



Wilton Park



Report

## **Future of philanthropy: what role can philanthropists and foundations play in delivering on the global goals for sustainable development?**

Wednesday 6 – Friday 8 December 2017 | WP1588

In association with:

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**CAF** Charities Aid Foundation



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In September 2015 'Transforming Our World: The 2030 Agenda for Sustainable Development,' which included a set of 17 Sustainable Development Goals (SDGs), was agreed in New York. Since that agreement was reached, the international environment has looked increasingly fractured, and the political will to make progress towards these Global Goals less certain.

This Wilton Park event considered the extent to which the Goals continue to provide a realistic framework within which to think about progress in the years leading up to 2030 and how philanthropy can contribute to their achievement. With a specific focus on the new Sustainable Development Goals (SDGs), particularly SDG 17: 'Revitalize the global partnership for sustainable development', this event brought together leading thinkers from: the private sector, foundations, non-profits, government and academia to discuss the future of philanthropy; the major challenges and opportunities that philanthropists face and how philanthropists, in coordination with other international stakeholders, can develop pioneering solutions for some of the most pressing global challenges.

### Key points

- The SDGs are broad and ambitious and it will require a coordinated global effort to achieve them by 2030. Within them, some targets are aspirational and designed to motivate collaborative action whereas others are highly specific. Whilst some organisations do not use or refer to them frequently in their day-to-day work, they provide a hugely helpful framework for solving global problems with an appreciation of the intersections between them. The SDGs can also function as a marketing tool and motivate more people to respond to global challenges.
- The definition of 'philanthropy' needs to expand to fit with the times. Whilst high net worth individuals are undoubtedly significant actors, philanthropy can and should be much broader. It is important to build a culture of giving which is economically and socially inclusive. Opportunities for new cultures of giving can be found by embracing new, wealthy countries and emerging middle classes.
- In order to meet the development goals a focus on 'upstream', systemic change is required, not just a 'downstream' focus on impact and tangible results. Success depends on creating the right partnerships and ensuring that interventions are locally rooted as the sense of place plays an increasingly important role in today's world.
- It is essential to establish effective partnerships and conditions for collaboration

and combined expertise. Governments, philanthropists and entrepreneurs have complementary skills and would benefit from an increase in trust in each other. The entrepreneur's mindset and convening power will prove helpful, especially if they are involved in the delivery of philanthropy, as well as the funding behind it.

- Civil society would benefit from a strengthening of cooperation and increased avenues for shared learning. This includes embracing risk and innovation; being more comfortable with failure and improving transparency. Considerable duplication can be avoided by foundations and charitable organisations being more open to partnerships including sharing back office resources and participating in non-competitive, collaborative learning.
- In an increasingly volatile and uncertain world, new tools, technology and trends will be pivotal in meeting the SDGs. It must also be noted, however, that there is a danger of seeing these as silver bullet. Automation, blockchain and improved mobile banking are already potential Game changers, but they will help make progress rather than act as a panacea. There is also much to be learned from new approaches to giving, such as Effective Altruism and young people's notable interest in leading more ethical lives.
- The five P's of the SDGs – Peace, Prosperity, People, Planet and Partnerships – provide a useful framework for further discussion on the role of philanthropy in fulfilling the SDGs.

### **Developing modern philanthropy that is fit for purpose in today's world**

1. What can be done together to improve the strategic impact of philanthropy? Often the most important impact is achieved through bringing people together, making changes together and sharing learning.
2. This is a time of unprecedented development and social change, and so this generation has huge potential to change lives. Philanthropy must intertwine with the changes on the horizon, such as the challenges of big data and inequality. Modernising philanthropy so that it works efficiently is key: building a philanthropy that looks backwards to the rich tradition of charity through the ages but is fit for the modern age.
3. The notion of charity has shifted over time with the term 'philanthropy' dating back to the sixteenth century European reformation. There has been no clear settlement on how charity should be regulated. Even today, the Charity Commission for England and Wales sets out regulations and donation guidance, but this is always subject to revision. As such the role of philanthropy creates continual challenges for policymakers.
4. There are three key elements to philanthropy: Wealth: there is no philanthropy without wealth; Crisis: times of crisis are important, as they drive people to fix systems; Ideas: the rise of humanism, where people think problems are fixable.
5. There are also three key risks to philanthropy: Misperception of scale: philanthropy is dwarfed by other resources; Misunderstandings: governments must not think of private donors as a resource for backfilling a lack of national funding; Naivety: a failure to understand the context and systems involved when philanthropist make development interjections into foreign countries.
6. People are giving growing weight to the notion of place as part of people's identity. There is a need to rebuild towns and cities where people feel left behind and adversely affected by disproportionate growth. A void is created where national and local government budgets are stretched, but this void can be filled by Civil Society Organisations (CSOs) to unlock all the resources within a local community to generate change.

“impact is achieved through bringing people together, making changes together and sharing learning”

7. A future example of this might be seen in Britain where newly created mayors could catalyse this devolved, local approach to generating change. Communities should build themselves up, bringing people together and reintroducing philanthropy as a positive force for social cohesion and inclusive growth.
8. Economic growth alone will not achieve the SDGs, especially since many easy wins have already been made under the Millennium Goals. The biggest problems are in countries with fundamental governance issues. Strengthening Civil Society must be seen as an end goal in itself, as well as a means to solving individual problems. It would be wrong to assume, however, that Western concepts of Civil Society are right for all settings; there is a need to learn more about regional and cultural variations in charitable giving and Civil Society structures.
9. Charitable organisations must not become complacent, especially since rapid change is the norm. Technology and the rise of non-traditional structures for social good challenge existing models. Social media has been democratised and it is easier than ever to bring people together.
10. The application of Artificial Intelligence (AI) and machine learning to huge sets of data, on social issues and the social impact of interventions could radically improve the ability to address problems effectively through philanthropy.
11. Factors such as these could provide significant opportunities, but could also pose a threat to the very notion of a charitable organisation. Charities, therefore, need to be at the forefront of progress and may have to transform themselves to be most effective.
12. Philanthropic organisations also need to understand the importance of taking risks and acting against conventional wisdom. This could be achieved by incentivising risk-taking and open discussion of failure, for example by creating awards for bold new approaches or even for failure itself.
13. It is not enough to focus solely on increasing philanthropy, as economic growth and capitalism itself is not working for enough people. The question is how to rethink and redefine capitalism to make it work better for people.
14. Business should play a key role too, and make permanent long-term commitments for giving. Companies must be encouraged to make commitments and pledges, providing skills and services alongside financial donations. The responsibility of corporates in the community is critical; it is much more important to ensure that businesses operate in ways that are positive and good in the first place than to promote corporate philanthropy.

### **Inside the mind of philanthropists**

15. What are the traits that high net worth philanthropists share? Many take an investment approach to all that they do and their charitable investments aim to provide profit for everyone involved. They are often captivating, persuasive and ambitious, and look for solutions to systemic problems through pragmatic means.
16. The influences and motivators may change for second and third generation high net worth individuals, as they may be bound by complicated structures, whereas the first generation are more in control of their destiny. All are heavily influenced by their business, religious and social networks.
17. In some cases, entrepreneurs – and those with an entrepreneurial mindset – are better-equipped than bureaucrats. Their traits include not taking no for answer, turning over every stone and being unafraid to ask questions. It is essential to bring more entrepreneurs into the delivery of philanthropy, encouraging them to give their time as well as their money.
18. Many entrepreneurs have the knowledge of scaling up quickly when needed, and can use big data to target limited resources very effectively. Interventions must change to

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become more future-focused, not responding to crises after they happen. For instance, lessons learned from Ebola crisis provide an opportunity to look at hotspots now and predict future crises. In order to maximise the benefit of future-focused preventative action, there must be a systemised approach to harnessing vast amounts of data. In tandem, work needs to be done to encourage philanthropists that this type of investment is ground-breaking, exciting and worthy of attention.

19. There is a great opportunity to work with these high net worth individuals and to leverage their passion for giving, helping them to be as effective as possible. They in turn can act as mentors to other would-be philanthropists and could do more to create peer networks of their own.
20. Entrepreneurs should not assume that success in business directly equates to success in philanthropy. There are countless failures of philanthropists who did not know what they were doing. One proposed method to counter this is to promote self-education of entrepreneurs turned philanthropists via consultation and immersion into ongoing development or charitable projects. Philanthropic failures have the highest impact on those in greatest need, who must not be used as guinea pigs or be forgotten about after interventions fail.
21. The convening power of entrepreneurs is worth noting. Governments and entrepreneurs have different, complementary access points to influential contacts, but entrepreneurs have more flexibility in gathering people together. Senior civil servants should be briefed on the role of philanthropy in government departments in order to maximise opportunities for collaboration.
22. Philanthropists can be overly focused on humanitarian work, when the best humanitarian outcomes overall happen by enabling systemic change. Painting schools will not change the world.
23. It is important for the giver to enjoy giving, and not think of charity as a tax. Taking philanthropists on visits to connect with people and see the impact of their support is hugely rewarding. Philanthropists should be encouraged not to miss out on doing something great for themselves and their family.
24. The SDGs can appear highbrow, inaccessible or abstract. Further work is required to assist their practical implementation into society, thus avoid the risk of them being words for leaders to say rather than do. Many believe that this further work consists of a multi-pronged attack, featuring (alongside money and technology) innovation, good management, political will, suspension of corruption and suppression of stifling bureaucracy, is required to meet the SDGs.

## **Barriers to philanthropy**

25. Philanthropists have more freedom than their counterparts in four noted ways: The ready access to capital enables greater freedom in chosen activities; This capital is not subject to a rigid accountability framework as, say, public money would be, and it can be risked in ways that other capital cannot; Foundations can benefit from the energy, skills and networks of their founder; Philanthropists can choose where to base themselves and thus chose the legal and regulatory frameworks their activities would have to adhere to.
26. On the other hand, there is a flipside to each of these four freedoms: The capital itself is limited and is a comparatively minor source of funding; Philanthropists still have to adhere to local regulations and customs (or lack of) in the countries in which they operate; Many philanthropists are overly self-confident, naïve or unwilling to take advice. This can lead to disjointed development programmes, for example building a school and not the road to access it. Whilst philanthropists are free from the usual accountability frameworks there is still the need to ensure philanthropic development activities do not cause harm. It is a serious thing to intervene in other people's lives, especially where there is a power imbalance. Unintended consequences and the

human cost of failures must be carefully considered.

27. Although transparency is crucial, the answer to these barriers is not more regulation. Furthermore, there are complications to transparency, such as the belief in some religions that charitable giving should be private, or cynical public opinion thinking that philanthropy is a self-interested public relations stunt. If minimum standards are introduced, then what should they be? And how can governments ensure that philanthropists are not put off giving by more regulation?

### Game changers in philanthropy

28. **Effective Altruism (EA):** The movement which identifies with the name 'effective altruism,' centring around organizations such as Giving What We Can, only came into being in the late 2000s. This movement which starts from the premise that all lives have equal value, and that a data and evidence-based approach can be instrumental in maximising the good individuals can do.

#### Traits of EA

- Causes are measured and prioritised by their scale, as well as how neglected and tractable they are;
- These ideas hold great appeal for younger generations who use these principles not just for donations but also for how they live their lives, looking at all aspects of what they do;
- EA has created a sense of community which motivates people to help others, via initiatives such as the Giving What We Can pledge, where individuals pledge to give away 10% of their lifetime earnings;
- Peer pressure, mentorship and networks are vital for maintaining a connection to giving. Non-cause-related networks are important too, especially with effective, non-partisan conveners.

#### 29. Disruptive technology

- Automation will transform our world and civil society needs to act as a moral compass; ensuring that those with less power are not left even worse off. The benefits of automation will first be felt in developed countries and wealth might become concentrated in an even smaller number of hands;
- If people do not have to work in the future, could a new sense of purpose emerge from philanthropy instead of work;
- Accountability: the more that decision-making is outsourced to automated processes, questions are raised over where the accountability is for when things go wrong;
- Organisations such as Charities Aid Foundation (CAF) can play a crucial role in bringing people together, distilling tech knowhow and making it relevant to philanthropy. Charities must equip themselves with the tools to get involved in these debates.

### A new vision for philanthropy: locally, equal and co-created

30. Philanthropy can be defined as “private action for the good in the public space.” The defined place of philanthropy does not exist in many countries, for example in places where new wealth has been created at the most accelerated rates. The Anglo-American model of philanthropy is just one variant in a much broader scheme. For example there was no third space in China, however the domestic giving landscape is developing and expanding.
31. Ultimately, the goal is to create increasingly just and equal societies, and so the question of ‘inside money’ and ‘outside money’ becomes relevant. Outside money is

“Domestic philanthropy is a game changer for doing good”

money flowing from abroad, often viewed with suspicion or as having inherent conditions attached to it. Inside money is new wealth from emerging places. In this hyperconnected world, the concept of beneficiaries must be eliminated. The people philanthropists and foundations work with on the ground are co-actors. As equal stakeholders they should participate in all major events, conferences and debates on the issue.

32. Organisations and individuals often find it tempting to think only of North to South crossborder giving. South to South giving, as well as open dialogue, is undervalued and worthy of greater attention.
33. Brazil, as a wealthy country, provides a good case study for new philanthropy, as it is also listed 79 in the Human Development Index. When surveyed, 87% of Brazilian citizens commented that donating should not be talked about publicly and so organisations have run campaigns to change this thinking. These include joining the global 'Giving Tuesday' movement or running advertising campaigns with messages such as: 'Everyone has a cause: which is yours?' Young people are considered to be future philanthropists.
34. Domestic philanthropy is a Game changer for doing good. All problems are local, so effective solutions are likely to be local too. Whilst outside institutions can and should help, they must think carefully about how they can connect locally. Given the rise in direct cash transfers to individuals in need, it is possible to 'leapfrog' organisations and provide direct, instantaneous aid. For instance, the Mastercard Foundation's work on improving cash transfer schemes has allowed cash to reach refugees quickly and effectively.
35. The current philanthropic model does not let people maximise their input and should be reimaged. Young people and communities are increasingly holding government to account. This is a model which could be translated to foundations and philanthropists, and is a powerful opportunity for delivering the SDGs. By bringing young people and people at the margins into the heart of the SDGs, the SDG principle of 'leave no one behind' is embodied and success is far more likely.
36. The act itself of giving money away strengthens Civil Society. It is a political act of an individual telling their country that it can do better, thereby turning dissent – or even anger and disillusionment – into something constructive. Organisations can help too, by releasing that pressure gauge and functioning as structures that allow governments to hear that dissent in a useful way.
37. The OECD has produced sobering data which challenges assumptions by indicating that philanthropy for development is mainly targeted at so-called 'good countries' and not at fragile states where the need may be greatest. In these circumstances it is generally agreed that preferred partners are Non-Governmental Organisations (NGOs) rather than front line services. In addition grant lengths of one to three years limit the effectiveness of programmes as they are far too short for long-term crises.
38. A large number of organisations claim to have impact without evaluating their programmes or holding their grantees to account. Operating 'in the dark' without evidence of impact is harmful and could be regarded as immoral, and wholly at odds with the rhetoric of 'leave no one behind'.
39. There is a tendency to claim that the Western World can provide solutions and have the answers. Development is regarded as 'too Anglo-American', and local players need to feel included as a valued stakeholder.
40. Philanthropists face very real restrictions. For example it is very difficult and risky to work in fragile states, such as Syria, where polio is returning and there is indiscriminate bombing of hospitals. Whilst there are UK HM Treasury exemptions from sanctions for humanitarian work, it still can feel too risky for foundations to commit themselves and the Charity Commission and other regulators do not always provide explicit

reassurance. What is the right level of due diligence that does not inhibit behaviour? The moral imperative is saving people's lives, so how can charities and foundations do good with confidence in the most fragile parts of the world?

41. Meeting the SDGs requires a blended approach to philanthropy, where everyone's way of doing things is embraced. To achieve the SDGs global stakeholder debates could be livelier, harnessing social media could assist with this. Private sector and government coordinate actions could also assist with delivering on the SDGs by sustaining public momentum and bringing together a wide variety of resources.

## **Commitments and continuity**

42. It was recommended that Wilton Park should convene a series of discussions focusing on the five P's and SDG16.
43. Under the topic of People, specific themes might include "People are our greatest asset" and the theme of "Leaving no one behind".
44. Prosperity sessions might look at using large populations as an asset rather than a threat, using case studies such as China and India which are dealing with large and rising populations. There could also be a workshop on enabling all human beings to thrive, rather than merely subsist.
45. The focus for a discussion on Planet, could be the motivations behind planet-related philanthropy, as well as the role of philanthropy when planet issues become security issues.
46. Peace would explore what constitutes good governance, identifying the current and future gaps in crime interventions and making inclusive decisions.
47. The theme of Partnerships, which would run through all the discussions, is of fundamental importance. Diverse groups need to be brought together to ensure opportunities for effective collaborative action towards fulfilling the SDGs including all types of philanthropists, traditional and new, local co-creators, young people, governments, entrepreneurs and business leaders.

## **Conclusion**

Strong partnerships are needed to build an exciting, rewarding culture of mass-giving and to aspire to meet the SDGs as a collective, worldwide effort. There was general agreement that Philanthropy and Foundations have a critical contribution to make in delivering the SDGs. To stand the best chance of success firstly there needs to be better coordination between Philanthropists and foundations, and secondly between them and other actors, including governments, civil society and the private sector.

### **Sophie Dannreuther**

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