BUILDING FOUNDATIONS FOR COLLABORATIVE TRANSFORMATION

A PHILANTHROPY SECTOR NEEDS ANALYSIS

tpi THE PARTNERING INITIATIVE

WINGS ELEVATING PHILANTHROPY

Philea Philanthropy Europe Association

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Citation

Building Foundations for Collaborative Transformation

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tpi THE PARTNERING INITIATIVE

The Partnering Initiative is an international NGO with the mission to professionalise the practice of partnership and build an enabling ecosystem to unleash the power of collaboration for transformational sustainable development.

TPI was founded by the University of Cambridge and the International Business Leaders Forum in 2003 to drive the theory and practice of multi-sector collaboration. With two decades supporting hundreds of partnerships and international organisations and training thousands of people, TPI is a pioneer in codifying best partnering practice standards and in developing the methodologies to build institutional strategic partnering capability.

TPIglobal.org

W I N G S
ELEVATING PHILANTHROPY

WINGS is the only global network of philanthropy support and development organisations. We are a community of more than 200 thought leaders and changemakers across 58 countries who are committed to growing and strengthening philanthropy to ensure that it reaches its fullest potential as a catalyst for social progress. The Philanthropy Transformation Initiative (PTI), conceptualised and hosted by WINGS, is a collective effort by philanthropy networks, advisories, support organisations, academic centres, and funders from around the world to challenge our field to transform ourselves, our practices and our institutions and build a movement to address existential global challenges.

wingsweb.org

Philea | Philanthropy Europe Association

Philea nurtures a diverse and inclusive ecosystem of foundations, philanthropic organisations and networks in over 30 countries that work for the common good. With individual and national-level infrastructure organisations as members, it unites over 7,500 public-benefit foundations that seek to improve life for people and communities in Europe and around the world. Philea galvanises collective action and amplifies the voice of European philanthropy, and in all it does, it is committed to enhancing trust, collaboration, transparency, innovation, inclusion and diversity.

philea.eu

EXECUTIVE SUMMARY

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Foreword

The world faces multiple interconnected crises: an urgent need for equitable green, digital and social transitions; rising radicalisation and conflict; growing threats to democratic freedoms; and shrinking civic space – all while experiencing unprecedented cuts to international development aid. The current system clearly lacks resilience and capacity to address these challenges. Yet within these crises lies an opportunity to fundamentally reimagine our approach to development.

Tackling today's societal challenges requires raising our level of ambition to deliver far more transformational impact: tackling root causes, innovating new models and shifting systems to leave behind a long-term sustainable legacy that delivers for people and planet.

This is only possible by aligning and combining the powerful levers from public, private, people and, more and more, investors. Philanthropy has a vital role to play in making such collaborations happen, offering far more than funding. With its unique flexibility, convening power, and appetite for risk, philanthropy can drive transformational change by enabling bold, cross-sector collaboration. It can explore different approaches including going beyond grant-making to unlock the collective resources of all sectors to address systemic issues at their root.

However, despite a growing recognition of the power of partnerships, turning intention into action remains difficult. The Partnering Initiative, WINGS and Philea collaborated to conduct a needs assessment to understand how the foundation sector itself must change in order to make the necessary shift.

The Partnering Initiative (TPI) has been an international pioneer of the theory and practice of multi-stakeholder collaboration for over two decades. Through its direct work with foundations including J&J, Z Zurich, CIFF, Laudes, and Wellcome Trust, and the rich discussions in the philanthropy peer exchange it hosts, TPI has seen a growing impatience with traditional philanthropy and an increasing desire for more ambitious and more equitable and sustainable transformational impact. TPI is delighted to be able to further develop and apply our powerful, transformational partnering technologies within the philanthropic sector.

WINGS believes radical collaboration and cross-sector partnerships are key to tackling today's challenges. As the Philanthropy Transformation Initiative urges us, we must shift our mindsets to enable change, align behind our values, and act with the future in mind. Through partnership with TPI, WINGS is advancing Principle 4, influencing philanthropy's norms and fostering more transformative partnerships. With the #LiftUpPhilanthropy Fund, WINGS supports its members – AVPA, Latimpacto, and Sattva – to invest in Multi-Stakeholder Partnerships (MSPs) in their contexts and in leading MSP research in Africa, Asia-Pacific, and Latin America. We connect these insights with broader findings and identify new ways of working. By sharing stories of transformation, we highlight how foundations are transforming to foster more effective partnerships.

Within Europe, **Philea** has seen inspiring examples of philanthropic initiatives where multi-stakeholder collaboration has led to meaningful change. Philea takes its role in bridging philanthropy with policymakers very seriously and calls on policymakers to enable and support these evolving models of engagement in our Philanthropy Manifesto. As foundations increasingly join forces to form strategic partnerships, we are committed to supporting this momentum and helping the philanthropic ecosystem take a bold step toward deeper collaboration with other sectors. As part of this, Philea will host conversations on multistakeholder partnerships at its annual Philea Forum and its flagship event on public-philanthropy collaboration, EuroPhilantopics.

This needs assessment report, developed through extensive research with over 50 foundations, provides valuable insights into current partnering practices, challenges faced, and future aspirations. By identifying key barriers and sharing good practices, it equips foundations with knowledge of the internal changes needed to maximise impact through partnerships.

Together, we invite you to explore these insights, reflect on the recommendations, and join us in building a philanthropic sector that is bold, collaborative, and equipped to tackle the challenges of our time.

Darian Stibbe, Ph.D, Executive Director, TPI
Benjamin Bellegy, Executive Director, WINGS
Delphine Moralis, Chief Executive Officer, Philea

EXECUTIVE SUMMARY

Context and purpose

With the world facing interconnected environmental, social, and economic challenges of unprecedented scale and complexity, and a crisis within international development funding, philanthropic foundations are at a crucial inflection point. Recognising the limited impact of traditional grant-making to NGOs, they are looking towards far more ambitious, collaborative approaches that can harness the resources of all of society and deliver deep-rooted, transformational impact.

The power of multi-sectoral partnerships

Multi-sector partnerships are able to apply multiple levers of change simultaneously: government brings policy, regulation and the scale of public infrastructure and spending; the private sector offers commercially-viable approaches, technology, innovation, and investment; NGOs bring technical assistance and trust; and communities bring lived experience and contextual knowledge essential to effective programme design.

The multiple levers provide the power to transform an existing system or situation to a far more sustainable, resilient and equitable state. Transformations can be in any sector, from just energy transitions to the greening of supply chains, from innovations in public service delivery, to new infrastructure development at scale. In all cases, they leave behind a permanent legacy continuing to deliver for people and planet.

The essential role of philanthropy

Philanthropy has an essential role to play in providing the 'activation energy' necessary to engage key partners and drive such collaborations forward – not only funding, but in many cases also leadership and drive, social and political capital, process stewardship and technical assistance.

While there is growing enthusiasm for partnerships and transformational change across the philanthropic sector, translating this rhetoric into reality is difficult. Through our research and conversations with foundations, we consistently heard about a complex web of challenges that need to be overcome to work effectively in this way. These span multiple dimensions: traditional funding modalities often conflict with the flexible, long-term support needed for systems change; internal systems and processes can impede collaborative approaches; board and governance structures may struggle to embrace uncertainty and extended timeframes; and organisational capabilities frequently need significant development, particularly when working with less familiar sectors.

What philanthropy needs to deliver transformational impact

To understand how to overcome these challenges and build the sector's capacity for transformative partnerships, we conducted this comprehensive needs analysis of foundations. Through interviews, workshops and an online survey with over 50 foundations representing diverse geographic focuses, thematic interests, and sizes, we explored current partnering practices and future ambitions, experiences across different societal sectors, institutional capabilities, barriers to engagement, and the necessary enabling environment for effective collaboration.

Key findings

1. Growing ambition for transformational partnerships

There is a clear trajectory within foundations toward more transformational multi-sector collaboration. Currently, 56% of foundations report significant engagement in partnerships for systemic change, while 84% view such partnerships as very important or essential for their future goals. This substantial gap between current practice and future aspirations highlights significant opportunities for growth.

2. Diverse experience across sectors

Foundations demonstrate varying levels of engagement and confidence in partnering with different sectors:

- **Community led or based organisations:** Highest engagement (74% partner regularly) and confidence (74% feel very/fully confident in their ability to work with communities)
- **Other foundations:** Strong engagement (56%) and confidence (71%)
- **Public sector:** Moderate engagement (45%) and low confidence (44%)
- **Private sector:** Moderate engagement (37%) and low confidence (45%).

Looking to the future, foundations are most eager to increase their partnerships with other foundations (75%) and the private sector (64%), followed by community-led or based organisations (60%) and the public sector (53%), indicating a growing recognition of the need for cross-sector collaboration to achieve transformational impact.

However, partnering with each sector presents distinct challenges including:

- **Private sector:** Aligning business needs with foundation goals (63%), identifying suitable partners (52%)
- **Public sector:** Lengthy processes (60%), complex government structures (57%), unsupportive political environments (49%)
- **Other foundations:** Different funding modalities (58%), organisational egos (55%)
- **Public development banks (PDBs):** High transaction costs and administrative burdens (50%), lack of understanding of PDBs (46%).

3. Systemic barriers to effective collaboration

The most significant barriers hindering foundations from fully embracing transformational partnerships are:

- **Insufficient systems mindset and partnership awareness** (74%) – highlighting the need for a fundamental shift in approach
- **Difficulty committing resources over longer periods needed for systems change** (66%) – reflecting the tension between traditional philanthropic timeframes and the extended engagement needed for transformation
- **Funding modalities not optimised for partnerships** (43%) – emphasising structural challenges to effective collaboration
- **Difficulty demonstrating partnership impact** (40%) – complicating the case for continued investment
- **Insufficient best practice models** (34%) **and partnering skills** (30%) – suggesting the need for both institutional capacity building and practical capability development.

4. Institutional capability gaps

In order to deliver partnerships optimally, foundations need to be institutionally 'fit for partnering'. Our assessment reveals a mixed picture of institutional capabilities for effective partnering. Foundational leadership elements are generally strong across the sector:

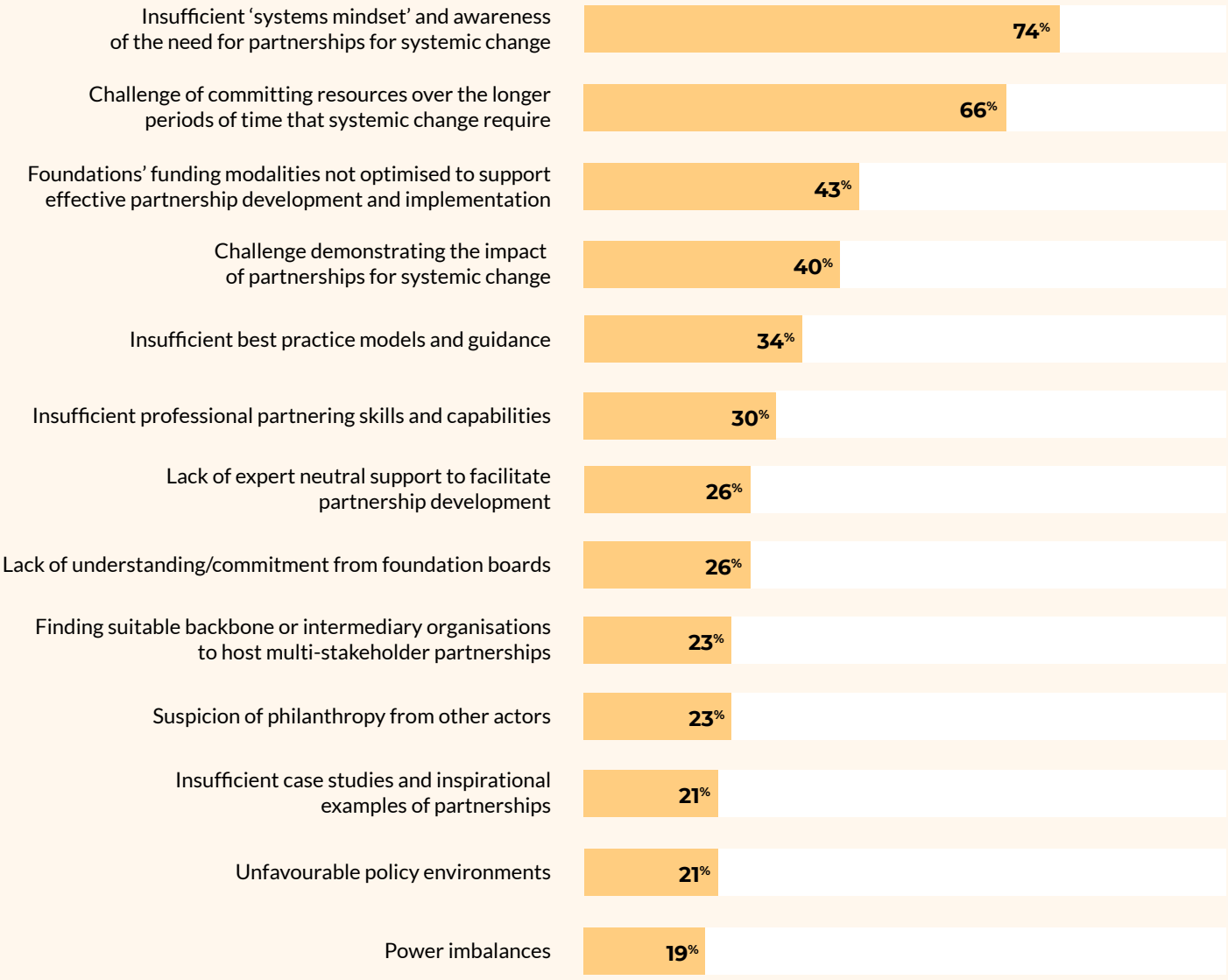
- **Leadership commitment to collaboration** is largely in place (79% mostly/fully in place)
- **Board-level support to partnerships for systemic change** is relatively strong (63% mostly/fully in place)
- **Collaborative culture** exists in many foundations (59% mostly/fully in place).

However, operational and implementation capabilities require significant development:

- Only 16% have **internal partnering guidance** mostly/fully in place
- Only 20% report **adequate staff training for effective collaboration**
- Only 35% have **staff incentives for partnering** mostly/fully in place.

This gap between strategic commitment and operational readiness indicates that while foundations increasingly recognise the value of partnerships at leadership levels, many have yet to translate this commitment into the practical tools, training, and incentive structures needed for implementation.

Figure 1:
BARRIERS
What are the biggest barriers hindering foundations from fully embracing and delivering effective partnerships for transformational change? (Choosing up to 6 options)



5. Funding modalities that impede transformational partnerships

Traditional funding models present several significant barriers to effective partnership development:

- **Short-term funding cycles** fail to align with the extended timeframes needed for systems change
- **Insufficient support** for crucial early-stage partnership development
- **Complex application and reporting requirements** create barriers for smaller organisations
- **Limited understanding and experience** with innovative financing approaches.

6. Professional development needs

Foundations expressed a strong need for professional development, with clear preferences for collaborative and experiential learning approaches. The most valued professional development methods include:

- Multi-foundation communities of practice and peer exchanges (selected as very or extremely helpful by 75% of respondents)
- Deep learning case studies (67%)
- Strategic partnership coaching (63%)
- Professional partnering training (61%)

Regarding topics of interest, foundations prioritise building fundamental partnering capabilities that enable effective cross-sector collaboration. Soft skills for collaboration - including trust-building, working across cultures, and navigating difficult conversations - emerge as the top priority (considered very or extremely helpful by 67% of respondents), closely followed by developing partnering strategies (65%). Foundations also value practical knowledge on developing effective partnerships for systemic change and partnership monitoring and evaluation (both 61%), reflecting a growing focus on measuring impact and demonstrating results from collaborative efforts.

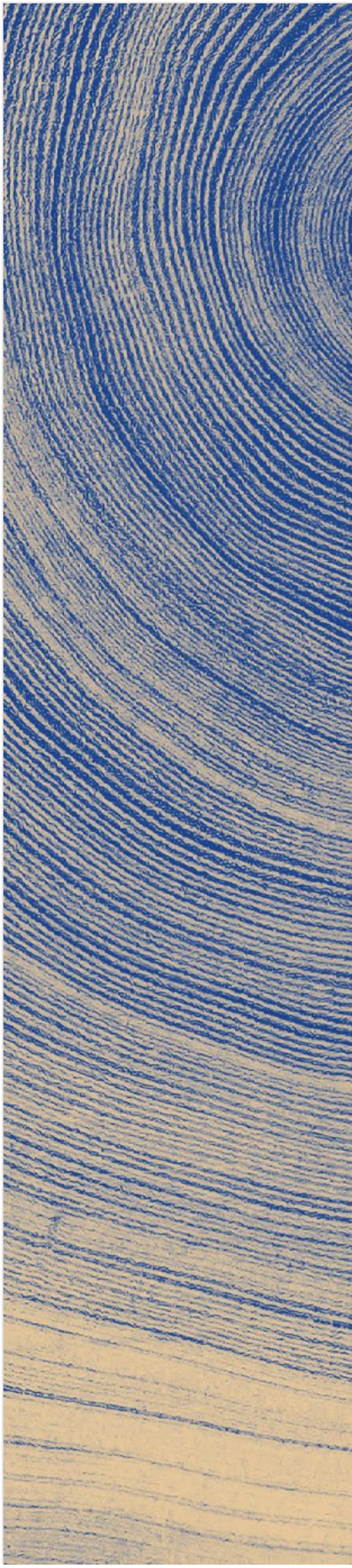
7. Enabling environment for partnerships

Beyond internal capabilities, successful multi-sector partnerships require supportive enabling environment, including appropriate policies, infrastructure, and incentives that remove barriers and actively encourage partnership development. Foundations identify several policy interventions as important for facilitating partnerships:

- Investment in sector infrastructure (55%)
- Improving regulation with collaboration incentives (55%)
- Setting up focal points in government (48%)
- Funding technical assistance (45%)

> One of the main obstacles to philanthropy's involvement in systemic change partnerships is the difficulty of committing resources over the long term. Systemic change takes years, sometimes decades, to materialise, but many philanthropic organisations often operate under shorter funding cycles. This creates a disconnect between the long-term commitment required for meaningful transformation and the pressures for immediate results or project-based funding. Without the ability to dedicate consistent resources over time, it becomes challenging to sustain partnerships that address complex societal issues.
>
> Survey participant

Conclusion and next steps



The findings reveal a sector in transition, with growing recognition of the need for transformational multi-sector partnerships. The need and urgency has been multiplied many times over by the 2025 decimation of the international development system. In an even more resource-constrained world, foundations have a key role to play to engage all of society's resources and deliver far more innovative and transformative solutions.

However, significant gaps in institutional capabilities, funding modalities and the necessary mindset are holding foundations back from playing their full role.

The path forward requires targeted investment across multiple dimensions – from building organisational capacity, including helping staff to cultivate a collaborative mindset, to developing new funding approaches and supporting an enabling environment for collaboration. Without these investments in professionalising collaboration, foundations risk expensive failures in their attempts deliver genuine transformational change. With these investments, foundations can confidently move forward in scaling up their ambitions to deliver transformation.

TRANSFORM!

To address this need, a major new initiative – TRANSFORM! – is being developed to provide direct support to foundations and their partnerships while advancing sector-wide practice in transformational collaboration.

By strengthening foundations' ability to deliver more catalytic, strategic, and transformational impact through partnerships, The Partnering Initiative, WINGS (through its Philanthropy Transformation Initiative) and Philea are committed to working together to help unlock the full potential of cross-sector collaboration at a time when traditional development is failing to address the world's most pressing challenges.

1 INTRODUCTION

1.1 The essential role of philanthropy in delivering transformational change

In part as a response to the global 'polycrisis', and given greater urgency by the crisis in international aid, more foundations are moving beyond traditional NGO grant-giving and looking to far more radical collaboration to deliver deep-seated, *transformational impact*.

Multi-sector partnerships can leverage the unique strengths and collective resources across all of society. Government brings policy, regulation and the scale of public infrastructure and services; the private sector offers technology and innovation, its products and services, commercial models and investment; public development banks can contribute significant financial capacity and development knowledge; foundations provide complementary expertise and resources, share risks and create scale; NGOs bring technical assistance and trust; investors can bring financing; and the people bring lived experience, a commitment to justice and equity, and intimate knowledge of the context essential to the design of any programme.

Transformational MSPs utilise these powerful levers and systems thinking to shift an existing situation from a less beneficial or less sustainable state to a permanent ongoing state that is far more beneficial for people and planet (see inset box for the definition).

TPI's recent report on Public Private Philanthropy Partnerships (PPPPs) demonstrates transformation in many development areas, e.g. just energy transitions from carbon to renewables; transforming agricultural value chains to become regenerative; transitioning state-delivered to community-owned models of primary healthcare or unlocking innovative business models for new infrastructure in rural areas.

When carefully designed and implemented (including ensuring sustainability of the new state through commercial viability, integration into public systems, or societal or regulatory shifts that change the rules of the game), these collaborations can deliver transformation impossible for traditional development. However, they don't 'just happen': they require inspired thinking and foresight, collaborative leadership, and collective commitment and energy to overcome the significant barriers to change.

Philanthropic foundations have a critical role to play in providing the essential 'activation energy' needed to initiate and sustain transformational partnerships.

The activation energy concept (see Figure 2 below) is appropriated from the scientific term for the initial energy needed for a chemical process to begin. This energy input is critical in building the momentum, engaging key players, solving problems, and helping partnerships overcome barriers to success.

Philanthropy's role will usually involve a combination of initiating, engaging, influencing, convening, co-creating, funding, capacity-building, prototyping, de-risking, and enabling learning within PPPPs.

DEFINITIONS

Multi-sector partnerships for transformational change*

A collaboration that utilises a combination of the powerful resources and levers of public, private, people, philanthropy, and investors to transform an existing system or situation to a far more sustainable and equitable ongoing situation, permanently benefiting people and planet.

By focussing on underlying causes, utilising innovative financial models, creating the right regulatory conditions, changing mindsets, introducing innovation and technologies, building capabilities, and aligning and connecting system actors, partnerships for transformational change aim to leave behind a 'new and better normal' that is self-sustaining and resilient with little or no ongoing external inputs.

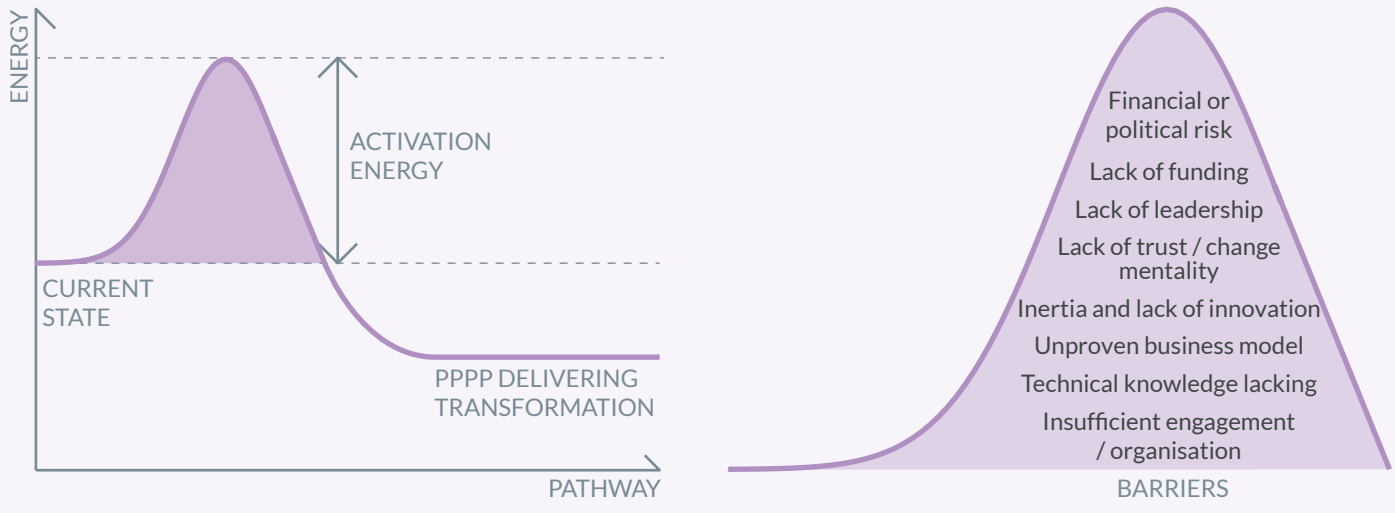
Philanthropy

Philanthropy refers to private resources for public good. It could be giving time, money, experience, skills and or talent to improve human welfare, whether by everyday givers, high net-worth individuals, companies or philanthropic organisations.

For the purpose of this report, 'philanthropy' specifically refers to public benefit foundations, including both grantmaking and operating foundations.

*While 'transformational change' and some interpretations of 'systems change' are related, we have limited our use of the latter terminology as we feel it has become too much of a buzzword, with very different meanings for different people. We have kept it in direct quotes.

Figure 2:
BARRIERS AND THE ACTIVATION ENERGY REQUIRED TO OVERCOME THEM



1.2
Turning the rhetoric into reality

> Philanthropy needs to step up its partnerships with other sectors to bring about the radical transformation that the world needs.
>
> Sandrine Dixson-Declève, Alliance Magazine

While there is growing enthusiasm for partnerships and transformational change across the philanthropic sector, translating this rhetoric into reality is difficult. Through our research and conversations with foundations, we consistently heard about a complex web of challenges that philanthropy needs to overcome to work effectively in this way.

These challenges span multiple dimensions: traditional funding modalities often conflict with the flexible, long-term support needed for systems change; internal systems and processes can impede collaborative approaches; board and governance structures may struggle to embrace uncertainty and extended timeframes; and organisational capabilities frequently need significant development to support effective partnering, particularly when working with less familiar system actors.

To understand how to overcome these challenges and build the sector's capacity for transformative partnerships, we conducted a comprehensive needs analysis of foundations from June to December 2024. Through interviews, workshops and an online survey, we explored:

- Current partnering practices and aspirations;
- Experiences, challenges and confidence in working across different societal sectors;
- *Institutional capability* to partner effectively, including foundations' needs in building their staff's professional partnering competencies and in developing supportive strategies, funding modalities, internal processes and culture;
- Internal barriers to engaging in transformative partnerships;
- The necessary enabling environment for partnership.

> Systems change isn't for the faint-hearted, for people in a hurry, or for people who prefer order and certainty of outcome. It's messy, it's erratic, and you're never really sure what's just around the corner."
>
> Ben Cairns, IVAR[1]

We received valuable insights from over 50 foundations representing a diverse range of geographic focus, thematic interests and size of philanthropic giving. Respondent profile and a detailed description of our methodology can be found in Annex A.

This report summarises our findings and offers actionable recommendations to help foundations enhance their collaborative efforts and maximise their impact through transformational partnerships.

The outcomes of the assessment are informing how The Partnering Initiative, WINGS, Philea and other regional philanthropy networks plan to work together to address the identified needs. This includes the development of a major new collaborative initiative, TRANSFORM!, to provide direct support to foundations and their partnerships while advancing sector-wide practice in transformational collaboration.

We invite you to review the findings and their application to your foundation's work, and to engage with us in exploring more ambitious, collaborative approaches to today's most pressing challenges.

IN ACTION

The Philanthropy Transformation Initiative (PTI)

PTI is a global, collective and unified effort from philanthropy networks, advisories, support organisations, academic centres, and funders from around the world to challenge the philanthropy field to make a greater impact. PTI has collectively identified three mindset shifts and ten principles which together represent a global framework and the domains of change around which philanthropic organisations can organise, share and act for systemic change. A key shift calls for philanthropy to move from being achievers to enablers.

As outlined in Principle 4, this means enabling civil society, peers, and communities while partnering with markets and governments to tackle complex challenges of our time and to drive greater impact.

The TRANSFORM! Programme will act as a pathway for the delivery of Principle 4.

2

CURRENT PARTNERING PRACTICE AND FUTURE ASPIRATIONS

2.1

How important are transformational change partnerships to foundations?

Our survey reveals that foundations have a strong, and increasing, ambition to embrace partnerships for transformational change. Currently, 56% of foundations' respondents report engagement in partnerships for systemic change to a great extent or as their entire focus (Figure 3). Looking ahead, an even larger proportion (84%) view such partnerships as at least very important for their future goals, with 53% considering them to be essential (Figure 4).

The gap between current high engagement and the even higher future importance highlights a significant desire for growth in foundations' engagment in partnerships for transformational change. It suggests that while foundations value the concept, many are still working to fully integrate collaborative approaches into their strategies and operations.

Figure 3:
CURRENT SITUATION
To what extent are you currently engaging in partnerships with system actors such as public, private, communities, investors to deliver transformational change?

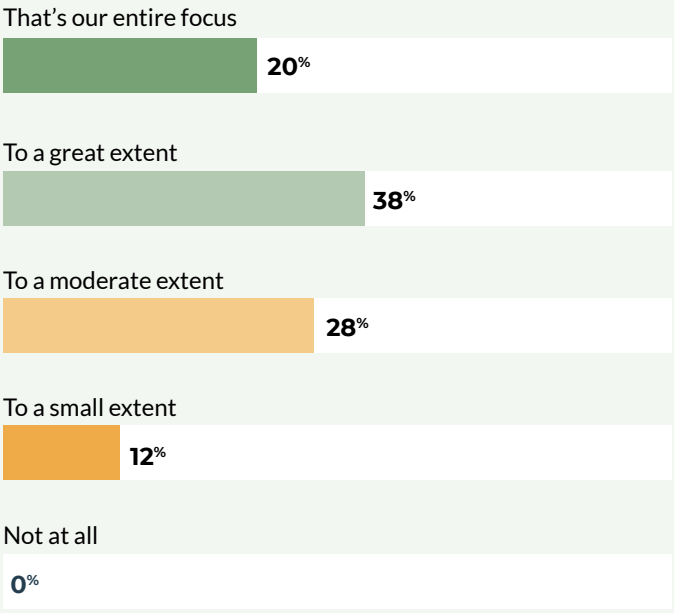
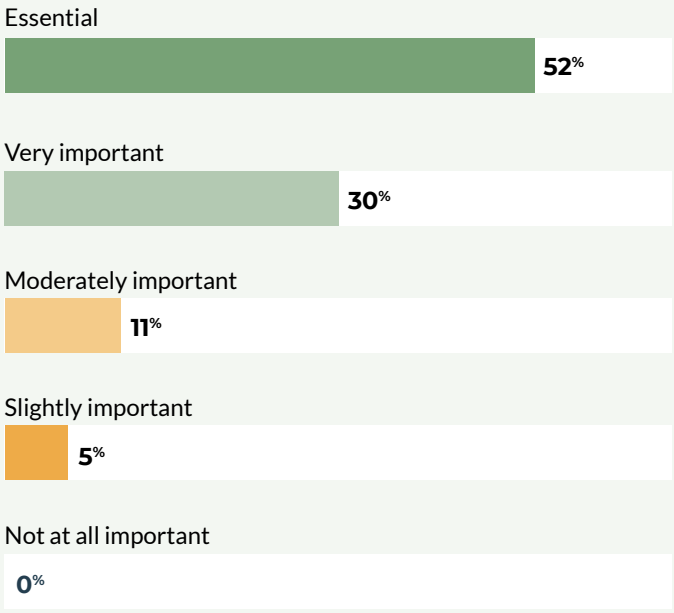


Figure 4:
FUTURE EXPECTATIONS
How important do you feel such partnerships for systemic change will be for your foundation to deliver your goals in the future?



2.2

Foundations' experience and aspirations with different system actors

Foundations currently regularly partner with communities (74% of respondents), other philanthropic organisations (56%), and to a lesser extent with public sector (45%) and private sector (37%) actors (Figure 5).

The barriers to multi-sector engagement and relationship building manifests differently across sectors – from misaligned interests and timeframes to organisational cultural differences and legal constraints. Understanding these sector-specific dynamics is crucial for foundations seeking to build effective partnerships.

When examining partnerships for transformational change, it is useful to distinguish between two types of actors:

System actors are those inherently part of the system that needs to transform. These include:

- Businesses, large and small, operating within the system;
- Public sector institutions whose policies and regulations underpin the system, the services and infrastructure within it;
- Community led or based organisations representing those who live within the system.

External actors can influence, support and catalyse change but are not permanent parts of the system itself. These include:

- Investors and funders who provide resources;
- Companies with a value chain sourcing from the system;
- Bilateral or multilateral agencies offering expertise and support;
- Non-local NGOs providing technical assistance;
- Philanthropic foundations, with their unique flexibility, risk appetite and convening power as catalysts for transformation.

This distinction matters because system actors must fundamentally change their practices and relationships for lasting transformation, while external actors primarily enable and facilitate that change. The following sections examine foundations' experiences working with each type of partner.

Figure 5:
CURRENT PARTNERING
Which societal sectors do you regularly partner with?

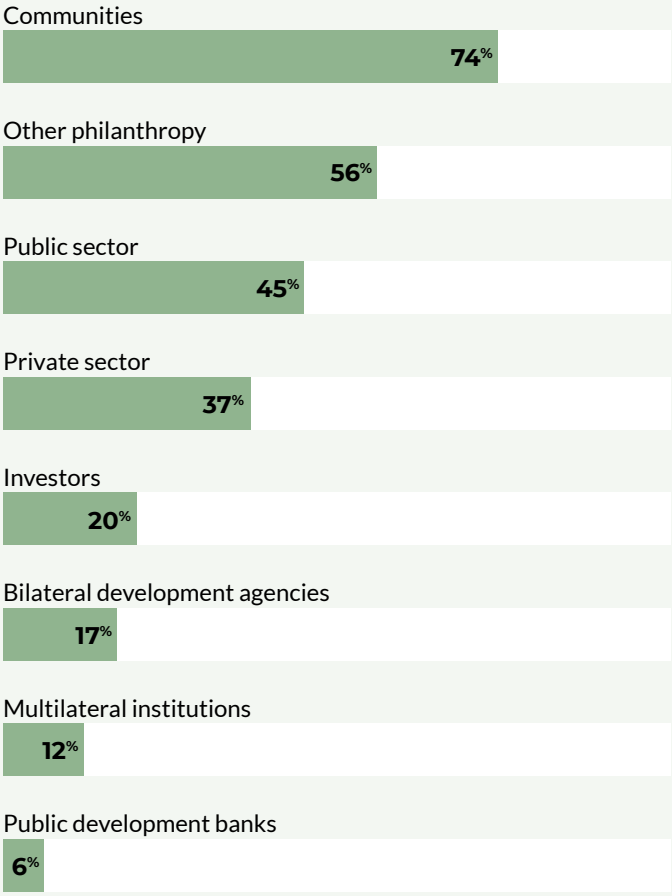
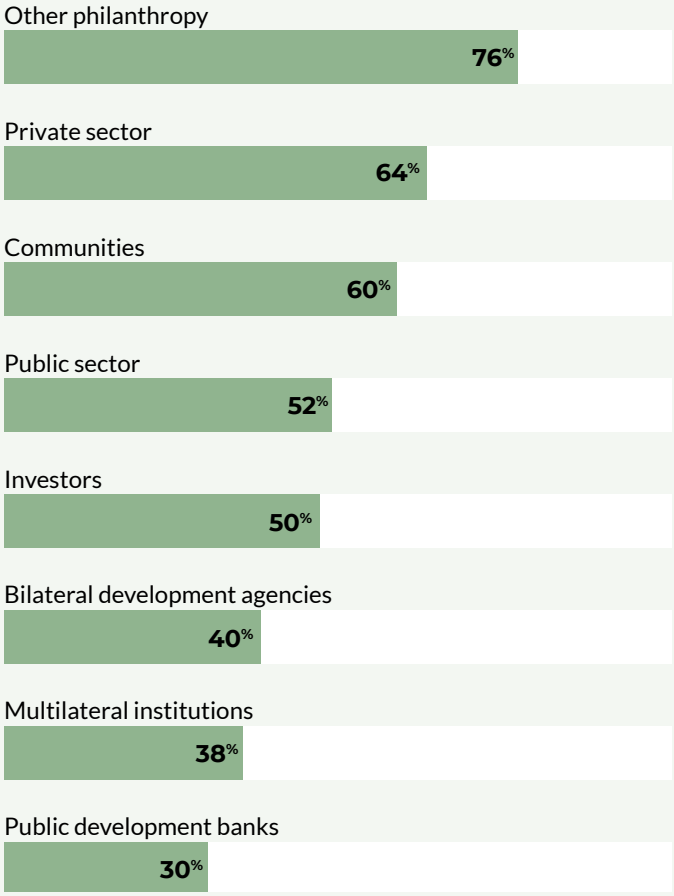


Figure 6:
FUTURE PARTNERING
Which societal sectors do you wish to increase partnering with?



PRIVATE SECTOR (BUSINESS)

Why the private sector is an essential partner in the system

The private sector plays a vital role in transforming systems through its unique ability to create scalable, market-based solutions to societal challenges, and through adjusting how it operates (its products, its supply chain, its employment practice etc.) to increase societal value and reduce its environmental impact, for example through a circular economy approach.

Businesses bring technical innovation, operational efficiency, and a results-driven mindset that can help transform promising ideas into viable, sustainable solutions. Their extensive networks – spanning suppliers, customers, employees, and investors – provide crucial pathways for scaling impact, while their infrastructure and logistics capabilities can help deliver solutions effectively across different contexts.

By combining business acumen with social purpose, private sector partners can develop commercially viable solutions that generate both financial returns and positive social impact. And with commercially viable solutions comes the potential for investment and scale.

The private sector's appetite for calculated risk, coupled with their ability to leverage brand power and marketing expertise, can accelerate the adoption of new approaches and help shift market dynamics in support of systems change.

Note: the private sector can also be an external actor, influencing the system supply chains.

Current and future outlook

37%
Of foundations currently engage often with the sector

64%
Of foundations planning to increase collaboration

45%
Of foundations very or fully confident in their ability to work with the sector

Perceived barriers

63%
Aligning business needs with foundation goals

52%
Identifying suitable partners

37%
Justifying philanthropic funding in profit-making contexts

35%
Bridging organisational culture gaps

35%
Negotiating mutually beneficial terms

Top tips for working with the private sector

1. Understand private sector incentives on a spectrum from non-core business to core business: i) purely non-core business (philanthropy / employee engagement); ii) strategic, corporate citizen investments; iii) business risk (e.g. sustainability of supply chain); iv) core business new market or new product opportunity.

2. The incentive for involvement will determine whom within the company to engage: public affairs / CEO office may deal with philanthropy; sustainability and/or supply chain management on business risk; business development team on new commercial opportunities.

3. Appreciate that the private sector making a profit is **not** intrinsically a conflict of interest, but potentially an alignment of interest, as long as the public benefit is commensurate with the private benefit. Profit-making models are scalable as they can continually attract investment in new geographies and markets, and are intrinsically economically sustainable.

PUBLIC SECTOR
(CENTRAL OR LOCAL GOVERNMENT, PUBLIC AGENCIES)

Why the public sector is an essential partner in the system

While partnerships may begin without government involvement, public sector engagement is often essential for achieving long-term sustainability and scale[2], including through institutionalising successful models. This is particularly important for partnerships addressing limitations in public service delivery across areas such as healthcare, energy access, and education.

The public sector's unique ability to enable scale comes from multiple angles: its democratic legitimacy and mandate for long-term planning, its public infrastructure and delivery systems, its public budget and its power to create supportive policy and regulatory environments. For instance, a successful community programme might remain limited in scope if operated solely by NGOs but could achieve significant scale if integrated into public service provision. Similarly, innovative solutions often require regulatory changes or public subsidies to become commercially viable and therefore scalable across a wider population.

IN ACTION

Adapting to shifting government priorities[3]

Government partnerships play a pivotal role in amplifying, scaling and institutionalising social impact. However, they also require organisations to be adaptable in the face of shifting regulations, budgets and administrations. For Fundación Santo Domingo (FSD), flexibility has been the key to building trust and sustaining long-term relationships with government partners. This adaptability not only strengthens partnerships but also positions FSD at the table where critical public policy on macro-projects takes shape. With each change in administration, they must adapt to new models and explain the project over again. Regardless of these challenges, the alliance with the government has been very fruitful, allowing for a much greater social impact than previously possible.

Current and future outlook

45%
Of foundations currently engage often with the sector

53%
Of foundations planning to increase collaboration

44%
Of foundations very or fully confident in their ability to work with the sector

Perceived barriers

Bureaucratic hurdles are seen as the primary barriers for foundations working or seeking to work with the public sector:

60% Lengthy processes

57% Complex government structures

49% Unsupportive political environments

45% Resistance to innovation

43% Legal and regulatory restrictions

Top tips for working with the public sector

1 **Engage early!** Reach out in full listening mode early on to understand how the government works in practice, ensure alignment with national priorities and determine where and how you can help. Involving the public sector in early co-creation will both ensure better design and easier future integration into the public system and, essentially, get the necessary buy-in. Further, public budgets can be assigned years in advance and the sooner you engage, the sooner the initiative can be considered within public budget planning.

2 **Develop trusting relationships and work with influential, high-level champions** within government who can use their social and political capital to advocate for the project and help to navigate the complexities and bureaucracy. When working nationally, a programme may fall across different ministries, and therefore benefit from an advocate in the president's or cabinet office. Where there is devolved power, local government, for example in city mayors, may be much more open to solutions, and less prone to political and bureaucratic barriers.

3 **Design the programme to work with or transform existing systems,** rather than seek to replace or sit outside of them. And, from day one, consider the ongoing legacy model.

4 **Be patient.** In general, start small (thereby lowering the necessary commitment or risk from government) to develop the model and scale up once the approach is clearly demonstrating success. **But prepare to be opportunistic:** foundations may be more able to act with the flexibility and speed to take advantage of windows of opportunity created by political transitions after elections or after a crisis.

COMMUNITIES
(COMMUNITY LED OR BASED ORGANISATIONS)

Why communities are essential partners in the system

Partnering with communities, particularly through community-led organisations, is fundamental to achieving lasting systems change. These partnerships bring vital local knowledge, legitimacy, and lived experience that are essential for developing contextually appropriate solutions based on local resources. Community partners not only understand the nuanced realities of local challenges but also possess existing networks of trust and social capital that are crucial for successful implementation of any initiative. And, as key system actors, they themselves will be part of the new, transformed system and must be part of making the change.

Partnering with communities aligns with a growing understanding of the essential need for 'localisation' in international development - the process to ensure power, design and ownership of development efforts is held locally[4].

When communities are genuine partners in the design and delivery of solutions, they bring unique insights that can challenge assumptions, identify potential barriers, and highlight unexpected opportunities. Strong community engagement builds local ownership and capacity. This approach not only leads to better-designed interventions but also helps shift power dynamics within the system itself, enabling communities to play a more active role in shaping their own futures.

IN ACTION

Building trust for community-led development[5]

To build mutual trust, Focus Central America (FCA) recognised that it needed to understand the context and organisations operating in Central America, and adapt its model to serve these communities. In early 2022, FCA hired three Central American programme officers to manage partner portfolios and identify new partners through direct community engagement. Their local expertise helped refine FCA's grantmaking process, making it more relevant for the local organisations.

Current and future outlook

47%
Of foundations currently engage often with the sector

60%
Of foundations planning to increase collaboration

74%
Of foundations very or fully confident in their ability to work with community led or based organisations

Barriers

1. **Communication difficulties** for language or cultural reasons, and a reliance on finding organisations that genuinely represent communities, particularly on issues where community members might have different interests and views.
2. **Funders' accountability, compliance and due diligence requirements** can prevent them from making grants to local organisations.
3. **Trust deficits**, for example due to past experiences where community input was overlooked or undervalued, can deter engagement by communities.
4. **Power imbalances** can lead to communities feeling marginalised or dominated by external entities and therefore unwilling to engage.
5. **Reliance on existing capacity** becomes an overriding factor in choosing local organisations as partners, leaving behind smaller community organisations.

Top tips for working with communities

1. **Invest time and resources in listening and building respectful, trust-based relationships with communities.** Take the time to understand their needs, concerns, and unique contexts, without being extractive or burdensome and design models that truly serve them. Don't leave everything to an intermediary NGO – ensure you have some direct connection and equip foundation staff with the necessary interpersonal skills.
2. **Be aware of the power imbalance** and put in place governance and everyday processes (for example ensuring local language interpreters) to help empower partners and ensure they are fully engaged in ideation, programme design and decision making. Regularly reflect (and ask!) to ensure any imbalance is not having a negative impact.
3. **Simplify and streamline paperwork and processes**, adjust accountability, reporting and due diligence processes and requirements to make it easier to provide, and easier to receive, funding for local organisations directly, or if necessary, through local intermediaries with deep knowledge of the communities.

FOUNDATIONS

Why other foundations can be important partners

When foundations work together, they can pool not only financial resources but also their diverse expertise, networks, and knowledge, creating more comprehensive and holistic solutions to complex societal challenges. This collaborative approach enables foundations to take on larger, more ambitious initiatives that might be beyond the scope or risk appetite of any single organisation.

Partnerships between foundations also create valuable opportunities for shared learning and innovation in philanthropic practice. By combining different perspectives, methodologies, and areas of expertise, foundations can develop more effective approaches to systems change. Furthermore, when foundations speak with a unified voice, they can increase their credibility and influence, enabling more effective advocacy for policy change and creating stronger platforms for engaging other sectors. This collective approach can be particularly powerful in addressing complex, multi-faceted challenges that require sustained, long-term commitment and diverse resources.

IN ACTION

The challenge of organisational egos in foundation partnerships

The challenges manifest in various ways: foundations wanting to maintain exclusive control over their initiatives, reluctance to share credit for successes, and resistance to adopting approaches developed by others. Such behaviour can lead to duplication of efforts, missed opportunities for learning, and ultimately, reduced impact for beneficiaries. Overcoming these tendencies requires a fundamental shift in mindset - from viewing other foundations as competitors to seeing them as essential partners in achieving shared goals for social change.

> "There are three characteristic behaviours in philanthropy and the development industry that impair progress in achieving the world we want. These are: egos, silos and logos. All three concepts are based on imperialist self-promotion of individuals and organisations on the supply-side of the funding relationship and do nothing for the people who are meant to benefit.
>
> Barry Knight[6]

Current and future outlook

56%
Of foundations currently engage often with the sector

75%
Of foundations planning to increase collaboration

71%
Of foundations very or fully confident in their ability to work with the sector

Perceived barriers

Despite the high engagement and confidence levels, there are multiple obstacles to collaboration:

58% Working across different funding modalities

55% Navigating organisational egos

49% Insufficient alignment of interests

40% Bridging differing institutional cultures and philosophies

36% Managing varying reporting requirements

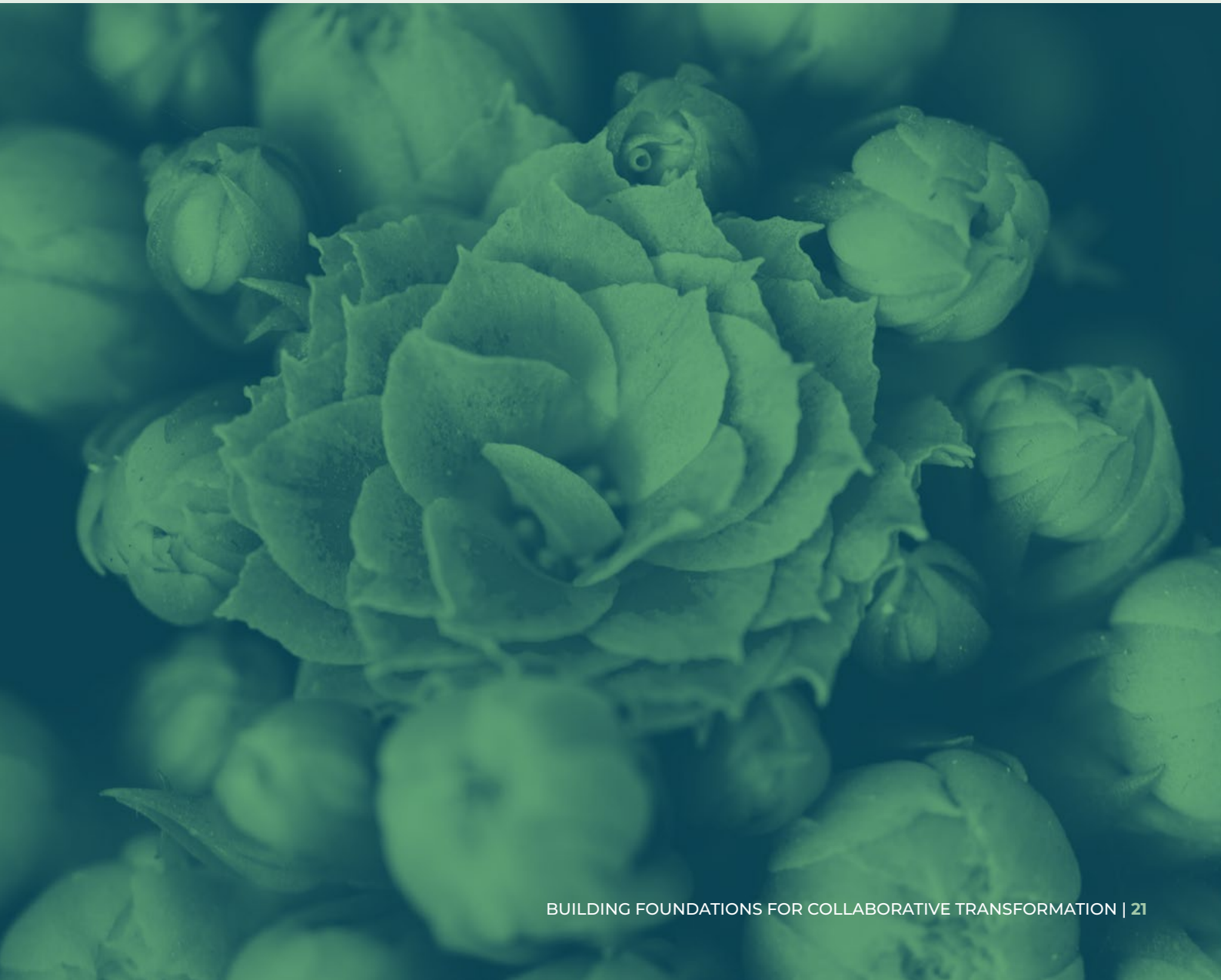
These challenges can be particularly acute for smaller foundations. One respondent highlighted 'different size of the organisations, lack of people, lack of processes and tools' as key barriers.

Top tips for working with other foundations

1 **Undertake a landscape mapping to understand who else is working in your area of interest and geography** and look to join initiatives, rather than duplicate or distract. Take part in funder coordination mechanisms and networks that can provide valuable opportunities for peer-to-peer learning, mentoring, and knowledge-sharing.

2 **Spend time to build trust and ensure that your interests really are sufficiently aligned, and your resources are sufficiently complementary**, to work together well. Work with your Board to help them understand how collaboration means ceding a level of control and requires flexibility.

3 **Appreciate that every foundation has its own set of rules** around how and who it can fund, their own due diligence and reporting requirements, and their own needs for visibility and positioning. Have early discussions to understand where there may be incompatibilities and collectively find ways to overcome them, including by being as flexible as possible. In particular, ensure reporting requirements are as simple as possible for joint grantees.



PUBLIC DEVELOPMENT BANKS

Why development banks can be important partners

Development banks offer resources and expertise that can significantly support large-scale sustainable development efforts. They provide access to substantial financial resources – in the form of loans and grants – to enable the funding of large development projects. Development banks are adept at mobilising additional public and private capital, often through their experience with blended finance mechanisms that combine resources from multiple sectors. By leveraging their established relationships with governments and international organisations, development banks can scale up successful pilot projects while also influencing policy and regulatory frameworks, particularly in low- and middle-income countries.

Development banks also bring a long-term perspective to development challenges, offering stability and continuity that are essential for systems change. Their technical knowledge in key sectors, such as infrastructure and agriculture, and their strong connection with governments, further positions them as valuable partners. By collaborating with development banks, foundations can enhance the reach, impact, and sustainability of their systems change initiatives.

Current and future outlook

6%
Of foundations currently engage often with the sector

31%
Of foundations planning to increase collaboration

16%
Of foundations very or fully confident in their ability to work with the sector

Perceived barriers

Operational complexities make up the majority of challenges, but a major issue is simply a lack of understanding of the role development banks can play.

50%
High transaction costs and administrative burdens

46%
Lack of understanding of development banks

43%
Balancing short-term and long-term perspectives

36%
Differences in decision-making processes

32%
Misaligned timelines for action

Top tips for working with development banks

1. **Find the banks with portfolios in your interest areas and reach out to them.** The best way to understand development banks is to talk with them. Different banks will have different levels of risk appetite (although they are generally quite risk adverse), different balances between loan and grant provision, different rules on lending to the private sector or only to government etc.

2. **Development banks are highly risk-aware, scale-focused, metrics-driven and focussed on country priorities.** Ensure your proposals are aligned national development plans and demonstrate how your funding might be able to unlock opportunity – for example through funding pilots, providing technical assistance or creating an enabling environment.

3. **Leverage blended finance opportunities:** Many development banks have blended finance vehicles where foundations can de-risk public and/or private investments. Explore participation in first-loss capital, technical assistance funds, or results-based financing.

OTHER KEY PLAYERS

While this analysis focuses primarily on partnerships with the public sector, private sector, other foundations, communities and public development banks, the survey also gathered data on foundations' engagement with other important stakeholders. These include, institutional investors (such as pension funds and international investors), multilateral institutions (e.g. United Nations), and bilateral development agencies (e.g. SIDA, FCDO).

Notably, engagement with institutional investors and multilateral institutions is less frequent, and foundations express lower levels of preparedness for these partnerships. However, there is interest and significant potential for expansion in these areas.

Institutional investors

Institutional investors such as private investment funds, pension funds, and foundations' endowments, can provide the finance for a transformation, wherever there is a clear return on investment (e.g. renewable energy, housing construction, health or physical infrastructure etc.).

In these cases, the role of the foundation might include providing funding to de-risk the private investment through a blended finance approach. It may also play a role to broker an agreement between public development banks and private investors.

29%
Of foundations currently engage often with the sector

51%
Of foundations planning to increase collaboration

36%
Of foundations very or fully confident in their ability to work with the sector

Multilateral institutions

In low and middle income countries, the United Nations provides a vital role influencing and supporting the implementation of government development priorities – through policy, planning and programmes.

The different UN entities (e.g. UNICEF, FAO, UN Development Programme, UNIDO) can be exceptionally well positioned, with strong connections to multiple stakeholders and significant experience and technical ability to support the development of multi-sector partnerships. The Resident Coordinator Office (RCO) in each country is a good starting point to navigate what is a quite complex system. All UN entities are keen to partner more with foundations.

12%
Of foundations currently engage often with the sector

38%
Of foundations planning to increase collaboration

42%
Of foundations very or fully confident in their ability to work with the sector

Bilateral development agencies

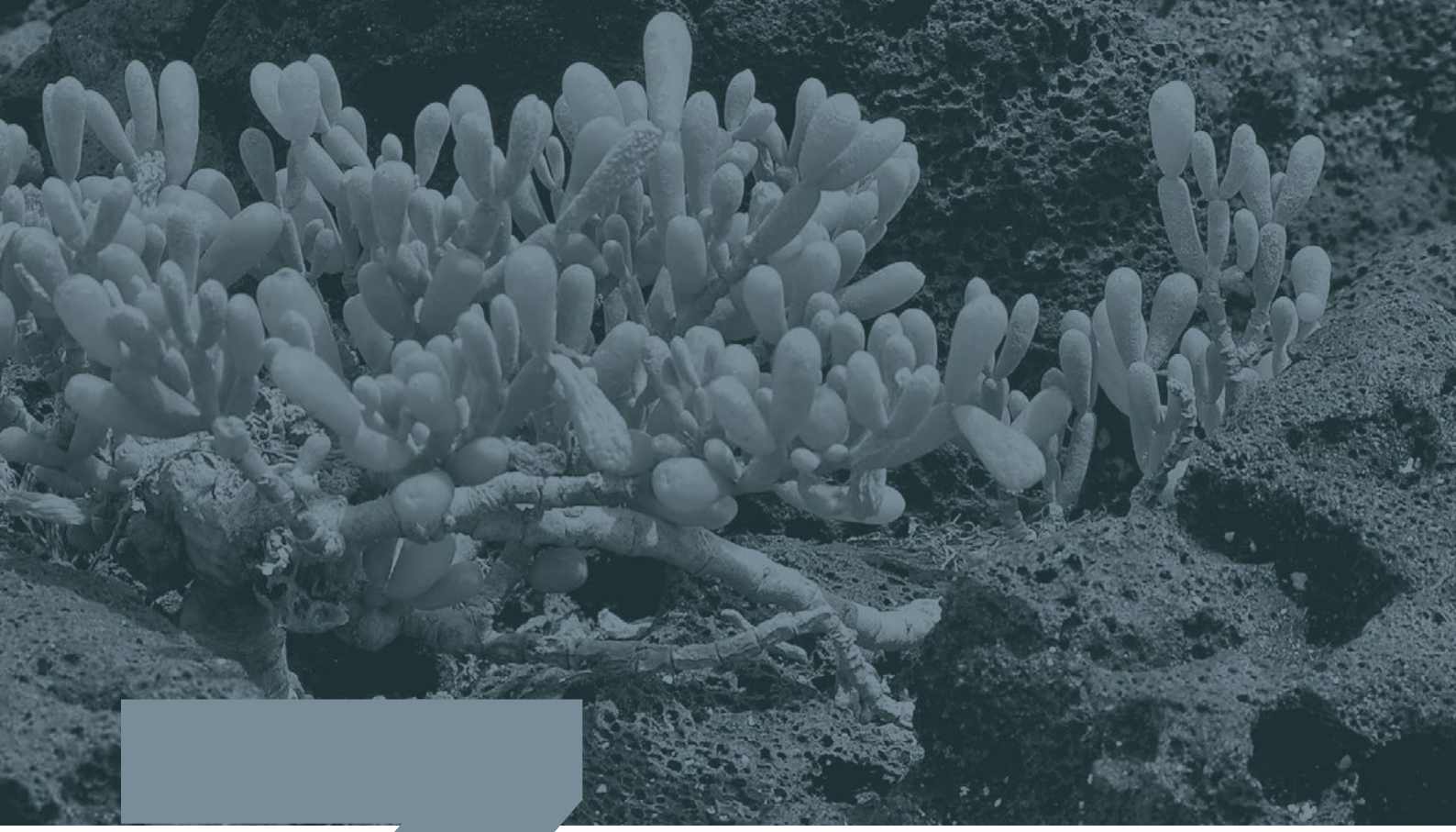
Bilateral development agencies provide funding and/or technical assistance in-country. Several, such as GIZ (Germany), SIDA (Sweden), the Netherlands Ministry of Foreign Affairs, and the French ADP, have significant experience in developing and supporting multi-sector partnerships to deliver the sustainable development goals. They are also usually influential with government.

We have seen rising interest in bilateral agencies seeking to partner with foundations, particularly as international aid budgets are cut. With their strong risk management and due diligence systems in place, and their considerable technical expertise, they can be an excellent partner to co-develop programmes with.

17%
Of foundations currently engage often with the sector

40%
Of foundations planning to increase collaboration

43%
Of foundations very or fully confident in their ability to work with the sector



3

INSTITUTIONAL CAPABILITY TO PARTNER FOR TRANSFORMATIONAL CHANGE

3.1 Barriers

Our survey explored key barriers foundations face in fully embracing and implementing transformative partnerships.

Nearly three-quarters of respondents (74%) identified insufficient systems mindset and partnership awareness as a primary barrier, highlighting the need for a fundamental shift in how foundations approach collaborative work.

This links closely with the second most cited challenge - the difficulty of committing resources over the longer periods required for systems change (66%), which reflects the inherent tension between traditional philanthropic timeframes and the extended engagement needed for meaningful system transformation.

The data also points to structural challenges within foundations themselves, with 43% noting that their funding modalities are not optimised for partnerships and 40% struggling to demonstrate partnership impact. These operational barriers are compounded by insufficient best practice models (34%) and partnering skills (30%), suggesting that foundations need to develop both their institutional capacity and practical capabilities.

Figure 7:
BARRIERS
What are the biggest barriers hindering foundations from fully embracing and delivering effective partnerships for transformational change? (Choosing up to 6 options)

IN ACTION

The three mindset shifts for transforming philanthropy

PTI has collectively identified three mindset shifts and ten principles that form a global framework, guiding philanthropic organisations in organising, sharing, and driving systemic change. These key mindset shifts which have emerged as essential for transformation, apply at individual, relational, organisational, and sectoral levels:

1. **Enable change:** We need to shift the thinking of philanthropy actors from being achievers to enablers. This means enabling civil society organisations, peers, and communities, as well as other sectors, such as markets and governments, to contribute to social change at a greater scale.

2. **Walk the talk:** Philanthropy must be consistent with itself. Currently, there can be a disconnect between different parts of an organisation regarding how they understand and live their vision, mission, and values. Philanthropy needs to align operations, endowments, and programmes with its values and the way wealth is generated in the first place.

3. **Think about and create the future:** Philanthropy must keep the future of humanity in sight and act in line with that today. The need for deep reflection and transformation of philanthropy has persisted for many years, but the realities of the polycrisis mean that this is an urgent imperative transcending geography, culture or partisanship. Philanthropy needs to adopt a long-term view to better respond to these existential threats.

3.2
Funding modalities

Traditional funding models by foundations are increasingly recognised as insufficient to support effective partnerships for systems change. Our previous research[7] reveals that only 24% of organisations report that current funding models are fully or strongly effective at maximising partnership innovation, quality, and impact. The vast majority of organisations – 96% – agree that adjusting funding modalities could significantly improve partnership quality and outcomes.

Current funding approaches present several significant barriers to effective partnership development and implementation. Short-term funding horizons often fail to align with the extended timeframes needed for systems change, whilst rigid requirements constrain partnerships' ability to adapt and evolve. Many foundations struggle to provide adequate support for crucial early-stage partnership development and formation. Smaller organisations face particular challenges due to complex application and reporting requirements, and the sector broadly lacks capacity and experience in implementing innovative financing approaches.

Misalignment between short-term funding and long-term impact

System transformation inherently requires sustained, long-term engagement, yet funding often operates on shorter timeframes that undermine transformative goals. As one survey respondent explained:

> One of the main obstacles to philanthropy's involvement in systemic change partnerships is the difficulty of committing resources over the long term. Systemic change takes years, sometimes decades, to materialise, but many philanthropic organisations often operate under shorter funding cycles. This creates a disconnect between the long-term commitment required for meaningful transformation and the pressures for immediate results or project-based funding. Without the ability to dedicate consistent resources over time, it becomes challenging to sustain partnerships that address complex societal issues.

The non-linear nature of systems change means that precise theories of change cannot be predicted at the outset. Traditional funding models typically require extensive pre-design before implementation begins and focus on measuring adherence to original plans rather than actual impact. This approach makes it difficult to adjust course based on emerging insights and limits the ability to respond to changing circumstances. Additionally, system elements need time to adjust to and reinforce new patterns - a process that requires patient, flexible capital that many current funding structures struggle to provide.

Without flexible funding that allows for iteration and adaptation, partnerships struggle to effectively respond to emerging opportunities and challenges. This rigidity can lead to missed opportunities for deeper impact and may even result in partnerships pursuing predetermined activities that have become less relevant or effective over time.

Insufficient support for early-stage partnership development

The earliest stages of partnership development require significant investment of time and resources, yet this critical phase often receives inadequate financial support. Partnership development involves substantial costs including conducting landscape mapping of issues and stakeholders, organising multi-stakeholder dialogues, and covering staff time for relationship building and partnership design. The process of partnership development may take place over many months, with facilitation costs, travel and venue costs, and significant time required from all partners.

This gap in early-stage funding particularly affects smaller and local organisations that may lack core funding to invest in partnership development. Without dedicated support for these initial phases, partnerships risk excluding important voices and missing opportunities for innovation based on local knowledge and lived experience.

Limited understanding of innovative finance

While innovative financing approaches offer promising alternatives to traditional funding models, there remains limited capacity and knowledge to effectively utilise these tools. The distinction between 'funding'

and 'financing' is crucial: while funding typically involves direct grants to organisations delivering programmes, financing encompasses a broader range of financial instruments and approaches designed to catalyse and sustain systemic change. Financing may come from public and/or private sectors and may include equity or bond investments, loans (at commercial or subsidized rates), or innovative mechanisms that can reduce risk to private investors or even shift risk from public to private.

The move from traditional funding to financing requires new approaches to structuring financial flows from public, private, domestic and international sources in an investment model that can achieve collective, transformative, sustainable development.

Innovative financing mechanisms such as blended finance and social impact investments offer significant potential but remain underutilised, particularly in low-income settings. Blended finance approaches can help balance high-risk investments by private investors, while social impact investments like SDG bonds and development impact bonds can mobilise private financing toward innovative solutions for social issues.

There is a significant need for capacity building around these new approaches, including developing expertise in structuring blended finance, understanding social impact investment mechanisms, and creating bankable projects that can effectively utilise available funds. Additionally, many foundations need to enlarge their legal toolbox, as regulatory constraints and restrictive bylaws often limit their ability to engage in impact investing, provide loans, or support for-profit actors with programme funds. Success requires both developing new financing approaches and building the capacity to effectively deploy them through training, guidance, and communities of practice focused on innovative finance.

RECOMMENDATIONS

- **Adapt funding structures:** Develop flexible, longer-term funding models that align with systems change timeframes, including blended finance, staged funding[4] approaches and extended (7-10 year) funding horizons for transformational initiatives.
- **Simplify processes:** Streamline application and reporting requirements, particularly for smaller organisations, while maintaining appropriate oversight.
- **Build internal capacity:** Invest in staff understanding of innovative finance mechanisms and blended finance approaches through training and peer learning.
- **Support early-stage development:** Create specific funding windows for partnership development with simplified application processes and appropriate support for smaller organisations.
- **Foster innovation:** Implement flexible funding approaches that support learning and adaptation, with evaluation frameworks focused on impact rather than strict adherence to original plans.

For further information on this topic, Catalyst2030 has undertaken some excellent work on shifting funding practices

3.3
Institutional capability to partner effectively

Figure 8:
FIT FOR PARTNERING FRAMEWORK
The key elements that must be in place for an organisation to be optimised for collaboration

In order to deliver partnerships optimally, foundations need to be institutionally 'fit for partnering'. This includes: leadership commitment and a clear strategy aligned with the foundation's mission; sound systems and processes to take partnerships through their lifecycle from initial identification through due diligence and sign-off, monitoring, reviewing and learning, along with legal agreements and funding modalities suited to multi-stakeholder collaborations.

Foundations must have skilled staff supported by clear internal guidance, with expertise in both the foundation's focus areas and partnership management. They must be underpinned by a pro-partnering culture that is outward-looking and seeks to collaborate wherever additional value can be created for beneficiaries and communities. Finally, foundations need to be well connected to their key stakeholders, including grantees, other funders, and community representatives.

By becoming 'fit for partnering', foundations can enhance their ability to create lasting impact, leverage their resources more effectively, and play a catalytic role in driving meaningful social change.

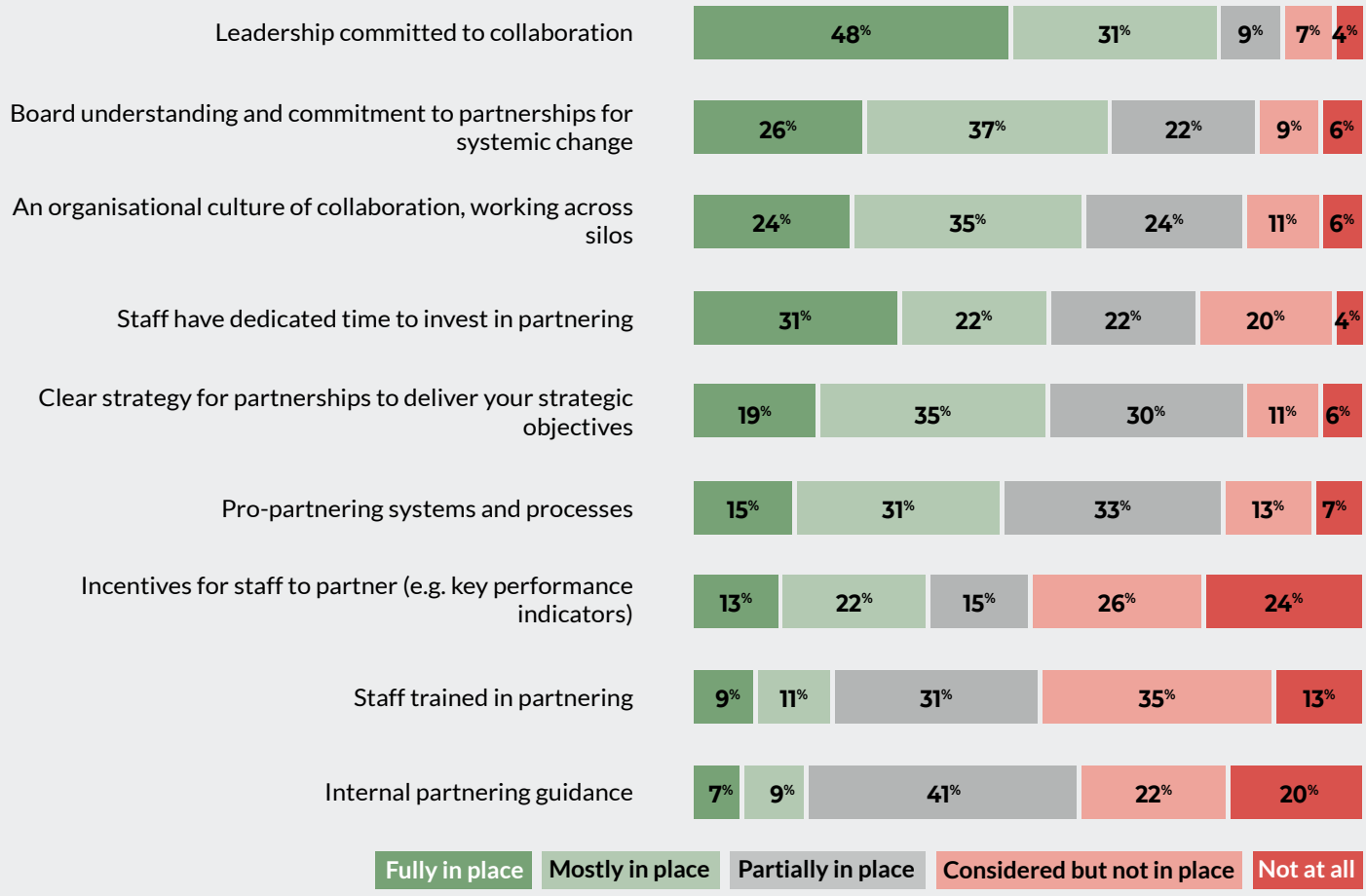
A foundation that is not optimised for partnering will suffer from high internal friction slowing down or even preventing effective collaborations, reduced innovation in addressing complex social issues, an institutional inability to effectively manage relationships and power differences, and a lower social return on investment due to higher transaction costs.

Taking part in partnership for transformational change requires additional capabilities beyond business as usual. They require a complex mix of financial and technical expertise, overcoming cultural friction, trust-building, visioning, deal-making, attitude-shifting, financial pump-priming, long-term commitment, and potentially deep knowledge and engagement with communities. There can be significant risks for those involved, and even where the business case and return on investment are clear, any major change always needs to overcome significant inertia.

The journey toward becoming "fit for partnering" often requires significant organisational transformation as well. As one smaller foundation shared:

> "It took our small foundation tremendous (and unexpected) effort to shift our internal policies, practices, culture - everything - to be able to support systems change. It is not a simple strategy shift, it is a paradigm shift - this is likely overwhelming and scary for most foundations. We need to create easier on-ramps into the work."

Figure 9:
FIT FOR PARTNERING INSTITUTIONAL SETUP
Degree to which some of the different elements of a 'fit for partnering' organisation are in place



Foundational capabilities for partnering

The survey results reveal a mixed picture of foundations' readiness for effective partnering (Figure 8). Whilst there are clear strengths, particularly in leadership commitment and strategic recognition of partnerships, several critical areas require significant improvement for foundations to be truly 'fit for partnering'.

Strengths

- **Leadership commitment**: With 79% of respondents reporting leadership commitment to collaboration as mostly or fully in place, this stands out as a key strength. This high-level buy-in is crucial for driving organisational change towards more effective partnering.
- **Board-level support**: 63% report board understanding and commitment to partnerships for systems change as mostly or fully in place, suggesting good alignment between governance and operational levels on the importance of partnerships.
- **Collaborative culture**: 59% of respondents indicate a mostly or fully implemented culture of collaboration and cross-silo working, providing a supportive environment for partnering initiatives.

Areas for most improvement

- **Internal guidance**: Only 16% have internal partnering guidance mostly or fully in place, with 42% not having considered it or not yet implemented it. This lack of clear guidelines can lead to inconsistent approaches and reduced effectiveness in partnerships.
- **Staff training**: Only 20% of foundations report that their staff are fully or mostly trained in partnering, with 48% having not considered it or not yet implemented it. This represents a critical gap in building organisational capacity for effective partnering.
- **Incentive structures**: Staff incentives for partnering emerge as the weakest area, with only 35% having this mostly or fully in place. This misalignment between organisational goals and individual incentives could significantly hinder partnering efforts.
- **Systems and processes**: Whilst 80% have pro-partnering systems and processes at least partially in place, only 46% have them mostly or fully implemented. This suggests a need for more robust and formalised partnering processes.

IN ACTION

Translating board support into long-term funding practice

While the survey shows strong board-level support (63%) and leadership commitment (80%) to partnerships for systems change, there appears to be a significant gap between this high-level endorsement and the practical implementation of supportive funding practices. Despite leadership backing, nearly two-thirds of respondents (66%) identified difficulty in committing resources over the longer periods required for systems change as a major barrier to effective partnerships. This disconnect suggests that whilst boards and leadership teams intellectually understand and support the concept of transformative partnerships, this commitment has not yet fully translated into the necessary changes in funding practices and resource allocation policies.

This implementation gap may stem from various factors including traditional annual budgeting cycles or pressure to demonstrate short-term results. To fully leverage the existing board support, foundations need to actively work on aligning their funding practices with their stated commitment to systems change - specifically by developing mechanisms for longer-term financial commitments, more flexible funding approaches, and resource allocation policies that match the extended timeframes required for meaningful system transformation.

Professional development needs

In a recent global survey with the United Nations, 91%[10] of respondents believed that training staff and partners would make a significant difference to their partnerships. As seen above, the professional development of foundation staff is generally quite weak. Below we look at the desired approaches for building greater knowledge and skills.

The survey data reveals a clear preference among foundation staff for collaborative and experiential learning approaches in developing partnering capabilities. Multi-foundation communities of practice and peer-to-peer exchanges emerged as the most favoured option – far higher than internal communities of practice – closely followed by deep learning case studies of partnerships for systemic change. This suggests a strong desire for learning from diverse experiences and real-world examples outside one's own organisation. Strategic partnership coaching also received positive responses, indicating an appetite for personalised guidance, with more traditional professional training just below in terms of popularity.

In terms of the topics that people would want to study in training, the top-rated ones (considered very or extremely helpful) were:

- Soft skills for collaboration: trust-building, working across cultures, holding difficult conversations, influencing without power etc.(67%)
- Developing a partnering strategy (65%)
- Developing effective partnerships for systemic change (61%).
- Partnership monitoring and evaluation (M&E).

Figure 10:
PROFESSIONAL DEVELOPMENT NEEDS
What capacity development would be helpful for you and your colleagues?

IN ACTION

The importance of partnership capabilities

The relatively low prioritisation of formal training may reflect the belief that partnering skills are innate. However, partnering across cultures, across societal sectors, across power differentials, and with those with quite different incentives goes far beyond most people's knowledge and experience. The different competencies required are set out below in TPI's 'MUST-have' framework.

Evidence demonstrates that organisations which combine practical experience with structured training are better equipped to avoid common pitfalls, navigate complex multi-stakeholder relationships, and build strong effective partnerships. This is particularly important for grantees, who often serve as primary implementers of partnership initiatives. When both funders and grantees share a common understanding of partnership principles and best practices, it creates a stronger foundation for collaboration and increases the likelihood of achieving systems change goals.

Figure 11:
THE MUST-HAVE PARTNERING CAPABILITIES (TPI)[8]
The key elements that must be in place for an organisation to be optimized for collaboration

M — MINDSET

- Humility to realise that others may have more appropriate knowledge/ resources
- Inclination to reach out to work with others
- Willingness to give up autonomy of decision-making
- (Measured) risk-taking
- Creativity and innovation
- Empathy / ability to work for the benefit of the partnership as a whole
- Tenacity and courage

U — UNDERSTANDING OF OTHER SECTORS

- Language
- Values and culture
- Interests
- Motivations and drivers
- Resources and capabilities
- Systems and processes
- Capacity limitations
- Legal limitations
- AND understanding of your own!

S — HUMAN RELATIONSHIP SKILLS

- Ability to look from others' perspectives
- Networking and connecting
- Approaching and engaging potential partners/selling ideas
- Relationship/trust building
- Value maximisation negotiation
- Facilitation
- Communication
- Managing power dynamics
- Mediation/ troubleshooting

T — TECHNICAL PARTNERING KNOWLEDGE

- Context analysis and systems thinking
- Key principles, process and Building Blocks
- Best practice approaches to setup and governance
- Ability to assess critically when and when not to partner
- The relationship black box of trust, equity and power
- Partnership agreements
- Monitoring, evaluation and review
- Developing exit plans

3.4

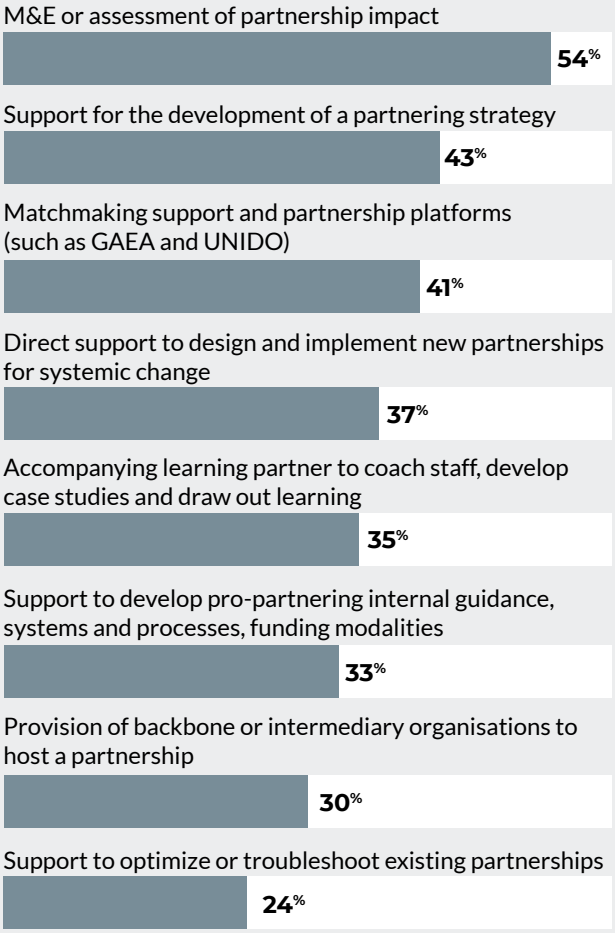
Approaches to developing institutional capability

In order to address the gaps in institutional capacity there are several different options for development. We asked the survey respondents what would be the most helpful for them.

Preferences for institutional capacity development

Over half of the respondents (54%) prioritise the need for monitoring and evaluation of partnership impact, indicating a growing emphasis on measuring outcomes in complex, multi-stakeholder collaborations. This is complemented by significant interest in developing partnering strategies (43%) and accessing matchmaking support (41%). These priorities suggest foundations are actively seeking to professionalise their approach to systems change partnerships, recognising the importance of strategic planning and evidence-based practices in addressing complex societal challenges.

Figure 12:
INSTITUTIONAL DEVELOPMENT NEEDS
What institutional capacity development might be helpful to support your organisation's partnership ambitions?



GOOD PRACTICE IN INSTITUTION BUILDING

- **Invest in training:** Provide opportunities and encourage staff to participate in training programmes to build their capacity in partnering skills. Leverage existing leadership commitment to prioritise and support staff development in this area.
- **Align incentives:** Review and revise performance metrics and reward systems to encourage and recognise successful partnering efforts.
- **Develop internal guidance:** Create clear, practical guidelines for partnering processes, drawing on best practices and tailoring them to the foundation's specific context.
- **Formalise processes:** Build on existing systems to develop more robust, end-to-end processes for partnership identification, due diligence, implementation, and evaluation.
- **Resource allocation:** Conduct a thorough review of resource allocation for partnerships, ensuring that staff have adequate time and support to invest in building and maintaining effective partnerships.
- **Board engagement:** Capitalise on board-level commitment by involving board members in setting partnering strategies and reviewing partnership outcomes.

By addressing these areas, foundations can significantly enhance their institutional capacity for partnering, reducing internal friction, fostering innovation, and ultimately increasing their impact through more effective collaborations.

4

THE ENABLING ENVIRONMENT FOR COLLABORATION

4.1
Enabling infrastructure

> If you want to change a system, you need to strengthen the field.
>
> Leslie Anne Johnston, Laudes Foundation

Creating an effective enabling environment for partnerships is crucial for scaling up collaborative efforts for transformational change. A key element is the development of platforms that bring together diverse stakeholders. These platforms can serve multiple functions: creating networking opportunities, building trust between sectors, sharing knowledge and learning, and catalysing and supporting MSPs

Foundations can play a vital role in supporting these platforms and wider enabling infrastructure, both through direct funding and in-kind support such as serving on boards, sharing expertise, and leveraging their networks. As demonstrated by Laudes Foundation's approach, this support can range from helping establish new initiatives like Fashion for Good, to strengthening existing membership organisations such as Philea, WINGS and Impact Europe.[9]

However, building such infrastructure requires foundations to overcome several significant barriers. Board governance and risk appetite present particular challenges, especially when foundations try to balance short-term accountability with long-term systemic ambitions.

> A board of directors holds fiscal responsibility for a foundation and so is rightly concerned about risk. But it does raise a question around how to balance ambition and risk, vision and process, long-term systems change and short-term KPIs.
>
> Leslie Anne Johnston, Laudes Foundation

The measurement of impact presents another key challenge. Traditional key performance indicators (KPIs) often fail to capture the value of enabling infrastructure.[10] Some foundations, like Laudes, have moved toward rubrics-based measurement systems that better reflect systems-level changes and the contribution of enabling infrastructure to achieving broader outcomes.

Strengthening existing initiatives may be more effective than trying to create something new. As Leslie Johnston cautions, "*While it's always more comfortable to try new things with other funders, sometimes an idea only gains momentum when one funder takes the initial risk... [However] I also would caution us, as funders, from being too quick to set up yet another new initiative. Yes, we need new ideas, platforms, collaborations, but sometimes, we also just need to strengthen what's already there. The bright and shiny option is not always the best one.*"[9]

While they require long-term investment and commitment, these structured spaces for cross-sector engagement are critical for enabling more effective partnerships for transformational change. As demonstrated by successful examples like Fashion for Good, which now partners with organisations representing 12% of the fashion industry, these platforms can achieve remarkable scale when properly supported.

Findings from the research for TPI's Unite to Ignite report[7] found that **93% of respondents view platforms or similar mechanisms as essential or significantly useful catalysts of partnerships for the SDGs and climate targets.**

IN ACTION

Building a platform for cross-sector collaboration

The SDG Partnership Platform (SDGPP)[11] in Kenya exemplifies how an enabling infrastructure initiative can successfully bring together diverse stakeholders and overcome traditional sectoral barriers. Launched as a collaboration between the Kenyan Government and the UN, and supported by the Hilton Foundation, the platform works to forge multi-stakeholder partnerships and unlock private, philanthropic and intellectual capital for sustainable development. The platform demonstrates how structured collaboration spaces can help overcome traditional barriers between sectors. As described by Arif Neky, the Platform's Senior Advisor:

The platform has achieved significant results, mobilising $5.5 million in funding and in-kind support which has led to a pipeline of about $150 million in direct investment project opportunities. Key to its success has been:

1. Building trust and demonstrating value for collaborations
2. Aligning with government priorities and fostering government ownership
3. Creating clear governance structures and accountability mechanisms
4. Supporting capacity building for effective partnership management
5. Facilitating blended financing approaches that combine philanthropic, private and public capital.

The SDGPP demonstrates that when properly structured and supported, enabling platforms can unlock significant resources and partnerships far beyond initial investments.

> Philanthropy is often very comfortable engaging by itself but not always so used to collaborating with the private sector, government, civil society, and other stakeholders. The SDG Partnership Platform is about creating a much broader, multi-stakeholder platform to productively engage all key partners.

4.2
Policy interventions

The enabling environment for partnerships is shaped not only by platforms and support mechanisms, but also by the policy frameworks that govern how different sectors can work together. Our survey explored foundations' perspectives on what policy interventions would be most effective in facilitating such partnerships. Among the 40 respondents, two priorities emerged as equally important, each selected by 55% of respondents:

- Investment in sector infrastructure, such as well-funded forums for cross-sectoral dialogue
- Improving regulation with collaboration incentives

Setting up focal points in government (48%) and funding technical assistance (45%) were also highly ranked. These findings suggest a clear recognition that effective partnership ecosystems require both policy frameworks and enabling platforms that actively encourage and facilitate cross-sector collaboration.

IN ACTION

Unlocking philanthropic investment through policy change in Europe

A 2024 coalition of European philanthropy networks, including Philea and Impact Europe, demonstrates how policy reform can enable more effective philanthropic partnerships.[12] The coalition identified that restrictive regulations in some European countries prevent foundations from making social investments with their programme funds and endowments, effectively limiting their ability to engage in transformative partnerships. Their proposed solutions[13,14] include removing restrictive laws on programme funding, introducing public guarantees for social investments, and creating tax incentives for impact-focused endowment investments. This comprehensive policy approach shows how targeted regulatory changes can help unlock philanthropy's full potential for systems change by enabling more flexible and innovative approaches to using foundation resources.

GOOD PRACTICE

Foundations can strengthen the enabling environment for partnerships in several ways:

- Supporting the development of collaboration platforms and mechanisms
- Advocating for and helping to design enabling policy frameworks
- Building evidence through pilot initiatives to inform policy development
- Sharing industry insights with policymakers, as demonstrated by platforms like Fashion for Good which, has "served as an important thought partner to policymakers as they craft relevant legislation"[13]

5

CONCLUSIONS AND A ROADMAP FOR ACTION

5.1 Conclusions

The research demonstrates a clear direction of travel for the philanthropy sector : to deliver far more transformational impact through systemic multi-sector collaboration. This report begins to clarify the journey foundations need to take in order to successfully deliver that ambition.

The path forward will require a sustained investment across multiple dimensions – from cultivating mindset shifts, building institutional capacity and developing new funding modalities to supporting an enabling environment for collaboration and developing new ways to measure complex change.

With the decimation of the international aid system, action could not be more urgent or more important.

5.2

Roadmap for action: TRANSFORM!

To address the needs identified in this assessment, The Partnering Initiative, WINGS, and Philea are joining forces to strengthen the philanthropy sector's capacity for transformational collaboration through a major new initiative, TRANSFORM!

Together, we aim to:

a) **Advance professional practice** within individual foundations and across the whole philanthropy sector, inspiring action and building the institutional strategy, mindset, processes and capabilities needed to drive effective multi-sector collaboration; and

b) Ensure that PPPPs, other philanthropy-supported MSPs, and foundations' bilateral **partnerships are developed to good practice standards**, providing assurance to partners and enabling continuous improvement.

This collaboration brings together the partnership expertise of The Partnering Initiative, the global network of WINGS, and the European perspective of Philea. By combining our expertise and networks, we seek to catalyse a shift in foundation sector practice toward more transformational multi-sector partnerships, unlocking greater collective impact on today's most pressing challenges.

ANNEX 1: SURVEY METHODOLOGY

Data collection

Three versions of an online survey were developed in collaboration with WINGS, Philea, and AVPA. While most questions were consistent across all versions, the WINGS and Philea surveys included additional questions beyond the core set of 21 questions.

The surveys were disseminated through various channels including social media, newsletters, and relevant mailing lists. This broad distribution approach aimed to reach a diverse range of foundations.

While extensive dissemination efforts were made, the response rate was relatively modest and not fully representative of the entire philanthropy sector. Nevertheless, this survey is the first to provide an overview of foundations' engagement in cross-sector partnerships, offering invaluable insights into current trends, practices, challenges, and needs.

Response analysis

Initially, 144 responses were received. However, 89 were excluded from the final analysis due to incompleteness, respondents not representing foundations, inadequate survey response duration, identical responses across multiple questions, or duplicate submissions.

The final analysis included responses from **55 foundations**, distributed as follows:

1. WINGS version: 42 responses
2. Philea version: 12 responses
3. AVPA version: 1 response

Potential bias

It is important to acknowledge a potential self-selection bias in our sample. The majority of respondents currently engage in partnerships and view them as increasingly important for their future work. It is likely that foundations with an interest in transformational partnerships would be more inclined to complete the survey.

While the findings might over-represent perspectives of foundations more engaged with partnerships, this aligns with current trends in the philanthropy sector, reflecting the growing focus on collaborative approaches and systems change within the field as demonstrated by the number of sessions with this focus at the meetings of foundation networks such as Philea, the number of articles in Alliance Magazine, and the research undertaken by WINGS for its Philanthropy Transformation Initiative.

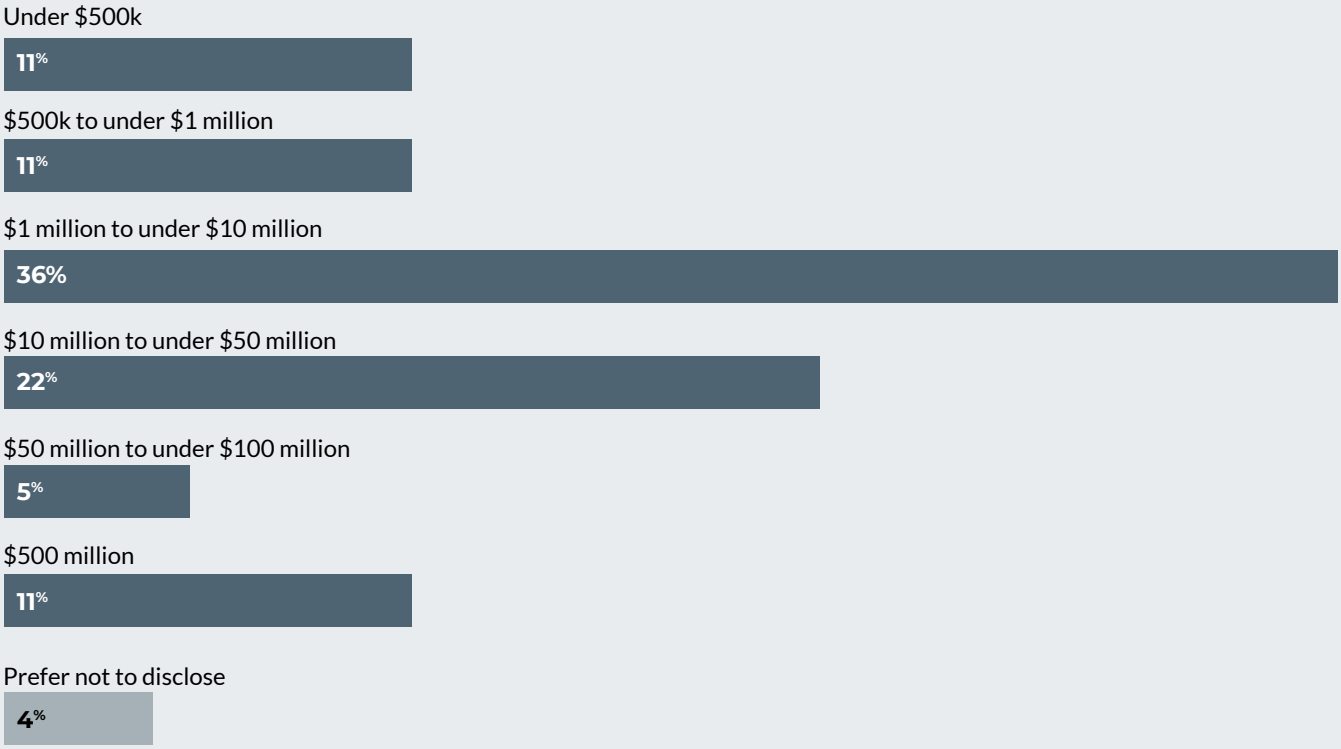
Respondent profile

The profile of respondents reveals a diverse range of annual giving that reflects the size of the foundations, with most distributing between $1 million and $50 million annually. While there are some smaller contributors and a few large-scale donors, the majority fall within this mid-range, representing a broad spectrum of philanthropic spending.

In terms of geographic focus, the foundations demonstrate a global reach. Nearly half are active in Europe, making it the most common area of focus. Sub-Saharan Africa and South America each attract about a third of the respondents. Many foundations operate across multiple regions, indicating an international approach to their giving.

Philanthropic interests also vary widely, with education emerging as the top priority, closely followed by youth development. Other key areas of focus include gender equality, economic development, and environmental issues. Most foundations address multiple themes, reflecting an effort to tackle interconnected challenges through their philanthropic activities.

Figure 13:
RESPONDENT FOUNDATIONS ANNUAL PHILANTHROPIC SPENDING



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Alpina Foundation
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CAGES Foundation
Dasra
DOEN Foundation
Fondazione CRT
Fondo de Mujeres del Sur
Fondo Potosino
Fundación Caricaco
Fundación Corona
Fundación Descúbreme
Fundación ONCE
Fundación Socioambiental Semilla
Global Fund for Children
Helen Macpherson Smith Trust
IMS Foundation
Itla
Jane and Aatos Erkko Foundation
Jollibee Group Foundation
King Baudouin Foundation
Laudes Foundation
L'Occitane en Provence Fund
Luis von Ahn Foundation
Maecenata Foundation
MSC Foundation
Ökotárs-Hungarian Environmental Partnership Foundation
Partnership for Economic Policy
Pathy Family Foundation
PeaceNexus Foundation
Promotora Social México
Roger Federer Foundation
Rotary Charities of Traverse City
Segal Family Foundation
STAR-Ghana Foundation
Stiftung Mercator Schweiz
The Center for Disaster Philanthropy
The Human Safety Net Foundation
Toilets for All
Trag Foundation
UBS Optimus Foundation
Vodafone Foundation
WomenStrong International

ANNEX 3: REFERENCE LIST

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