

DEMOCRATISING TRANSFORMATION



5th edition curated with



FINANCING INFRASTRUCTURE TRANSITIONS – Pia Mancini & Jean-François De Hertogh / Open Collective

Most of the communities we support don't know how to access public funding in order to actually start working on projects. That's why we have developed a platform that allows communities not only to fundraise, manage and spend money but pairs that with a network of fiscal hosts and existing legal entities that act as custodians of the funds for those communities. They receive the money, pay for expenses, and provide communities with a legal and fiscal status.

Based on our experience, there are two important aspects for connecting crisis response with systemic change: Firstly, public funding needs to be much more transparent at all levels and stages in the funding cycle. And secondly, we should be funding more transient initiatives. Initiatives arise because there's a need. But once that need is fulfilled, we should have a path for letting those initiatives end. In the bureaucracy there's a tendency of funding things that have to grow and the need to justify budgets year on year. Like this public money is used to keep creating structures that are maintained, even if they're not needed anymore. By justifying these budgets, administrative oversight and human resources that we don't need - we spend public resources that would be of greater use somewhere else.

Instead of being obsessed by impact and metrics, public funding should be given to communities with the space to let them figure out what they want to do. But the current system is made for organisations that are big enough to have metrics that are interesting enough for

the funders to give money to. And then you end up monopolising funding on large organisations that have this structure and can concentrate power. If there's more trust between public institutions, foundations and nonprofits, people on the front line can better concentrate on unleashing their potential and actually use the available resources to create impact.

Structural change could start with the understanding of networks not only as a political actor, but also as an economic actor. And that would mean for them being able to have access to the opportunity to receive funding, to a banking system, access to having their status recognised by other stakeholders in the economic system. Understanding what Fiscal Sponsorship means and how it works is crucial, because it lowers the entry level for all of these communities and the basis for unlocking a lot of impact.

And moving money around should be a lot easier. The fact that moving money between countries is still as painful as it is today is preventing a lot of amazing work taking place. We have free movement of goods and people, but we can't have free movement of donations. A really low hanging fruit would be tax deductible receipts when people make a donation from anywhere in Europe to anywhere in Europe. We have to treat Europe as a whole by enabling easier philanthropy between countries. In addition it would be great to have a European statute for associations. Instead of national associations they would be European ones that are able to interact differently and kickstart a new ecosystem for change.