

# DEMOCRATISING TRANSFORMATION



5th edition curated with



## FINANCING INFRASTRUCTURE TRANSITIONS – Carola Carazzone / PHILEA

Philanthropy has been considered mainly for its financial capital with inputs, endowment management or distribution of grants. Yet, philanthropy has the potential of different kinds of capital that should be unleashed in order to contribute in a more effective and meaningful way to the achievement of the 2030 agenda.

If we focus on the collective impact with a mission-oriented mindset in philanthropy, then a shift from a solipsistic world towards a more collective perspective is possible. For example, embedding a climate lens in the work of any foundation, not only of the environmental funders, is a meaningful initiative where we can accelerate the learning process and collective impact.

It is very important to have a clear distribution of services. But supporting system change is a different animal. If we want to support system change and at the same time contribute to a world that is more equal, then the support that philanthropy has to provide is different from grant distribution. The support modalities have to become much more flexible, more long term and open – which includes really listening to who is working on the ground, who is working in civil society and social purpose organisations.

Beyond a standard or practice that can be paradigmatically endorsed and implemented by everyone in the same way, for us it is very important to contribute to a mindset and cultural norms that look at grantees as allies and partners. That includes to treat civil society

organisations not only as implementers, or executors of a list of activities in earmarked and project restricted funding, but to really recognize their value and the fact that so many of them are doing frontline work with characteristic features and criteria that are very different from the profit world. An approach where values like trust in social purpose organisations, inclusiveness, participatory leadership, investing in people and organisations and networks based on these principles, are far more important than just having tiny short term projects to execute.

Many allies and partners are needed for this kind of system change inside the philanthropic practice. Organisations should not only serve their members like old membership associations, but serve the philanthropic sector as multipliers and as developers. We should contribute to accelerated learning processes, build capacities, skills and competencies, reinforce the credibility and the visibility of philanthropy – while having more transparency, using data and research on philanthropy much more actively.

At the same time we should try to foster collaboration, strategic collaboration, not just occasionally, not just on a specific project, but really on mission-oriented collaboration. And it's the collaboration with the public sector that could be much more effective at every level: at the local level, the national level, the European level, at UN level.

There's a very specific role for philanthropy to play, which is not just filling the gaps, filling the holes of public funding, as it was at the national and local level until very recently. But it's about acknowledging the unique distinctive role that philanthropy can play for the public interest, which is about capitalising the independence, the agility, the flexibility, the capacity of taking risks, of the pilot chain of innovating. Philanthropy has an agility and flexibility, but also an independence that the public sector doesn't have. I would like to see a much more strategic vision there, moving away from a list of activities and restricted project funding, which was the dominant way of funding for the last 30 years.