

# Global polycrisis requires transformative philanthropy

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## Humanitarian crises, polycrisis, permacrisis



Hardly a day goes by that we don't read or hear about an existing or new crisis, catastrophe or calamity, critical challenges or being at a crossroads. All these c-words also have another side, the one of cocreation and collaboration. They all exist in a world in constant turmoil, a global polycrisis and a threatening permacrisis. We are experiencing multiple, intersecting crises – the climate crisis causes natural disasters, leading to disease outbreaks, food insecurity and conflict. This year nearly 300 million people will need humanitarian assistance.

### A new social development model is essential

The humanitarian sector has been in a precarious position for years, says Reana Rossouw, founder of management consultancy Next Generation. "There are too many uncoordinated efforts flowing from a lack of data, a multitude of small interventions without innovation, inaccurate budgeting and escalating costs, misappropriated resources as well as increased legislation on the one hand but a lack of governance and benchmarking on the other. Of course, there have been positive developments, such as outcomes-focused monitoring and evaluation, and a focus on diversity, equity and inclusion. But it's not enough."

To avert a snowball effect, a new development model that can address these challenges is urgently required. Rossouw says it has to contain specific elements:

- Big budgets to support economic progress, which underpins social and human development.
- Financial models that combine capital structures and are performance-based in order to deliver impact as well as a return on investment (ROI).
- Diversified approaches to deal with integrated challenges such as food insecurity and living costs, climate change adaptation, disaster readiness and the migrant crisis.
- Human and organisational capacity that supports resource efficiency, cost effectiveness, relevant expertise and

evidence of implementing at scale across disciplines.

- Innovative technologies that inform and track investment and development practices.
- Large-scale collaboration via networks of experts and funding structures.
- A new vocabulary, widely using concepts like decolonising, nature-based or regenerative philanthropy and collective, shared or equitable impact.

## **Collaboration is crucial and critical**

To successfully solve the complex challenges of a world in a polycrisis, the humanitarian lens should zoom in on collaborative and network philanthropy as well as transformative philanthropy, Rossouw says. “When we talk about collaboration, the focus should be on capacitating organisations to codevelop effective solutions to known problems with communities and stakeholders.”

In the context of the polycrisis, it is however critical to address the disastrous impact of complex and disruptive problems. “This can only be done through transformative philanthropy, investigating the systemic root causes of the challenges and role players across the humanitarian ecosystem cocreating solutions.”

Rossouw believes transformative systems will require significant change across the philanthropic ecosystem: from the outside in (sector changes), from the inside out (organisational changes) and from the bottom up (funding changes). So what is needed and what will this mean in practice?

## **Building an ecosystem equipped for transformative change**

### **Sector changes – from the outside in**

- Collaborative and outcomes-based systems: Innovative approaches based on evidence, with technology-enabled systems; a multi-stakeholder model that facilitates scalable, integrated and cocreated solutions.
- Credible and transparent data: Effective impact management and measurement, with AI tools providing accurate and real-time insights.
- Competent and experienced human resources: An increased focus on data literacy and analysis skills, understanding data privacy laws and unconscious bias in data handling, developing technology solutions that prioritise human welfare and ethical considerations.
- Partnerships for impact: Build and nurture connections between diverse and multi-sectoral partners.

### **Organisational changes – from the inside out**

- Inclusion of the next generation: Appointing more young changemakers who are also qualified and competent, wanting to influence the flow of capital as well as the direction of development. Young people’s tech saviness supports the shift to data-driven social development.
- Extensive technology adoption: Enhanced reporting and communication with less pressure on resources, leading to increased transparency, engagement and collaboration.
- Innovative funding models: AI-driven funding models that help identify promising social enterprises for investment and maximise the potential for positive impact and return on investment.

### **Funding changes – from the bottom up**

- Increase in impact investing: Socially conscious investors that seek financial growth as well as measurable benefits.
- Community-centric fundraising: Prioritisation of the community in a holistic approach that encourages support between local organisations.
- Niche platforms: Verify credible organisations, facilitate transactions and drive online giving globally.
- Outcomes-based funding: Streamline funding processes, promote cross-sectoral coordination, ensure accountability and enable long-term funding with shared ROI.

- Collaborative funding: A shift to multidonor and public/government funding models with shared goals and that can magnify impact.
- Matched funding: Blended and innovative funding models, using different mechanisms to ensure measurable impact.

### With multiple crises, where should the focus be?

The global polycrisis is forcing us to follow a more diversified and strategic approach. “Many traditional focus areas such as arts and culture, sport and housing are being pushed from the priority list, other areas are becoming increasingly important,” Rossouw says. These are education, the environment, disaster relief and response, food security and entrepreneurship.

Concerning education, the focus is shifting to early childhood development and collaborative funding. “STEM literacy and numeracy are still important, but too limited to enable systemic change,” Rossouw says. Environmental programmes have changed from awareness and conservation to climate mitigation and adaptation. Linked to this, and driven by increased conflict, organisations have to reserve funding for disaster responses.

As food insecurity is worsening, the agricultural value chain is critical, Rossouw says. And then there’s youth unemployment – it is a priority to grow economies and move to more innovative social innovation and development practices, therefore funding for entrepreneurship is increasing.

Rossouw believes there are four broad directions role players in the humanitarian sector can pursue:



“Collaboration is the golden thread, and the key to a transformed humanitarian sector,” Rossouw says. “But change is complex and often messy. It requires large-scale, strategic collaboration.

The problems we’re facing are complex and interconnected, with no roadmap for success. “But we do know that what has brought us here will not take us forward,” she added. “We’ll need multiple plausible maps of change, with multiple trial and error rounds.”

#Polycrisis #Permacrisis #TransformativePhilanthropy #SocialDevelopmentModel #IntersectingEmergencies  
#ComplexSolutions #EcosystemChange

- *Reana Rossouw is one of Africa’s leading experts on social innovation, sustainable development, shared value and inclusive business strategies. As director of Next Generation Consultants, a specialised impact management and*

*measurement consultancy, she believes strongly in contributing to the development and capacity-building of the sector. Through advisory, research and strategic work, Next Generation aims to solve social problems through social innovation, and in the process create shared value and social capital.*

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