

Cambridge Judge Business School
Centre for Strategic Philanthropy

PHILANTHROPY AND COVID-19: IS THE NORTH- SOUTH POWER BALANCE FINALLY SHIFTING?

Centre for
**Strategic
Philanthropy**



**UNIVERSITY OF
CAMBRIDGE**
Judge Business School

The Centre for Strategic Philanthropy (CSP) at University of Cambridge Judge Business School believes that change-makers from global growth markets are vital providers of solutions to societal and environmental problems, supporting global development. Consequently, the CSP aims to inform, cultivate and catalyse strategic philanthropy in and from these markets and encourage collaboration between international and local impact-orientated initiatives. The Centre is designed as a global convening body that can research philanthropy, encourage practitioner voice and disseminate best practice in three specific growth markets: the Middle East, Africa and South East Asia.

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This report – the Centre’s first – views the COVID-19 pandemic as an opportunity to assess the current state of emerging market philanthropy, identify future opportunities and challenges and provide a manifesto that can inform and improve its impact. The timing was challenging but provided a unique opportunity: our research began just as the world went into lockdown and given the gravity of the crisis and the huge potential of philanthropy to play an important role in addressing it¹, we were uniquely poised to generate insights into how COVID-19 had shaken up the sector. While this report is preliminary and qualitative, it provides important insights into fundamental issues and trends that can help inform the Centre’s longer-term research and education agenda.

Put simply, the crisis has provided a real-time ‘natural experiment’ laboratory for assessing some of the challenges facing the philanthropic community. The insights drawn from the interviews and data in this report suggest that coronavirus – for all its temporal and lasting pain – is a crisis that the philanthropic world should and must draw lessons from. While many of the issues identified in the report are not new, the scale of the crisis highlights that society has little time to waste in extracting the most from the dedication and capital that philanthropists are willing to invest in solving some of the world’s most challenging problems. The pandemic could thus be a catalyst for positioning philanthropy to respond even more effectively to the next unpredictable but not unforeseeable crisis.

In a recent [video interview](#) with the Centre’s founding patron, Badr Jafar, the co-founder of the Bill & Melinda Gates Foundation, Bill Gates, said: *“Given the scale and urgency of the pandemic, I think COVID will have a profound impact in several ways. For one, I think we’ll see philanthropists engaging in more active collaboration, not only with businesses and government but also with each other.”* This new report finds evidence that this is already occurring in the Global South, which is very promising.

We believe that our newly created Centre and its many supporters around the world can embark collectively on a journey of researching, understanding and promoting philanthropy in emerging markets that is focused, effective and impactful. This report is the first of many to come from the Centre on various topics. Over time, we hope to inspire others to fill the many institutional voids that exist in emerging market philanthropy and use the enormous potential of an inevitable inter-generational wealth transfer for maximum impact.

The time is ripe for a radical rethink of Global South philanthropy, not only in getting resources to where they are most needed locally but also in contributing to the UN's Sustainable Development Goals (SDGs). We hope that this report will trigger an important debate about how delivery on the SDGs could be accelerated if philanthropic capital were systematically pooled to this effect. The challenge of the COVID-19 pandemic has further exacerbated the climate crisis and all global socio-economic development challenges from poverty to income disparity to sustainable growth. Time is of the essence. We hope that practitioners and grant makers² alike will take some inspiration from this report and help us work collectively and more effectively on our mission of improving the impact of philanthropy from growth markets. In turn, we hope this will help contribute to building a better, more prosperous and more sustainable future for all those that live in the world's developing countries.

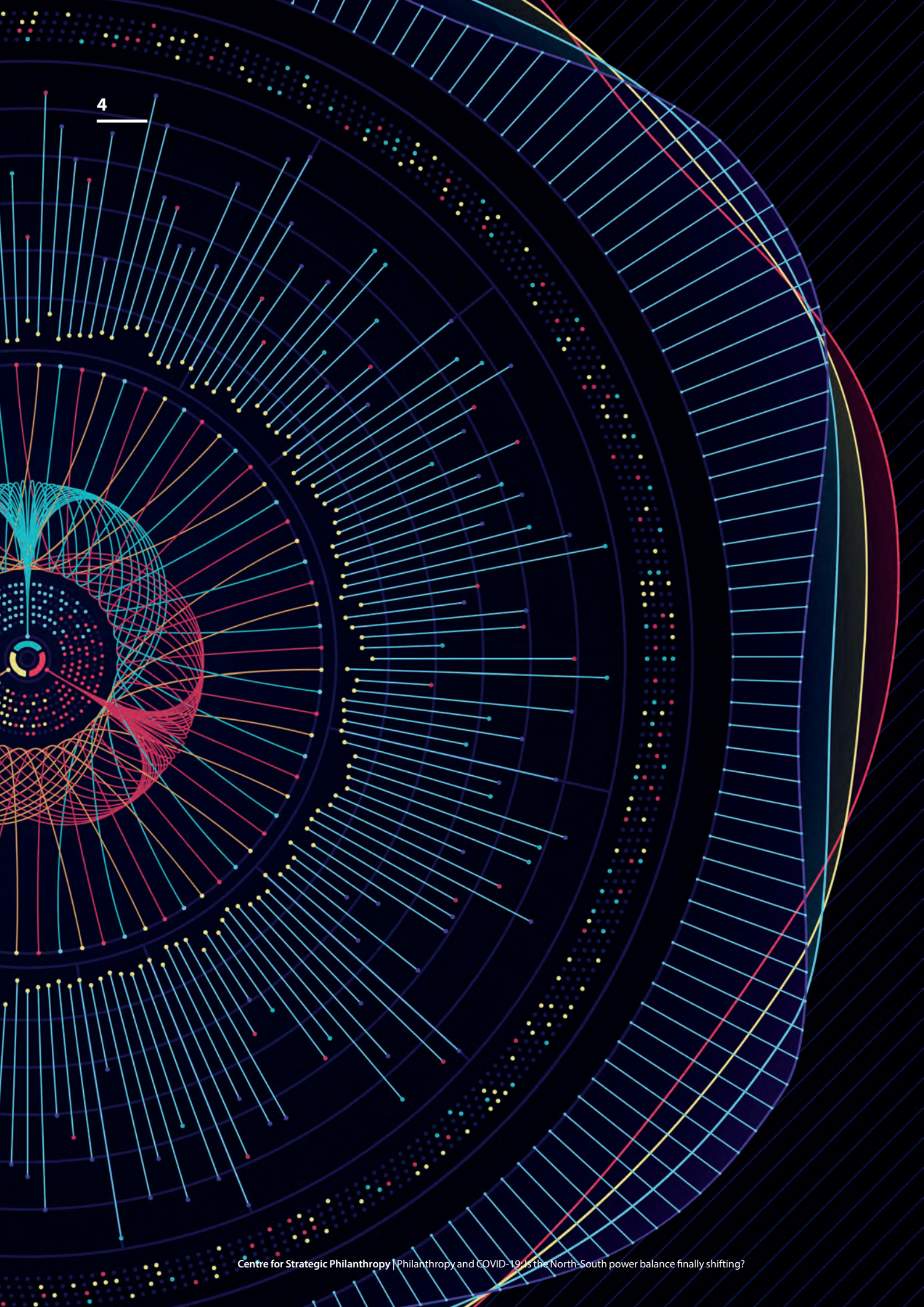


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Noting preliminary lessons from how coronavirus has affected the philanthropic response to big societal issues, this report calls for three major steps to incorporate these learnings into the long-term approach of philanthropy to the grand challenges facing the Global South and beyond:

Fund Networks to build infrastructure, capacity and knowledge.

Increase partnerships between Global South governments and Global South philanthropists.

Build resilience by funding core costs.

The COVID-19 pandemic has served to lift the lid on various dynamics in the field of philanthropy that had come to be taken for granted over the past several decades. Foremost among these is the North-South relationship in philanthropy that has long been characterised by an unequal power balance. While there have always been high levels of philanthropy in the Global South, many resource-poor organisations have received their funding from well-resourced foundations based in the Global North. These foundations have set the parameters within which various programmes and interventions are identified and resources allocated to them.

In this report, we investigate how the current pandemic has affected this structure – and we have identified deficiencies in the current arrangements that cry out for rectification. In doing this, we carried out extensive interviews with leaders of social purpose organisations (SPOs³) and foundations in the Global South – including, for example, the West Africa Civil Society Institute, Indonesia for Humanity and the King Khalid Foundation – and combined these with large amounts of secondary data. Our findings reveal a deep sense of dissatisfaction with the status quo. It is clear that the urgency and unexpectedness of COVID-19 has shaken up the existing mechanism for identification of programmes and fund disbursement. As public health came to attract the vast majority of resources in this period, old understandings of who should play what role in the North-South relationship have been seriously called into question.

This interrogation of traditional arrangements has resulted in several promising developments in the months since the pandemic swept the world. To begin with, we found grantees and Global South SPOs to be asserting themselves on the basis of their superior knowledge of local needs and imperatives. Secondly, as a result of the unique conditions created by COVID-19, we also found grants becoming less restricted and grant-makers becoming more flexible in their allocation and approval processes – something that many have been advocating for some time. Thirdly, we found Southern SPOs creating intra-regional collaborative networks, working together to share knowledge, data and to pool capabilities in the wake of this unprecedented crisis.

Whether this ‘awakening’ on the part of local organisations will lead to more permanent changes remains to be seen – and that is why the Centre for Strategic Philanthropy decided that this report should be a manifesto for lasting change sparked by COVID-19 rather than a simple chronicling of events over recent months.

As the report says in its Conclusion:

“The shift in the power dynamic that our research revealed is clearly nascent, fragile and patchy. However, it shows some early indications of practices that if nurtured and retained could potentially transform the relationship between Global North and Global South philanthropic actors. This in turn could lead to positive operational and policy outcomes that can help deliver more sustainable and scalable social impact.”

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Noting these preliminary lessons from how coronavirus has affected the philanthropic response to big societal issues, the report calls for three major steps to incorporate these learnings into the long-term approach of philanthropy to the grand challenges facing the Global South and beyond.

The three key steps proposed by the report are:

Fund Networks to build infrastructure, capacity and knowledge:

Professional philanthropic networks in developing markets could significantly boost the development and the institutionalisation of Global South philanthropy. They can articulate the collective demands of the sector to local governments, global grant makers and the broader development community, creating stronger collective advocacy platforms. Investment in infrastructure including better data collection and analysis can help Global South philanthropy to align with the SDGs and channel Global South SPO input into policy frameworks.

Increase partnerships between Global South governments and Global South philanthropists:

Promising partnerships between governments and grant-makers in the Global South to respond to the pandemic underscore the potential for such South-South collaboration, which the report urges should become more prevalent. Such collaboration offers governments much needed additional capital and social innovation, while providing Global South SPOs and grant-makers an opportunity to align with national development policy and scale up proven successful initiatives faster.

Build resilience by funding core costs: The crisis has engendered simpler, faster and less complex application processes that have more rapidly freed up funding for more flexible purposes where previously it might have been earmarked. This is a welcome development and something that many in the sector have long advocated. Yet despite this pandemic-induced flexibility, the ‘holy grail’ of philanthropic finance – unrestricted grants for core costs – seems a long way in the future due to ongoing aversion to funding ‘overheads’. This report argues that it is a pernicious myth that financing the core operations of SPOs is somehow less effective or less important than direct programme funding. The pandemic-induced focus on resilience underpins this point.



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