiated approach, and innovation in the sector is thwarted. Other countries have created systems with checks and balances to detect trouble while also enabling legitimate charities to flourish. Moreover, in many countries in the region it is difficult to send donations outside of the country from local bank accounts. Financial transfer issues in general are a barrier to the growth of philanthropic giving in MENA.

### Lack of enabling environment and data

The toolkit of modern philanthropy, including crowdsourcing platforms, fundraising via social media, donor-advised funds, private foundations, corporate foundations, community foundations, grantmaking public charities, and nonprofit organizations is hampered by a lack of a comprehensive enabling environment in the MENA region. In many countries in the region, there is no framework for the development of these institutions, and it is also difficult to fundraise for local and international charities. There are missed opportunities to foster the charitable impulses of people of all ages, including youth, and to tap the altruistic entrepreneurialism of the population at large. Data from Candid, an organization that serves as the primary source of global information about institutional philanthropy, tracks 194 foundations in the MENA region, with 72 located in the UAE. Recipient organizations identified by Candid-primarily nonprofits, but also government agencies which have received donor

support-number 1,907 in MENA, with Palestine (288), Egypt (272), and Lebanon (258) topping the list. For comparison, Candid has data on 178,512 donors and 829,129 recipients based in the US and data on 13,790 donors and 77,237 recipients based in Europe.

Candid's data about the MENA region is incomplete, but the organization currently has the most accurate picture of global institutional philanthropy and has committed to growing its comprehensiveness in the years ahead. The organization has partnered with donors and membership organizations around the world to improve the quantity and quality of data for all. Ensuring that MENA is "on the map" is a prerequisite for measuring progress against growth targets. In an ideal scenario, organizations in the MENA region that are dedicated to promoting and strengthening strategic philanthropy, like the Arab Foundations Forum, the Gerhart Center at the American University in Cairo, and the Strategic Philanthropy Initiative at NYUAD could join forces to develop a Candid-like data intermediary on philanthropy for the region.

There also are extensive gaps in research about philanthropy in the region, including a need for studies by other researchers that begin to answer the following types of questions:

- · What kinds of philanthropy are happening in the MENA region now? Where does money come from and where is it directed to solve problems? How much philanthropic capital is used in the region and how much to support causes around the world? How can we use data to tell this story?
- · What philanthropy is visible and what philanthropy is invisible in the region? How does one differ from the other?
- · Why do some countries in the region have better research and data about philanthropy and giving than others? Are there historical and structural reasons for the discrepancies?

- Why do people in the UAE, GCC, and MENA give the way they do? How does the picture change by geography, religion, and gender?
- · What are the gender dynamics in philanthropy in the MENA region?
- How can we increase the amount of evidence-based. policy-making research in the GCC?

### Absence of career pathways

A related, false narrative among some members of the MENA public is that truly charitable organizations should not have operating expenses. If they are nonprofits, the thinking goes, why are their costs so high? A straightforward answer is that professional people solving problems in any sector must be compensated for their efforts. The innovative trends that emerged in this paper came from visionary funders and paid staff, not volunteers. The growth of the philanthropic sector around the world has led to career pathways where individuals can gain experience and insight through multiple organizations and in multiple sectors.

# Key questions to address include:

What is the current state of charitable regulation in our country? Which laws function as barriers to innovation? How can they be lowered safely? Who are the trusted actors that can champion change?

# **Policy** recommendation

The trends and examples described in the body of this paper primarily sprang forth from countries with policy environments favorable to a flourishing philanthropic sector. Innovation flowed because the basics were present: an enabling environment for philanthropy, legal ways to fundraise and establish philanthropic vehicles, a nimble approach to security threats posed by the nonprofit sector, ease of sending donations globally from local bank accounts, transparency in giving, mechanisms to encourage trust in nonprofits, and a well-developed pool of paid jobs for professionals. Countries in MENA that want to pursue a frontier approach to the future of philanthropy could establish national initiatives on philanthropy to examine their current policy environments and align them with exemplary practices. This initiative should have a clear mandate from the country's leadership, strong linkages with the country's long-term strategic plan, and a timeframe for expected deliverables.

### Key questions to address include:

- What is the current state of charitable regulation in our country? Which laws function as barriers to innovation? How can they be lowered safely? Who are the trusted actors that can champion change?
- · What are the most effective policies used by other countries to facilitate philanthropic practices without compromising national security priorities? How can they be adapted for our country?
- · What data on our country's charitable activities is available? What are the most important data gaps? How can those gaps be closed? What are the datagathering barriers? Who are the trusted actors that can introduce a balance between the need for transparency and the prevailing culture of privacy at the individual and institutional levels in MENA?
- Which institution(s) could become trusted data intermediaries for philanthropy in our country?

# CONCLUSION

In weaving together, the insights from this comprehensive study and its key findings, conducted by the Strategic Philanthropy Initiative (SPI) at New York University Abu Dhabi, this study has made significant strides in mapping the landscape of strategic philanthropy in the MENA region and comparing it with global trends, particularly those in North America. This comprehensive research not only illuminates the shared and unique strategies of philanthropy across varied cultures and economies but also serves as a foundational step towards fostering a more interconnected and impactful philanthropic ecosystem worldwide.

The study's findings underscore the rich diversity and innovative potential within the MENA region's philanthropic landscape, from the burgeoning use of crowdfunding platforms to the strategic impact of family and operating foundations in the region. It highlights a dynamic evolution in giving, fueled by a new generation of philanthropists who are integrating technology, aligning with Sustainable Development Goals, and pushing the boundaries of philanthropy into sectors such as environmental sustainability and social entrepreneurship.

Key to enhancing the impact of philanthropy, as revealed by our research, is the pivotal role of education, networking, and strategic partnerships. These elements are essential for fostering a collaborative and evidence-based approach to philanthropy, urging entities and individuals alike to reflect upon and refine their philanthropic strategies. Looking forward, it is evident that the future of philanthropy in the MENA region stands at a critical juncture of opportunity and transformation. The study delineates two potential futures: an incremental scenario, where existing efforts are deepened and current trends serve as a source of inspiration; and a frontier scenario, which calls for a bold reimagining of philanthropy. This latter path challenges us to dismantle existing barriers and to innovate policy changes that encourage a more strategic and transformative approach to philanthropy.

Central to realizing the full potential of philanthropy in the MENA region is addressing prevailing challenges such as trust, transparency, and the need for an enabling environment. This work involves not only overcoming legal and regulatory barriers but also cultivating a culture that supports strategic giving, impactful investing, and the development of a robust philanthropic infrastructure.

The study's findings underscore the rich diversity and innovative potential within the MENA region's philanthropic landscape, from the burgeoning use of crowdfunding platforms to the strategic impact of family and operating foundations in the region.

In conclusion, this SPI study emphasizes that the journey toward a more strategic and impactful form of philanthropy in the MENA region is essential, underway, and full of further promise. By embracing innovative approaches, fostering collaborative partnerships, and navigating through challenges with strategic action, the region can address its unique needs and also contribute significantly to the global philanthropic narrative. A spirit of continuous learning, adaptation, and a bold vision for philanthropy - deeply rooted in the region's rich cultural traditions yet forward-looking in its aspirations for sustainability and impact - will guide us toward creating lasting and positive change. On this journey, philanthropy is not just a means to specific ends but a powerful catalyst for societal transformation. In the end, the collective purpose and potential of generosity and strategic thinking should be a brighter future for all.

# APPENDIX: PEOPLE INTERVIEWED FOR THIS STUDY

Alwaleed Philanthropies: HRH Princess Lamia Bint Majid Al Saud, secretary general

Candid: Bradford K. Smith, former president

Community Jameel: George Richards, director

F.B. Heron Foundation: Dana Bezzera, president, and Kelly Donnelly, director, strategic initiatives

**Bill & Melinda Gates Foundation:** Parastou Youssefi, former senior program officer; Julita Eleveld, former senior program officer; Kofi Rashid, advisor; and Allison Al-Masri, advisor

Abdulla Al Ghurair Foundation: Sonia Ben Jaafar, chief executive officer

William and Flora Hewlett Foundation: Larry Kramer, president

International Alliance for the Protection of Heritage in Conflict Areas: Thomas S. Kaplan, chair

IntisarFoundation: HH Sheikha Intisar AlSabah, founder and chairwoman

LeverforChange: Jeff Ubois, vice president, knowledge management, and Muhsin Hassan, awards director

Mohammed bin Rashid Global Initiatives: Sara Al Nuaimi, director

Mohamed bin Zayed Species Conservation Fund (MBZ Fund): Nicolas Heard, head of fund management

New York Women's Foundation: Ana Oliveira, president and chief executive officer

Prudential Financial: Lata Reddy, senior vice president, Inclusive Solutions, and chair, The

Prudential Foundation

Queen Rania Foundation: Samir Farrag, director of strategic partnerships and fundraising

Skoll Foundation: Donald Gips, chief executive officer, and Shivani Garg Patel, chief strategy officer

Tow Foundation: Emily Tow, president

