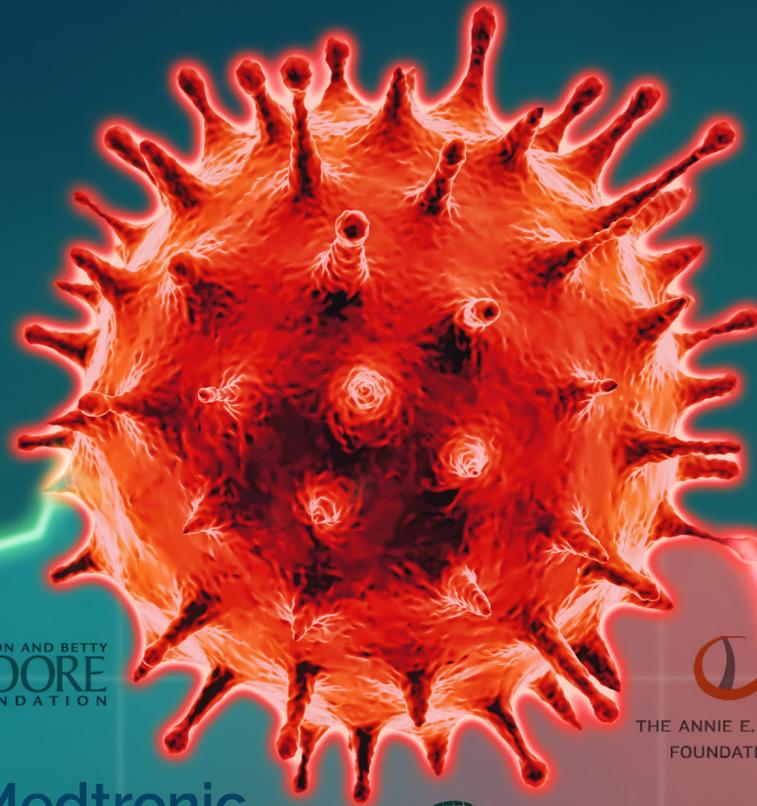


The Impact of COVID-19 on the Global Philanthropic Sector

Philanthropic Sector CEO Barometer Survey
and Deep-Dive Interview Results

JUNE 5, 2020



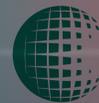
GORDON AND BETTY
MOORE
FOUNDATION

Medtronic
Foundation

Hilton CONRAD N. HILTON
FOUNDATION

 **SILICON VALLEY**
community foundation®

 **EWING MARION**
KAUFFMAN
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FUNDACIÓN
Carlos Slim

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FOUNDATION

 **VULCAN**

 **FORD**
FOUNDATION

 National
Philanthropic
Trust

 WILLIAM + FLORA
Hewlett
Foundation

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Report context and objectives

Dalberg initiated the COVID-19 Philanthropic CEO Barometer Survey to understand the impact of COVID-19 on the philanthropic sector globally, with an immediate focus on foundations. The pandemic is leading foundations across the globe to redirect funding for emergency response, post-COVID-19 recovery, and a variety of longer-term issues stemming from the crisis across all sectors of philanthropic activity. This has implications for foundations' overall spending, giving priorities, and internal operations. The exact nature of these changes and the long-term implications of COVID-19 for the role of philanthropy are not yet fully clear, but there is immediate demand from philanthropic sector leaders and their constituents for more comprehensive information on sector response to help inform crisis response strategies and operational decisions.

Our research aims to fill the data gaps on COVID-19 impacts through periodic philanthropic sector leader surveys, deep-dive qualitative interviews, and related research. Building on a convening by Hong Kong Jockey Club and Dalberg on Philanthropic Leadership in the COVID-19 Crisis for 400+ philanthropic sector actors in early April 2020, Dalberg launched an initial survey round, focused on 170 global foundation leaders. This document is a summary of the ~75 survey responses received over the course of April 15-May 21, 2020 and ~15 additional deep dive interviews with senior foundation leaders.

Where do we go from here? We are grateful to all of the survey and interview participants and are looking forward to discussing these initial findings and helping foundations and other philanthropic sector participants think through potential implications. Many questions remain unanswered and we have plans to significantly expand the scope and scale of the survey moving forward. As a next step, we are partnering with regional philanthropy platforms (e.g., Council on Foundations, Africa Philanthropy Forum, Asia Venture Philanthropy Network) to extend the survey to several thousand additional philanthropic organizations over the next few months, which will include foundations (corporate, independent, and family) as well as other critical philanthropic actors such as corporations. The findings will be released this summer in a variety of online webinars, publications, and regional philanthropy convenings.

The initial survey data and interview results suggest that, unsurprisingly, the crisis has impacted foundations and their grantees in profound ways – some of the key findings appear below and are further explored in the document that follows. More detailed data is available to survey respondents and interview participants upon request. These results are starting point for reflections on how COVID-19 will shape the evolution of the philanthropic sector – a conversation that we at Dalberg look forward to continuing.

Key research findings (1/4)

The majority of foundations have increased or are considering increasing their share of endowments disbursed in 2020 due to COVID-19, though the impact of these funding increases on net philanthropic giving is not yet clear.

- COVID-19 is increasing giving as a share of endowments – recognizing the historic “hundred-year storm” nature of the crisis, an unprecedented half (55%) of foundations have already decided to increase giving as a share of their endowments in 2020, another third (31%) are considering doing so.
- Given the impact of the market on total endowment size, however, the net COVID-19 impact on foundation giving, while likely positive, is not yet clear.
- On average across our survey sample, weighted by annual budget size, foundations will allot approximately 20% of their 2020 budget to COVID-19 response. 40% of foundations will allot more than a third of their spending to COVID-19, and nearly a fifth of foundations will allot more than 50%.
- This translates to ~USD 2B of planned giving for COVID-19 from our survey respondents alone. Extrapolating to the broader philanthropic sector, this could mean up to USD 30B for COVID-19 response in 2020 relative to the USD 3.5B already committed by foundations (including family, independent, and corporate foundations) in the first few months of the crisis.

In the near-term, foundations are prioritizing sectors and areas that can directly mitigate the impacts of COVID-19, most notably health and economic support & recovery, at times at the expense of sectors and issues that are seen as less urgent or have longer-term impact horizons.

- Health and economic recovery are immediate priorities across the majority of foundations in our survey and interviews, followed by food security.
- Health-related investments into COVID-19 response are a clear trend with foundations in our survey allotting ~50% of their 2020 COVID-19 spending towards health with a focus on issues such as testing, PPE, vaccine development & contact tracing and 25-30% of foundations planning to give health-related grants for COVID-19 response despite not having any health focus earlier in their grant-making.
- Grant-making for economic support, recovery and resilience (e.g., for SME recovery) is another widely mentioned priority.
- On the other hand, foundations signalled concern about potential declines in funding for areas such as climate change mitigation/adaptation, conservation/animal rights, education, energy access, financial inclusion, and arts & culture that could see near-term de-prioritization or re-direction of funding.

Key research findings (2/4)

In the long-term, foundations feel the need to “build back stronger” and address underlying issues of inequity and social injustice.

- Foundations recognize the glaring inequities brought to light and worsened by the pandemic. This was coupled with an increased recognition of the fragility of core systems such as public health infrastructure and socio-economic safety nets.
- Therefore, foundations emphasized the need to start building resilience in core systems and planning for future shocks as they move beyond direct COVID-19 mitigation in 2020-2021.
- Foundations are also recognizing that collective action within the sector will be a critical lever for building resilience.

Foundations report significant impacts of COVID-19 on their operations and grantees; greatest pain points are making decisions in a highly uncertain environment, ensuring the survival of existing grantees, and managing increased volumes of new funding requests.

- Foundations report significant impacts on their operations (3.56 on a scale of 1-5, where 1 indicates no impact and 5 indicates catastrophic disruption) and report even more profound negative impacts on their grantees (3.75 out of 5).
- The most immediate operational impacts of COVID-19, including managing health and safety risks for staff, the suspension of travel, and the transition to remote work, were universal across respondents, but interviews suggest that foundations are finding ways to adapt to these challenges as the crisis evolves.
- More pressing operational issues reported by half or more of foundation leaders were managing through uncertainty (i.e., predicting future scenarios to make programming and operational decisions to avoid “decision paralysis”), supporting existing grantees, and dealing with COVID-19 related funding requests.
- The operational burdens of supporting grantees were a particular pain point with many foundations reporting significantly increased pressure on program officers to service existing grantee portfolios relative to time spent on the conceptualization of new grants or the due-diligence of potential new grantees.
- While further data collection is needed, anecdotally it appears that foundations are not at this stage looking to reduce headcount and, more generally, are holding the course on internal resourcing/staffing levels during as they manage through the crisis.

Key research findings (3/4)

Foundations are worried about “mass-extinctions” of grantees and are drastically changing grant requirements (such as removing restrictions, extending grant timelines and providing top-up funds) to ensure the survival of existing grantees and rapidly support new ones.

- Financial viability of grantees is a major concern for most foundations, particularly for smaller foundations which support smaller scale grantees, though even large funders see significant risks for grantees (e.g., grantees that rely on earned revenues in sectors such as arts/culture and conservation).
- Many foundation leaders commented on fears of “mass extinctions” of grantees and other counterparts in their sectors – widespread failures/bankruptcies are anticipated for small community-based organizations, arts/culture organizations, small and growing businesses, and social sector start-ups in areas such as agriculture, financial inclusion and energy access.
- For existing grants, foundations are loosening spending restrictions (e.g., transition to general purpose grants) to give grantees the freedom to pivot funding to new activities or to redeploy funds for core operational costs. Many foundations are rapidly renegotiating grant milestones, objectives, and timelines. They are also providing technical assistance and top-up funding for grantees to pivot programming and undertake COVID-19 related interventions.
- Despite severe COVID-19 impacts to date, the majority of foundations still believe their grant-making objectives and related KPIs are achievable with the greatest optimism on this front from large foundations (2.65/5.00 risk to KPIs) compared to small foundations (3.16/5.00 risk for KPI achievement).
- For new grants, the urgency of funding needs and operational challenges have led many foundations to simplify the process of grant selection and funding disbursement and reduce timelines for grant approval. They have also simplified grant applications and relaxed due diligence criteria to push out funds faster.

Key research findings (4 /4)

Beyond immediate insights on COVID-19 impacts, the crisis offers an opportunity for foundation leaders to reflect on longer term strategic questions that will shape the future of the philanthropic sector.

- Survey insights and interview feedback suggest that foundation leaders are embracing the crisis as an opportunity to reflect on a few key questions regarding philanthropy that were already being raised prior to COVID-19 but have now taken on new urgency:
 - Should foundations step into areas that are typically the purview of governments (such as public health infrastructure and safety nets) given gaps shown thus far in government response and the ability of foundations to be nimbler and more responsive in their programming than other actors?
 - Should foundations take on more politically charged issues that tackle the structural causes of inequality and exclusion as the dramatic downstream impacts of such inequality (e.g., on minority communities, immigrants, refugees) have now been highlighted by the COVID-19 crisis?
 - Should foundations embrace philanthropic “localism” and channel more resources toward issues of struggling communities where they are based vis-à-vis focusing on national, regional, and global challenges?
- Foundation leaders we have talked to also report that the COVID-19 crisis is triggering other fundamental strategic questions for their organizations and broader reflections about the role and positioning of the philanthropic sector including:
 - Should foundations prioritize a diversity of grantees in recovery or allow the sector to consolidate (or even encourage consolidation and grantee “monopolies”) as smaller organizations fail?
 - Should foundations pivot to areas of acute short-term need at the cost of longer-term impact or take a “counter-programming” approach by focusing on the longer-term issues that may otherwise be neglected as public spending priorities shift to near term COVID-19 response and recovery?
 - How should foundations balance long-standing principles of inclusion, transparency, accountability, and data privacy/security vs. often existential near-term challenges of rapid and effective COVID-19 crisis response?

Dalberg's Philanthropic Sector CEO COVID-19 Barometer Survey and deep dive interviews aim to understand the impact of the current crisis on foundations

"There has never been a time in the world when we need more hope and more light, and this is what philanthropy can do – bring hope and light during times of darkness. And my desire, my hope, is that we will use our privilege, our power and our influence to demand a more just fair and equitable world."

— Darren Walker, President, The Ford Foundation¹

THE CONTEXT

- The COVID-19 pandemic has brought to light new vulnerabilities and inequities around the world
- It has left foundations and philanthropists rushing to execute emergency plans, assemble resources, and reassess strategies, all while managing significant disruptions to their own and their grantees' operations

OBJECTIVES OF OUR RESEARCH

- Our survey and interviews aim to provide an overview of how COVID-19 has impacted the philanthropic sector, with a particular focus on foundations
- The research focuses on COVID-19 impacts and foundations' response to date in order to inform immediate sector decisions and prompt reflection on longer term strategic implications.

90+ SURVEY RESPONDENTS AND INTERVIEWEES INCLUDE



Note: [1] HKCJ-Dalberg Philanthropic Leadership in the COVID-19 Crisis Summit, see <https://dalberg.com/our-ideas/how-should-philanthropy-act-in-a-pandemic/>.

Our insights on COVID-19 impact pull from a diverse pool of global foundations which, cumulatively, represent 5-10% of annual philanthropic giving globally

75 SURVEY RESPONDENTS (42% response rate)

Total philanthropic assets
of survey respondents¹

USD 171,8B

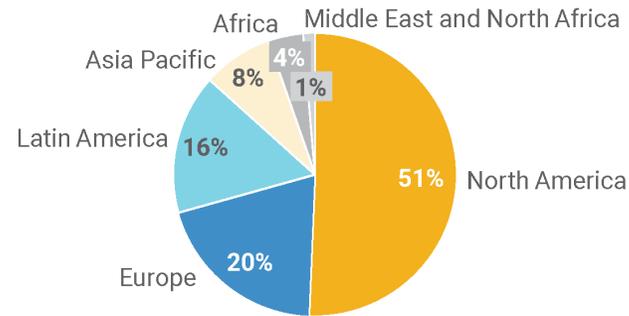
Annual programming budget¹

USD 10,6B

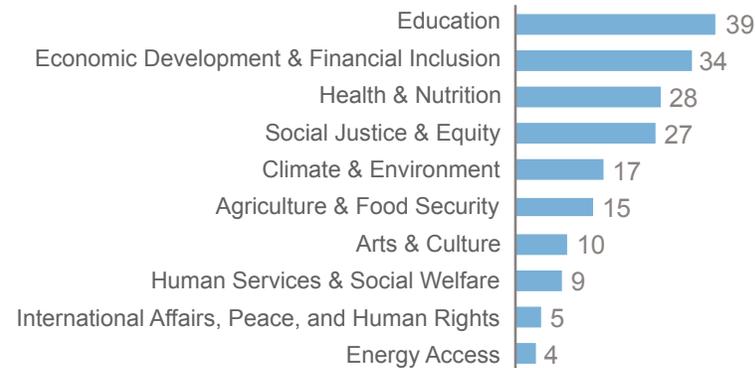
Number of funders by endowment size
Number of responses (n=45)



Foundation headquarters of survey responders
Percentage of respondents (n=75)



Sectors of programming focus²
Number of responses (n=75)



15 IN-DEPTH INTERVIEWS



Notes: [1] Best estimates based on 45 out of 72 participants and an additional 20% estimate for remaining foundations where data was not available; [2] includes multiple responses.

Source: Candid's Foundation Directory, news reports, press releases, survey data, Dalberg analysis.

We explored four key dimensions of COVID-19 impact on foundations

COVID-19 is impacting...

1

RESOURCES

How are philanthropic foundation funding levels evolving due to COVID-19?

2

PRIORITIES

Where are foundations directing their resources and attention as a result of COVID-19?

3

INTERNAL OPERATIONS

How is COVID-19 impacting internal operations?

and may lead to an overall shift in...

4

ROLE AND STRATEGIC DIRECTION

How is COVID-19 likely to impact the role of the philanthropic sector long-term and what cross-cutting strategic questions does this raise?

“Anecdotal evidence suggests that total giving by many foundations will increase as many are viewing the COVID-19 crisis as a “hundred-year storm” that calls for outside near-term investment into the response. Some categories of funders, such as corporate foundations, will certainly give less given pressure on profits and discretionary budget cuts.”

— **Regional philanthropy platform leader**

1. RESOURCES

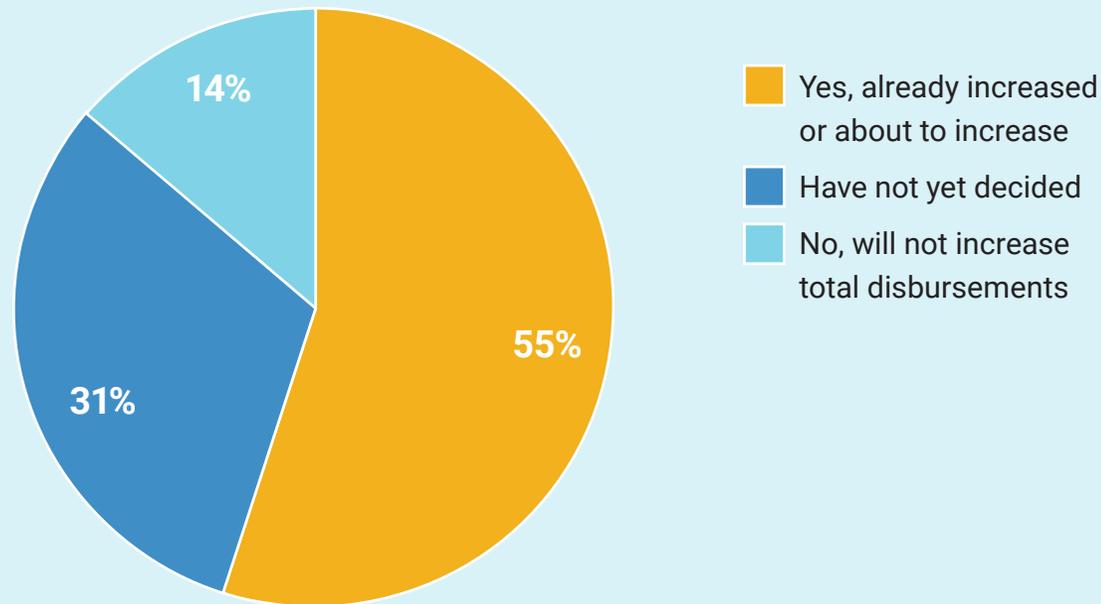
How are philanthropic foundation funding levels evolving due to COVID-19



Most foundations have increased or are considering increasing the share of endowments disbursed in 2020, but the net effect on giving is still unclear

Is your foundation increasing the share of its endowment to be disbursed in 2020 in response to the pandemic compared to what had been allocated at the start of the year?

Percentage, (n=71)



“While many foundations say they are giving more, they are also calculating losses in assets into that total sum of money, which means they could even be giving less. In other situations they are reallocating money away from canceled activities which would also not represent an increase in dollars spent.”

— Foundation leader

Increased allocations from endowments do not necessarily translate to increased overall foundation funding as the effect of market crashes has decreased endowment size by 10-20%.¹

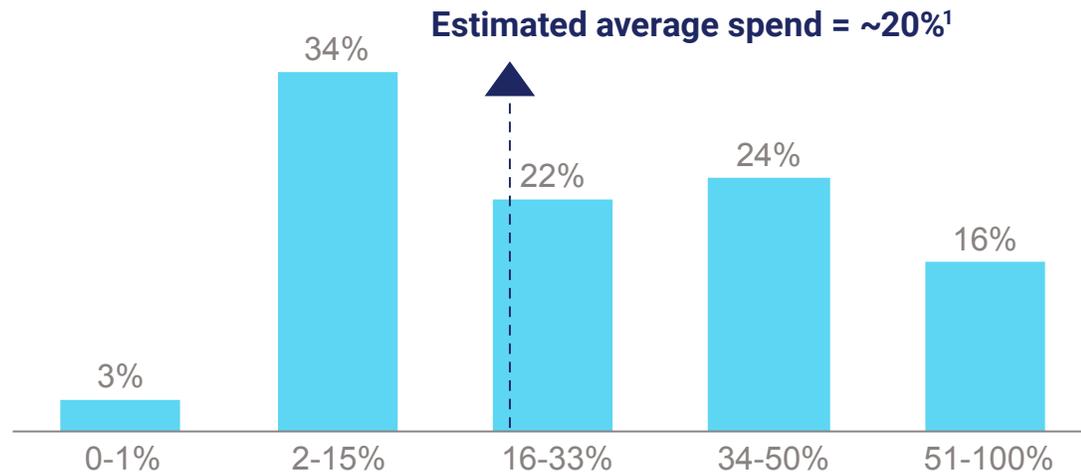
Notes: [1]Alliance Magazine, “COVID-19 Crisis: Philanthropy faces a major dilemma as need increases but endowments shrink,” April 2020.
Source: COVID-19 Philanthropy Survey responses, Dalberg analysis.

A fifth of surveyed foundations' spending in 2020 will go toward COVID-19 related giving

RESPONDENTS' 2020 COVID-19 SPEND

What percent of your 2020 spending do you anticipate will be allocated to COVID-19 response? (Best estimate)

Percentage, (n=68)



Foundation spending patterns on COVID-19 response

- Most expect to spend **~20% of their 2020 budget**, on average
- **40% will spend more than a third** of their 2020 budget
- This translates to **USD 2B in 2020 spending from respondents alone**
- Respondents have **already committed USD 400M** through **~1730 grants**

PHILANTHROPIC SECTOR'S 2020 COVID-19 SPEND

Assuming the 20% planned spend for COVID-19 in our survey sample is representative of the overall philanthropic sector, up to USD 30B could be allocated by foundations to COVID-19 response and recovery in 2020

Est. annual budget²



x



=



Est. potential COVID-19 spend by foundations

Reports tracking public commitments suggest **>USD 3.5B of foundation commitments for COVID-19** as of early May 2020, **up to USD 10B including corporate commitments**, and **USD 25-30B total if one includes DFIs, bilateral, and multi-lateral funders³**

Notes: [1] Average reported COVID-19 spend in 2020 weighted by expected 2020 annual budget; [2] Global Philanthropy Report: Perspectives on the global foundation sector. Hauser Institute at Harvard University, 2018; [3] Candid (Philanthropy's response to coronavirus (COVID-19), candid.org). Devex estimates up to USD 12B of foundation commitments based on several large announcements totaling ~USD 9B that may be more aspirational. Source: COVID-19 Philanthropic CEO survey; desk research, and Dalberg analysis.

“We believe the greatest funding needs post 2020 should address this renewed affirmation that our economy, systems and people are **interconnected**. Funding groups that address **the structural and racial inequities** exacerbated by COVID-19 should receive more focus.”

— **Foundation leader**

“**Local philanthropy and support is key** since international aid mechanisms often take too long and the UN often depends on local actors to do this work anyway.”

— **Foundation leader**



2. PRIORITIES

Where are foundations directing their COVID-19 related resources and attention?

Foundation funding in response to COVID-19 is prioritizing health and economic recovery, in some cases at the expense of other philanthropic issues

SNAPSHOT OF COVID-19 FUNDING TRENDS

Re-prioritization of funding based on how directly areas link to COVID-19 response, recovery, or resilience building

- Health and economic recovery/jobs will see substantial increased funding
- Immediate spike in health spending will continue in the long-term – vaccine development, testing and PPE will be short-term areas of focus whereas the long-term will focus will be on health infrastructure
- Areas such as culture/arts, energy access, and climate and conservation are likely to see immediate funding reductions; potential negative impacts likewise possible for areas like education

An overwhelming focus on increasing the resilience of existing grantees

- Supporting existing grantees is top-of-mind for most foundations
- Foundations have provided supplemental grants and are reducing restrictions on existing funding to ensure the survival of grantees' and enable them to add COVID-19 response to their programming

An increased focus on embedding equity and social justice within recovery

- Foundations agree on the fragility of core systems and the need to embed equity within recovery
- Respondents cited concern for low-income, minorities, and women facing higher health and economic risks but having insufficient access “safety nets” and funding assistance
- While there is an awareness of the need for equitable recovery, there is little clarity on optimal pathways/modes of engagement for foundations

A renewed focus on ‘localism’ – i.e., giving in areas where foundations are based

- Interruptions in key supply chains along with widespread economic disruptions in the “global North” are leading some foundations to increase funding for local recovery and immediate “backyard” communities as part of a broader geographic allocation

Note: Given the early stage of COVID-19 related recovery plans, many of these trends are hard to quantify; however, discussions with foundations point to these shifts clearly.
Source: COVID-19 Philanthropy Survey responses, Dalberg analysis.

Priorities for Foundation giving – voices from the sector

“Heavy investment into the current crisis will have an impact on what else foundations can fund... **many giving areas will get less money and attention.**”

— Foundation CEO

“We see an unprecedented need from our SMEs and nonprofits **for unrestricted grant funding to ensure survival.**”

— Foundation CEO

“The pandemic has underscored **the problems of wealth inequality** and the **need to address these inequalities** immediately.”

— Foundation CEO

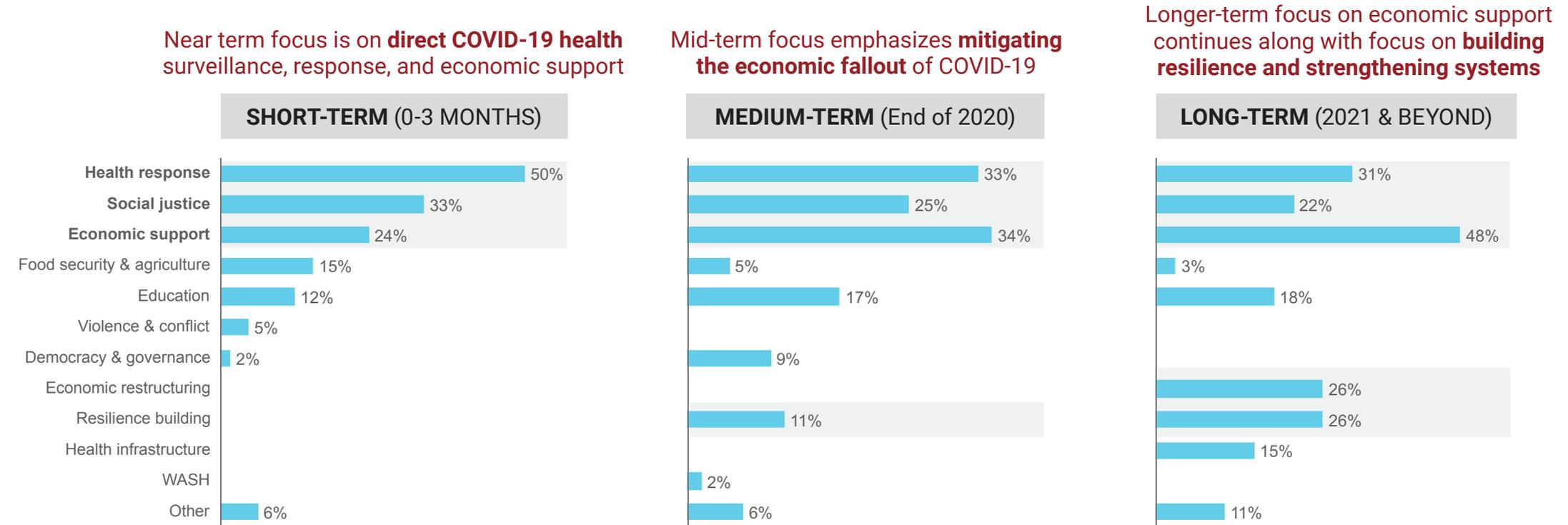
“We must move away from the old systems of philanthropy and recognize the **importance of local structures.**”

— Foundation leader



Foundations are focused on mitigating direct COVID-19 impacts in 2020 before transitioning to rebuilding and strengthening systems in 2021

Independent of your own foundation's programming, what do you believe are the greatest needs for COVID-19 related philanthropic funding?



“There is an opportunity to use this crisis to **create a new social contract** and take advantage of the widening Overton window”

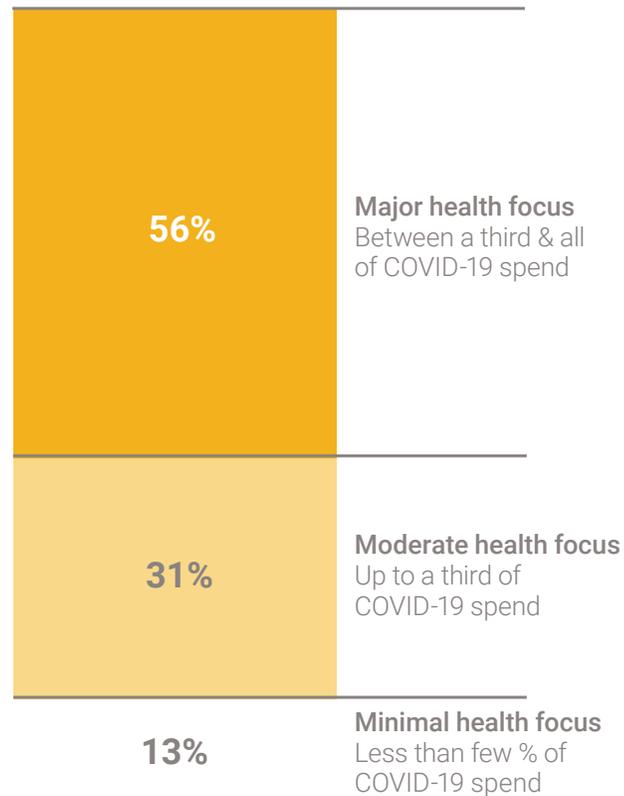
— **Foundation CEO**

Note [1]: Short-Term: (n=69); Medium-Term: (n=67); Long-Term: (n=68) responses.

Source: COVID-19 Philanthropy Survey responses, Dalberg analysis through coding of qualitative open responses.

Nearly half of COVID-19 related foundation spending in 2020 will go to healthcare, particularly testing, vaccine development, PPE, and contact tracing

Share of COVID-19 spend going towards healthcare
Percentage of respondents (n=32)



Percentage of respondents

Foundation health spending patterns on COVID-19 response

- 25-30% of foundations that previously did not have a health focus, now plan to engage on COVID-19 health response
- Most expect to allot ~ 50% of their 2020 COVID-19 spend on healthcare-related areas¹
- 56% will spend more than a third and 44% will spend more than half of their 2020 budget on health
- Short-term focus is on direct COVID-19 response; long-term on strengthening systems and vaccine research

“Institutional and long-term preparedness in tackling pandemic/public health risks in the future needs to be a major part of the response”

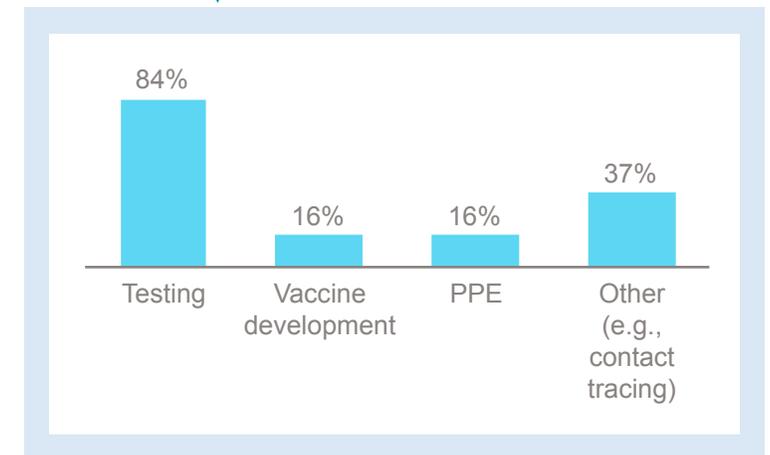
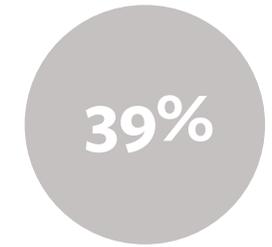
— Foundation leader

Short-term areas of focus for healthcare spend
Percentage of respondents (n=32)

COVID-19 related health response



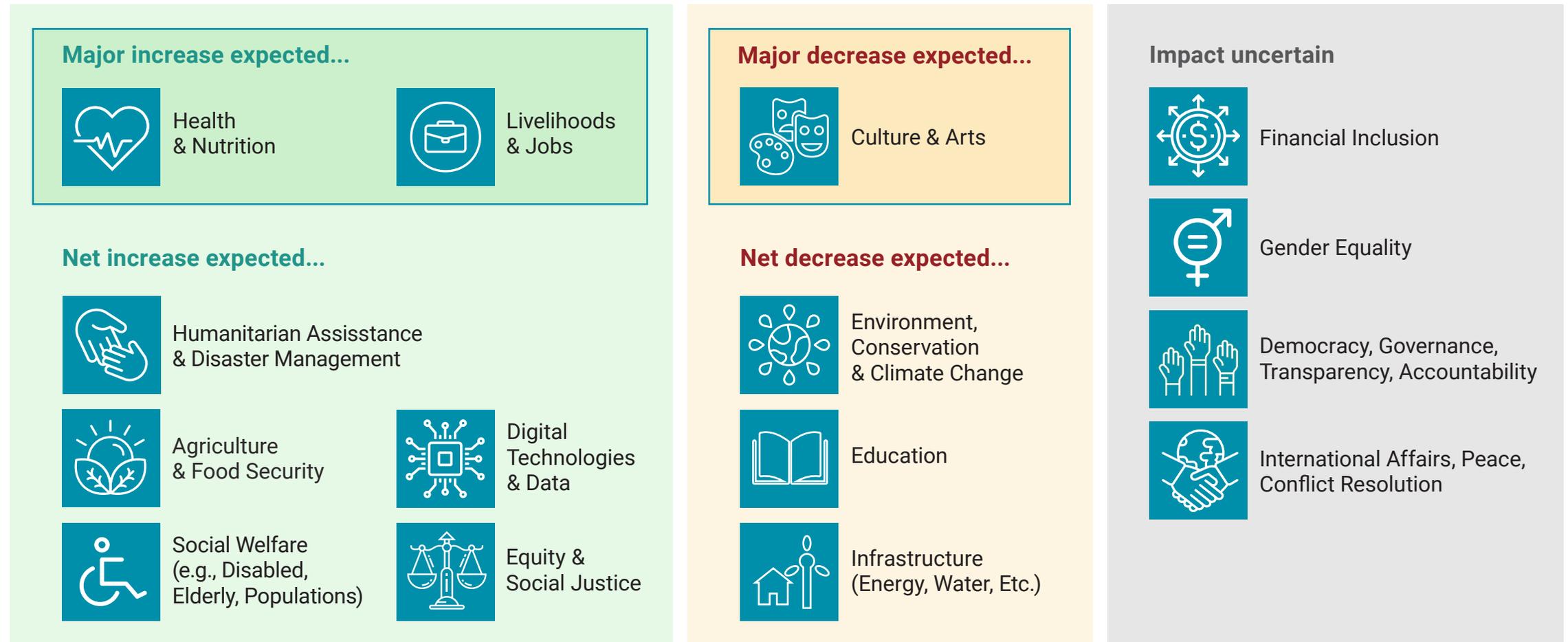
Broader healthcare systems



Notes: [1] Weighted by size of annual budget; [2] Percentage of those who indicated health as a funding need in the short-term.
Source: COVID-19 Philanthropy Survey responses, Dalberg analysis through coding of qualitative open responses.

Aside from the increased focus on health, there are early signs of re-prioritization across giving areas in terms of resource allocation

Highly directional Foundation leader perceptions of funding impacts in near to medium-term¹



Source: Qualitative and directional insights based on survey results, in-depth interviews with foundation leaders, and internal Dalberg research and analysis.

Survey data and interviews suggest that specific issues are gaining attention within different programmatic areas in response to COVID-19

AGRICULTURE & FOOD SECURITY



- Food security (e.g., surveillance, food supply chain support, school feeding programs)
- Growing interest in food safety
- Possibly decreased focus on longer-term ag transformation work and upstream agronomic R&D

LIVELIHOODS & JOBS



- Workforce development and adult education programs to cushion unemployment shocks
- Job creation and entrepreneurship programs
- Support to MSMEs and small and growing businesses (SGBs) for continuity and resilience

DIGITAL TECHNOLOGIES & DATA FOR GOOD



- Inclusive access to digital technologies and connectivity
- Data privacy and data security to deal with implications of enhanced surveillance
- Investment in digital infrastructure (e.g., digital ID)
- Digitalization of gov't services

EQUITY & SOCIAL JUSTICE



- Structural / systemic root causes of unequal COVID-19 impacts on disadvantaged and excluded groups (e.g., African American Latino communities in the US, immigrants, slum dwellers, etc.)
- Universal basic income (UBI) and improved worker protection laws (e.g. paid sick leave, childcare)

HEALTH & NUTRITION



- Disease surveillance, testing, vaccine dev't, and PPE supplies
- Local health & hygiene product manufacturing capacity
- Health system infrastructure (e.g., clinics, labs, telemedicine)
- Mental health
- Fortification and ready-to-use therapeutic food (RUTF)

GENDER EQUALITY



- Greater awareness of and, potentially, support for gender equality issues:
- Domestic violence / sexual abuse
- Time poverty and unpaid work
- Agency over financial resources (e.g., COVID-19 related family support payments)
- Digital literacy for women and girls

Source: Qualitative and directional insights based on survey results, in-depth interviews with foundation leaders, and internal Dalberg research and analysis.

EDUCATION



- Early childhood advocacy
- Digital education channels/ platforms and digital learning content development
- College persistence programs
- Likely reduced focus on traditional K-12 education issues

DEMOCRACY & GOVERNANCE



- Transparency and citizen voice on COVID-19 related fiscal expenditures
- Mitigation of COVID-19 disinformation
- Preserving voter rights during lockdowns/restricted mobility (mail-in voting)

INFRASTRUCTURE (ENERGY, WATER, ETC.)



- High focus on access to basic water, and sanitation services
- Energy-health nexus infrastructure (e.g., off-grid appliances for clinics)
- Less focus on traditional energy access programs & clean cooking

SOCIAL WELFARE & COMMUNITY SERVICES



- Support for community-based social welfare organizations
- Psychosocial support services
- Advocacy and support services for the elderly and disabled during the pandemic

ENVIRONMENT & CONSERVATION



- Increased investment into climate and health nexus (e.g., PM 2.5 emissions and COVID-19 vulnerability)
- Likely reduced near term focus on conservation and other environmental issues

ARTS & CULTURE



- Emergency support for failing arts/culture institutions (e.g., organizations that have lost earned income streams)
- Digital cultural programming

HUMANITARIAN RELIEF & DISASTER RESPONSE



- Disaster response innovation during pandemic
- Building or reinforcing national emergency response planning and operations capacity
- Strengthening national disaster surveillance programs

FINANCIAL INCLUSION



- Payment digitalization (e.g., digitalization of G2P payments)
- Financial well-being programs / debt management

Source: Qualitative and directional insights based on survey results, in-depth interviews with foundation leaders, and internal Dalberg research and analysis.

“This (crisis) gives us an opportunity at an organizational level **to change from within.**”

— Foundation CEO

“While we have not gone so far as to use grants for all overhead costs, we are looking at **making the grants more flexible.**”

— Foundation CEO

“The crisis is forcing us to look at every aspect of our operations, most notably thinking through how we **balance operational support for existing grantees vis-a-vis any new grantmaking.**”

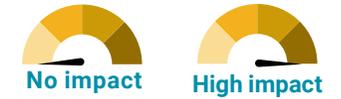
— Foundation CEO



3. INTERNAL OPERATIONS

How is COVID-19 impacting internal operations?

COVID-19 has had major impact on the operations of foundations and their grantees



Impact of COVID-19
(n=75 respondents)

Rating
(Scale 1-5)

BY SIZE¹

Small
(n=18)

Medium
(n=10)

Large
(n=17)

How much has COVID-19 affected your foundation?



How much has COVID-19 affected the financial stability of your grantees?



How much risk do you see to achieving your foundation's KPIs and implementing its strategy?



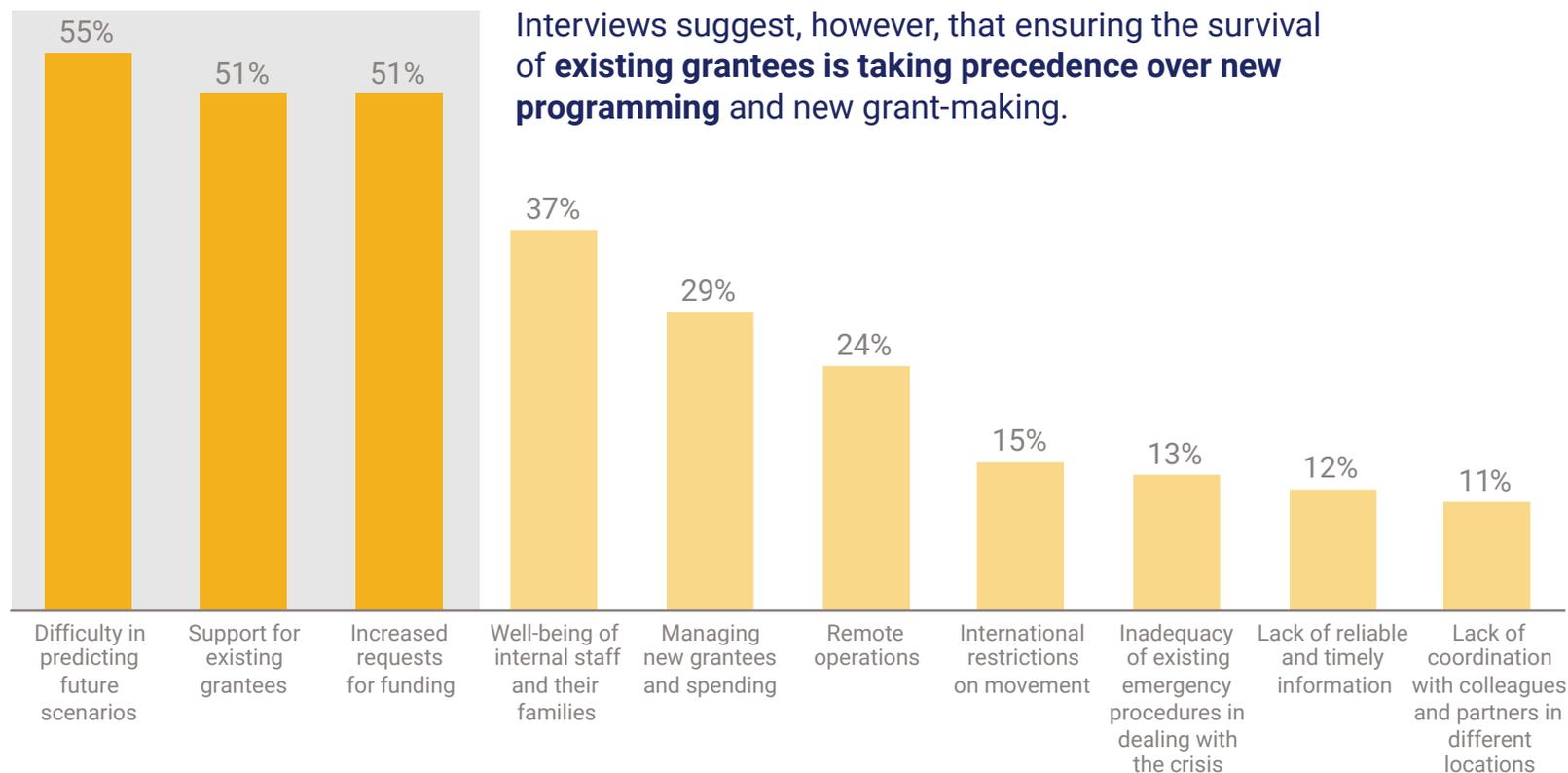
Grantees of small foundations are perceived to be at highest risk

Note: [1] The size segmentation excludes 30 foundations for which there was no size related data. Small refers to endowments <USD 10M; medium between 10M and 1B USD, large > 1B USD.
Source: Dalberg analysis.

Foundations are focused on ensuring the survival of grantees while also managing new requests for funding in a highly uncertain environment

What are the biggest operational pain points for your foundation right now?

Percentage of respondents, (n=75)



“COVID-19 has had a profound impact on the foundation though when we moved into shelter in place, we realized we could work remotely pretty easily. Our challenges are less related to our operations as a foundation but **rather the impact on our grantees who are losing funding from other sources.**”

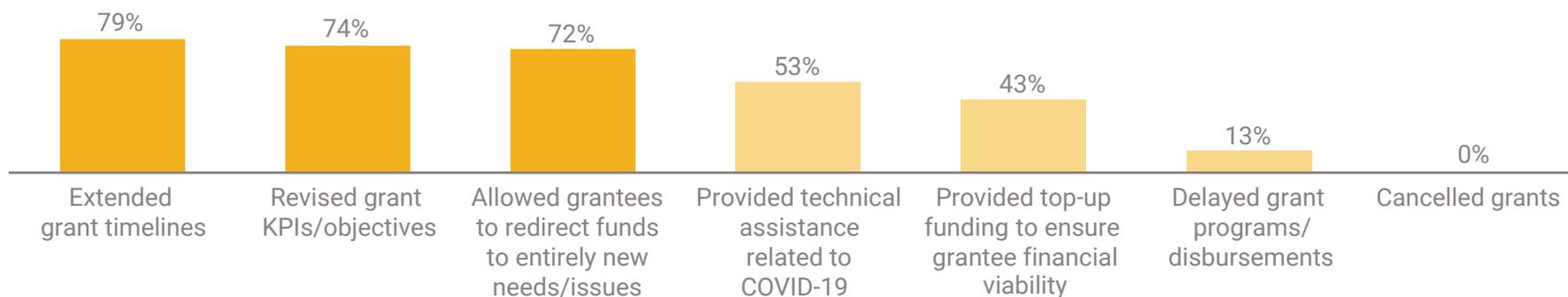
— **Foundation leader**

Source: COVID-19 Philanthropy Survey responses, Dalberg analysis.

Foundations are loosening grant restrictions for existing grantees and changing internal operations to speed up disbursement of new grants

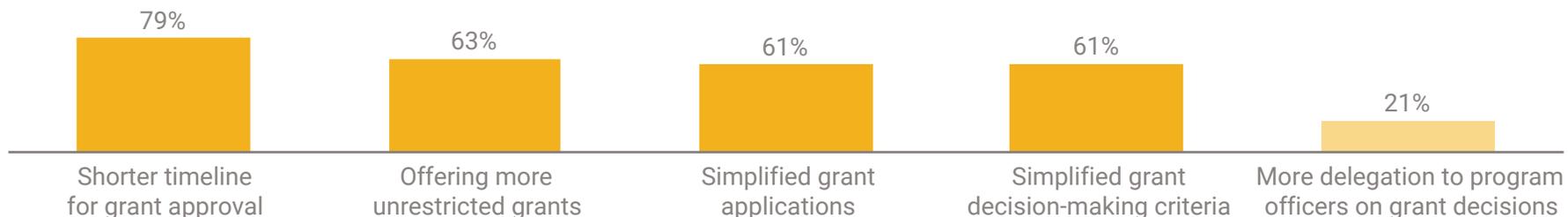
Foundations are allowing grantees to redirect grants, extend timelines and revise KPIs/objectives. Some foundations are removing all restrictions on grants in 2020 and are allowing grants to be used for core operational expenses

How have you shifted your operations regarding current grantees and previously awarded grants in response to COVID-19?
Percentage of respondents who indicated a change in operation (n=47)



While support to existing grantees remains priority, foundations are relaxing grant approval criteria and applications to get more funds disbursed faster

How has your foundation changed grantmaking processes for new grants in response to COVID-19?
Percentage of respondents who indicated a change in operation (n=38)



Source: COVID-19 Philanthropy Survey responses, Dalberg analysis.

“What is governments responsibility vs what should philanthropy do? I think governments should be buying PPE and tests, not foundations. ... Issues like vaccine production, on the other hand, seem like the sort of **important risks that only philanthropy can take.**”

— **Foundation leader**

4. ROLE & STRATEGIC DIRECTION

How is COVID-19 likely to impact the role of the philanthropic sector long-term?



How should the philanthropic sector evolve in response to COVID-19?

The role of philanthropy vis-à-vis governments

The pandemic has seen inadequacies in government response and has exposed the fragility of core systems, particularly public health infrastructure and safety nets.

Tackling the root causes of inequality

The pandemic has highlighted and deepened inequality across the world, whether racial, ethnic, linguistic, based on gender or immigration status. These inequities point to deeper structural challenges that need solutions that are often politically-charged.

Moving towards a systems approach

Collaboration across sectors, government agencies and areas of expertise distinguish countries that have contained COVID-19 quicker than others. Moreover, tackling the structural causes of inequities will require an intersectional approach.

Supporting local issues and structures

The impact of the pandemic has been truly global and has highlighted development gaps in “global north” countries. It has also highlighted the shortcomings of international aid, which can be slow and mismatched with local needs at a time when local community needs in areas where foundations are based are at their most acute.

Maintaining diversity within the philanthropic sector

This pandemic will wipe out many smaller, community-based organizations. The sector faces a choice between ensuring the survival of these smaller organizations, that often take a non-economic (and therefore longer-term) lens to recovery and resilience, and channeling their funds through larger, national/international NGO that may be more efficient but are a few degrees removed from the communities they work in.

Balancing short-term impact against longer-term impacts

Health and economic support are critical parts of COVID-19 recovery, and foundations are allocating funds to these irrespective of prior focus, and potentially at the cost of long-term impact in other sectors.

Should foundations step into new areas that were previously the purview of the government?

Should foundations take on more politically-charged issues of structural injustice, inequity and exclusion?

Should the philanthropic sector launch mechanisms for collective action to build greater resilience?

Should foundations pivot to more local issues and/or allocate not only resources but also more power to local community-based organizations?

What balance should the philanthropic sector strike between preservation and consolidation of implementers?

Should foundations double down on existing areas of focus or pivot to more immediate needs?

Strategic implications for Foundations – voices from the sector

Role of philanthropy vis-à-vis governments

USD \$2.2 trillion of relief is still not enough, so even if philanthropy does not provide direct relief, **community-based philanthropy providing relief funds is sadly quite necessary.**

Balancing short-term impact vis-à-vis longer impacts

I think it will be **difficult to have a clear distinction between short and long term goals and** recognizing that we need to fund accordingly. Also, to the extent possible, I think foundations should stay within their area of expertise.

Balancing global vis-à-vis local support

Local philanthropy and support is key since international aid mechanisms often take too long and the UN often depends on local actors to do this work anyway.

Maintaining the diversity of the philanthropic sector

COVID-19 has found the **currently global development systems severely wanting** – projecting human development coordinated by practitioners from the outside, demanding “scale” along contrived axes and cannibalizing **and destroying local capacity in the process.** As we embrace the new normal, we must re-structure and re-set our thinking and our giving to realize the power of local.

Tackling the root causes of inequities

We believe the greatest funding needs post 2020 should address this renewed affirmation that our economy, systems and people are **interconnected.** Funding groups that address **the structural and racial inequities** exacerbated by COVID-19 should receive more focus.

Next Steps

- Dalberg is working on partnering with regional and national philanthropy forums to conduct geographic deep dives in the US, Africa, Latin America, Asia and Europe. Some of these surveys are already underway. We look forward to creating new partnerships and working collaboratively on these initiatives and welcome participation from your regional offices, if applicable.



- We would also be happy to schedule conversations with your management teams to walk through the results or provide you with individualized peer benchmarking.
- This document contains key insights - please contact us if you are interested in more details on elements of this analysis.
- As the world is still adapting to new COVID-19 realities, we see value in repeating this survey later in the year to capture evolving responses and needs. Stay tuned for more!

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Questions & Comments

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