



# At Common Cause: How Development Funders and Philanthropy Collaborate in Africa

By Anna-Maria Mbwette, Rossina Naidoo, Nuvika Pillay, Jan Schwier Dominique Wells, and Roger Thompson

#### **Preface**

Most research for this report was completed before January 20, 2025, when the White House issued an executive order that reset over 60 years of US foreign aid policy. Sharp cuts to the US Agency for International Development (USAID), which had been the largest source of development aid, quickly reverberated around the globe, causing USAID partners to halt or trim programmes and lay off staff. The impact has been particularly severe in Africa, where USAID has directed about a quarter of its annual budget (roughly US\$14 billion) in recent years.<sup>2</sup>

Health professionals and aid workers say cuts have disrupted HIV, tuberculosis, and maternal health programmes. Indeed, the cuts included a US\$1 billion USAID grant to Gavi, the Vaccine Alliance, a 25-year-old collaboration comprising the Gates Foundation, the World Bank, donor governments, and other funders and multilateral agencies. The global vaccine alliance has played a role in vaccinating 1.1 billion children, nearly half in Africa, against diseases such as polio, malaria, and mpox.<sup>4</sup>

The stark policy shift is a more drastic version of the moves made by several European governments, including the United Kingdom, Germany, France, Finland, Sweden, the Netherlands, and Switzerland, which have also initiated cuts in their development aid budgets. They frame the cuts as an effort to focus more on domestic needs, such as increasing defence spending, given the Russia-Ukraine war.<sup>5</sup>

In the United States, lawsuits hoping to restore USAID are still moving through the court system. It's too early to tell whether the cutbacks in development aid will heighten interest in more collaboration between aid funders and philanthropy. We are publishing this report despite the fundamental changes in the funding landscape, because learnings on collaboration between development aid and philanthropic organisations continue to merit serious consideration.

#### Introduction

Every year, government-funded development finance organisations and philanthropy channel billions of dollars to aid projects to improve lives around the world. For the most part, multilateral funders, bilateral funders, and philanthropists each pursue their own theories of change through their own initiatives. Collaboration between them is the exception, not the rule.

Yet, efforts are underway to build on the promise of joint efforts, as demonstrated by a September 2024 gathering of key players in African development finance and philanthropy. The participants gathered for a roundtable discussion in New York City to explore models of collaboration to accelerate progress towards the UN's Sustainable Development Goals (SDGs) and promote green growth across the African continent. The African Development Bank, the Aliko Dangote Foundation, the Children's Investment Fund Foundation (CIFF), and The Rockefeller Foundation co-hosted the event.

As proof of the collaborative concept, Christopher Hohn, CIFF's founder and board chair, pledged US\$50 million to establish the End School-Age Hunger Fund in collaboration with the African Development Bank. The fund will provide grants and loans to help African countries establish nutritious meal programmes critical to lowering the continent's high incidence of stunting. Said Hohn: "The partnership between CIFF and the African Development Bank is an important milestone for maximising the impact of philanthropic funding in Africa. Today's roundtable was a testament to the commitment of all partners to work together in this spirit, forging new innovative collaborations."

The CIFF-African Development Bank collaboration is just one of multiple efforts to bring official development assistance (ODA) providers – such as the World Bank, the African Development Bank, UN agencies, and other government development agencies – together with philanthropy. (See "Who are the development funders?" on page 6.)

For instance, the World Bank Group, the biggest development aid funder, recently launched <u>CIVIC</u>: The <u>Civil Society and Social Innovation Alliance</u>, to financially support civil society organisations with grants jointly funded by the bank, foundations, and other investors. CIVIC replaces the World Bank's Global Partnership for Social Accountability, which was established in 2012 to help civil society organisations work with governments to address social issues and reduce poverty. With this new collaborative platform, "the bank is looking at how we crowd in social sector innovations and solutions into key areas of development like climate, gender, youth and health," says Aly Rahim, the CIVIC programme manager.<sup>7</sup>

The Bridgespan Group has over a decade of experience working with philanthropic collaboratives globally, and we've been <u>researching collaboratives</u> and funders' experiences with their various forms. When we recently studied <u>collaboratives in Africa</u>, we found that only a small percentage involve partnerships with development funders, which piqued our interest. Given high-profile examples such as Gavi, the Vaccine Alliance, which was

cofounded 25 years ago by the Gates Foundation<sup>8</sup> and the World Bank, among others, we wondered why such collaboration in formal structures is not more common.<sup>9</sup> So we talked with representatives of 29 development funders, foundations, and intermediary organisations in late 2024 and early 2025 to learn more.

Our interviews revealed more nuance to the range of collaboration taking place. We found three models of collaboration along a spectrum of increasing formality: 1) information sharing and networking; 2) pooling capital for increased impact, including catalytic blended finance that de-risks socially beneficial investments to attract private investors; and 3) joint initiatives that draw on participants' technical skills and networking ability to magnify the impact of financial commitments.

We also heard from a number of interviewees that the biggest barrier to more collaboration is not a lack of capital. It's a lack of *awareness* amongst philanthropies and development funders about each other's initiatives and the impact they are trying to achieve. Sharing this knowledge is essential for finding partners and identifying points of alignment.

### **Shared Interests and Complementary Approaches**

Development funders and philanthropy are like distant cousins who share DNA but have different interests, experiences, and skill sets. At common cause, both are wired to drive progress in making the world a better place, especially for communities who have historically been marginalised. But they seek impact in different ways. Development funders gravitate towards financing large government and private-sector projects that align with national development goals. Philanthropy tends to deploy grants to nonprofits that aim to improve outcomes in education, healthcare, skill development, and a variety of other social and environmental issues.

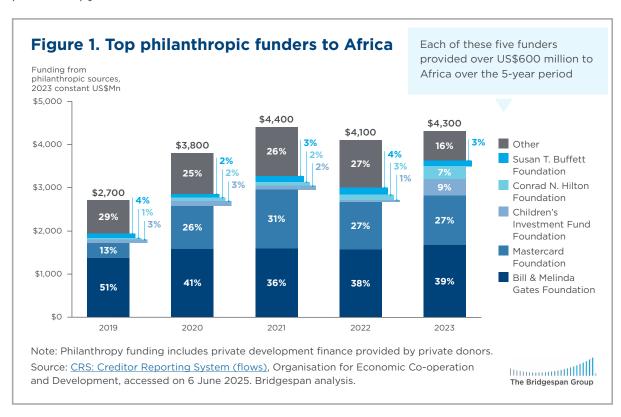
Both development funders and philanthropy do good work, but they mostly do it separately. "It always surprises me that the two worlds, particularly at the country level, don't intersect more effectively," says Michael Jarvis, the executive director of the <a href="Irust.Accountability">Irust. Accountability, and Inclusion (TAI) Collaborative</a>, a network of funders committed to building a more equitable world.

Yet there are points of intersection where the interests of development funders and philanthropy align, making collaboration not only possible but useful. For example, philanthropists who hold close relationships with community-based organisations and leaders may be well-positioned to share social innovations and agendas driven by grassroots efforts with aid funders and their government partners. As a team, development funders and philanthropy can champion ideas more powerfully and move forward more quickly – a compelling reason to reconcile their differences.

Interest in facilitating more such collaboration extends broadly across the development aid community. "Recently the likes of the French development agency, the German development agency, USAID, and others, like the World Bank and its International Finance Corporation, have expressed interest in trying to understand how they can collaborate better with philanthropy," says Priscilla Boiardi, coordinator of the Network of Foundations Working for Development (netFWD) at the OECD Centre on Philanthropy.

When interests align, each party can benefit from the strengths of the other. For instance, ODA providers come with far more financial clout and high-level government and private-sector contacts than philanthropy. In 2023, ODA flows to Africa (see Figure 2) totalled US\$64.8 billion, 15 times the US\$4.3 billion in global philanthropic funding. But philanthropy brings connections with civil society and experience with service delivery that ODA providers might not have, but need, in order to work effectively on the ground across developing countries.

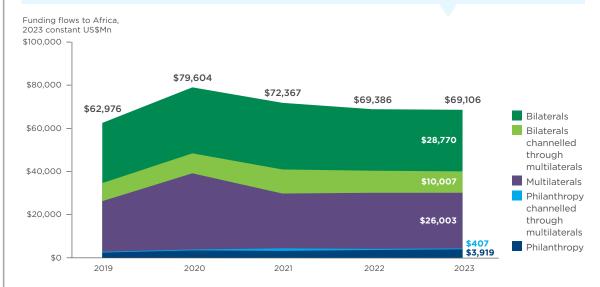
"The main added value of philanthropy is not money; it's what we can bring in proximity with communities, capacity to innovate and take risks, flexibility, long-term vision, bridge-building between different actors and sectors, ability to fail and learn, and social and political capital," says Benjamin Bellegy, executive director of Worldwide Initiatives for Grantmaker Support (WINGS), a global network of organisations that work to strengthen philanthropy.



Increasingly, the two groups see compelling reasons to work together as government-funded development aid budgets shrink and social needs grow. Cuts in global aid resulted in a 4 percent drop in ODA to Africa in 2022, impacting 31 countries.<sup>11</sup> "We're seeing ODA shrink at a rate that we've never seen before," says Leila Davids, founder of Philanthropy Africa. In part, the cuts reflect a decline from the COVID-19 pandemic peak of 2020, a record year for foreign aid. The United States and European governments continued to cut foreign aid in early 2025. The decline in aid has "multilaterals feeling some pressure to partner more and show diversification in the types of support they provide and who the beneficiaries are," says TAI's Jarvis.



How to read this chart: In 2023, philanthropy contributed US\$4.3 billion to Africa, and 9% of this was channeled through multilaterals (rather than NGOs and government, for example). Bilaterals contributed US\$38.8 billion, 26% of which also flowed through multilaterals. With these contributions, multilaterals disbursed a total of US\$36.4 billion to Africa.



Note: Bilateral funding includes official development assistance (ODA) provided by the Organisation for Economic Co-operation and Development's (OECD) 33 Development Assistance Committee countries; multilateral funding includes ODA; philanthropy funding includes private development finance provided by private donors.

Source: <u>CRS: Creditor Reporting System (flows)</u>, OECD, accessed on 6 June 2025. Bridgespan analysis.

The Bridgespan Group

Aid cuts and uncertainty about the future of USAID, formerly the largest bilateral funder, come at a time when it's clear that Africa has fallen way behind on meeting the UN's 2030 SDGs. By one estimate, the continent needs an extra US\$194 billion a year to do so, a sum well beyond the financial reach of philanthropy.<sup>12</sup>

#### Who are the development funders?

**Bilateral development agencies:** Bilateral development agencies are government organisations that provide direct financial and technical assistance to another country, supporting development projects based on the specific needs of the recipient nation. Examples include USAID (United States Agency for International Development), GIZ (German Agency for International Cooperation), JICA (Japan International Cooperation Agency), and DFID (Department for International Development) of the United Kingdom.

**Multilateral development banks:** Multilateral development banks are organisations formed by multiple governments that collectively provide financial and technical assistance to developing countries. They aim to support economic growth, reduce poverty, and improve social and environmental conditions. Examples include the World Bank, the African Development Bank, the Asian Development Bank, and the Inter-American Development Bank.

**Development finance institutions:** Development finance institutions, known as DFIs, are specialised development banks or subsidiaries that invest in private-sector businesses, banks, and projects in less economically developed countries to bring about positive economic, social, and environmental change. They are usually majority owned by national governments and source their capital from national or international development funds or benefit from government guarantees. Examples include FMO (the Netherlands), OPIC (Overseas Private Investment Corporation in the United States), and the International Finance Corporation. Multilateral development banks are also a form of DFI.

# Models of Development and Philanthropic Funder Collaboration

Collaborations come in a variety of forms. For this report, we make a distinction between "a collaboration," which is the act of people working together towards a common goal, and "a collaborative," which is a formal collaboration involving three or more independent actors, including at least one philanthropy, using pooled resources and prearranged governance mechanisms to pursue a shared vision and strategy for social change.<sup>13</sup> Relevant to this research, most African collaborations involve partnerships between large Global North foundations and government-backed development funders, either bilateral or multilateral. These collaborations typically span the globe, with a portion of aid directed to recipients in Africa.

For example, in 2016, the World Bank's <u>Identification for Development</u> (ID4D) multi-donor trust fund set out to provide official identification to the world's 1.6 billion people who were "invisible" – more than 60 percent of whom at the time lived in Africa. The Gates Foundation (then the Bill & Melinda Gates Foundation) stepped up as the first philanthropic donor, followed by three European governments and Omidyar Network. Most African countries have joined the ID4D initiative, and some have made significant progress. For instance, the number of Nigerians with official identification has risen from seven million to 107 million. Tanzania has completed its national registration campaign.<sup>14</sup>

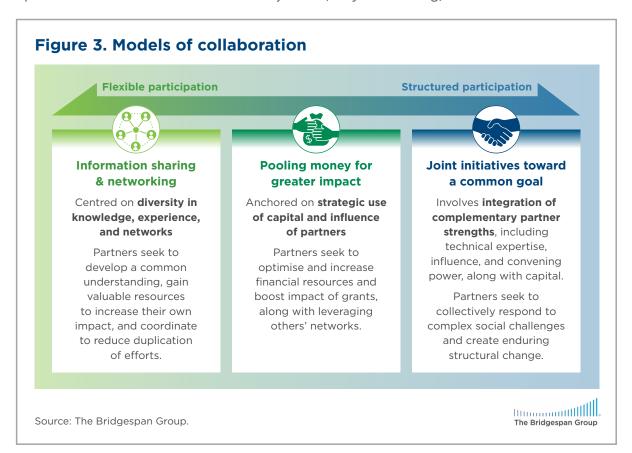
"The biggest reason why [Omidyar Network] got involved was that we felt that the World Bank would have an extremely important voice in shaping this global conversation, and we and Gates could add some perspective about what was happening on the ground," recalls CV Madhukar, who at the time was Omidyar's global lead for work on digital identity.

Collaborations that focus exclusively on Africa constitute a second category of partnerships. Reliable data on the number of such collaborations does not exist. Anecdotally, Boiardi of the OECD observes that "once you start scratching the surface, what we find is that there are a lot of smaller, sometimes domestic, foundations on the African continent that are in one way or another collaborating with development agencies."

For its part, the African Development Bank is eager to partner with Global North *and* African philanthropic organisations. "The bank's core strengths include its role as a trusted partner to African governments, a mandate to mobilise sustainable development finance

for Africa, and expertise to provide context-specific knowledge, capacity development, and the support of transparent economic governance," the bank maintains.<sup>15</sup> It will draw on those strengths as it works with CIFF to implement the End School-Age Hunger Fund.

Regardless of the mix of partners, we found that collaborations pursue three distinct operational models. Each has its own objectives, ways of working, and views about success.



### Information sharing and networking

This model brings multiple parties together to learn from each other by sharing knowledge, experience, and networks relating to a particular place or sector, such as education or health. For instance, the TAI Collaborative invites funders to strategise, share knowledge, and develop joint actions to help increase the impact of members' grantmaking. "There's a strategic alignment need, and there's certainly a shared learning need where they can talk about what they think is working, what's not, and what's coming back from their own respective evaluations," says Jarvis, the executive director.

For newcomers to collaboration, this model provides an entry-level learning experience and a chance to get to know and build trust with other funders, both philanthropic and development aid providers. "When you know who your counterparts are, it becomes easier to think about ways to partner effectively," Jarvis adds.

The <u>SDG Philanthropy Platform</u> is a collaborative that serves the information-sharing and networking interests of philanthropic and development funders. The platform helps "small and large foundations alike to access useful country-specific information; to locate allies within a country's development system; to build stronger relationships with partners and

find good entry points for grantmaking," explains Rockefeller Philanthropy Advisors. Rockefeller launched the platform in July 2014 in partnership with the United Nations Development Programme and the Foundation Center (now part of Candid), with seed funding from the Conrad N. Hilton, Ford, and Mastercard Foundations. Others have joined along the way.

In Africa, the Conrad N. Hilton Foundation partnered with the office of the UN resident coordinator in Kenya to create a national philanthropy platform, which represented dozens of philanthropic organisations committed to advancing the SDGs. While the platform served as a catalyst, inspiring local actors to take action, "The SDG Philanthropy Forum was also extremely successful in mobilising local philanthropy, engaging multilateral funders, and bringing government representatives into the conversation," says Shaheen Kassim-Lakha, senior director, strategic partnerships for the Conrad N. Hilton Foundation.

### Pooling funds for greater impact

Globally, pooled funds vary in governance and administration.<sup>17</sup> In Africa, one model was top of mind amongst our interviewees: **the multi-donor trust fund.** 

Multi-donor trusts revolve around capital, combining financial contributions from multiple parties to deliver greater impact than any one party could accomplish without the other. Trusts typically are housed by multilateral organisations, such as the World Bank, that have large administrative staffs, global reach, subject area expertise, and experience in managing large-scale projects. In some instances, the World Bank has welcomed philanthropic partners to participate in designing a new trust fund.

For example, in 2020 the Chandler Foundation, joined by the William and Flora Hewlett Foundation and the MacArthur Foundation, co-invested US\$2 million in a multi-donor trust fund – the <u>Governance & Institutions Umbrella Program</u> – to help the Malawi government reduce corruption and improve fiscal transparency. The bank's financial clout and government access combined with philanthropy's broad connections with civil society "makes foundations the perfect partners with the World Bank, and the bank an overlooked sweet spot for philanthropy," Leslie Tsai, director of integrity programs for the Chandler Foundation, wrote in a *Stanford Social Innovation Review* article about the trust fund experience.<sup>18</sup>

Trust funds benefit all parties. For multilaterals with strict spending rules and experience with government agencies, philanthropy brings more flexible funding – albeit relatively small amounts compared with multilateral budgets – and on-the-ground knowledge and connections that can help to shape trust-fund initiatives. In addition, trust funds can leverage their philanthropic partnerships – viewed as concept validation – to obtain more internal funding as well as attract additional development and philanthropic funders.

For philanthropy, joining a multi-donor trust offers several benefits: an opportunity to influence how a multilateral deploys resources, a seat at the table with government officials to influence policy, and a platform to extend its reach beyond what it could achieve through philanthropy alone.

While it's possible for philanthropy to shape the goals of a multi-donor trust, some of our interviewees expressed concerns that they would be left on the sidelines as passive investors, giving them a limited voice in where their capital goes. In addition, trust-fund impact reporting requirements often don't meet the expectations of philanthropic donors.

"The money just gets aggregated in some cases, and it's very hard to either earmark your financing towards specific projects or ask for bespoke reporting," says Katherine Tan, a Rockefeller Foundation managing director.

Despite these potential pitfalls, philanthropies have found ways to work successfully with multi-donor trusts when the parties have aligned goals. For example, the World Bank's Invest in Childcare initiative attracted like-minded supporters from governments, including Australia, Canada, Germany, and the United States; the Gates Foundation; the Conrad N. Hilton Foundation; Echidna Giving; the William and Flora Hewlett Foundation; and the LEGO Foundation. The fund aims to expand the size and improve the quality of investments in childcare globally. The initiative can use philanthropic contributions in more flexible ways than the World Bank's more restricted funds. For example, philanthropic funding has helped to build the evidence base for early childcare and support the World Bank's operational teams to design and implement quality projects.<sup>19</sup>

The World Bank reports that over 40 percent of children below primary-school entry age need childcare – nearly 350 million – but do not have access to it. The lack of care is most acute for families in low- and lower-middle-income countries.<sup>20</sup> The trust provides grants for pilot and exploratory projects as well as matching funding to help countries expand childcare access. Foundations and development funders have committed US\$102 million.

Africa is home to several grant recipients. A pilot project in the Republic of the Congo is testing an approach to support women to start childcare businesses as an incomegenerating activity. In Kenya, Invest in Childcare supports cost-effective, scalable childcare models to provide access to children of women participating in the National Youth Opportunities Towards Advancement Project (NYOTA) to improve their employability.

Development funders and philanthropy can provide only a fraction of the estimated US\$194 billion per year needed through 2030 for Africa to achieve the UN's SDGs. This is where the other form of pooling, **blended finance**, enters the picture.

Blended finance is an investment strategy that uses capital from development funders and philanthropic sources to de-risk investments enough to attract private investors who otherwise would not participate. The capital could come in the form of grants, concessional debt, or equity. However, investors outside of Africa tend to overestimate the risks of doing business on the continent.<sup>21</sup> Understanding country-specific risks and translating

those risks for investors in blended-finance deals "is something that philanthropists are more familiar with," says Dhun Davar, head of social impact & philanthropy, UBS Asia-Pacific and head of social finance, UBS Optimus Foundation.

In fact, philanthropy's role in blended finance aims "to make the 'uninvestable' investable," says Davar. "Philanthropy cannot continue to be done in the traditional way," she adds. "Grants 66 Philanthropy cannot continue to be done in the traditional way. Grants to nonprofit initiatives cannot just be the plan."

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to nonprofit initiatives cannot just be the plan. We need to be thinking about how to incentivise financially sustainable models *where possible* – recognising that such models aren't always an option." Makari Krause, a principal in CrossBoundary's Natural Capital Advisory practice, agrees: "Philanthropic capital is scarce and variable; we should use it as efficiently as we can."

Development funders also have a concessional role to play in blended-finance deals, but many are reluctant to do so, says Krause. "They are disappointingly risk-averse and not as willing to come in early and really play that catalytic role."

Some philanthropists also remain cautious. For example, ELMA Philanthropies, which focuses on Africa, doesn't get involved in blended-finance transactions. In ELMA's experience, risk-averse development funders want philanthropy to absorb most of any potential financial loss in order to boost the development agency's overall return. "We don't think it's private philanthropies' role to ensure DFIs make better returns, which is why we have avoided these structures," says Heather Sherwin, ELMA's director of impact investments in Cape Town.

Even so, new opportunities for philanthropy continue to take shape.

Blended-finance deals are on the rise, providing opportunities for development and philanthropic funders to work together. Over the past decade, the annual number of blended finance deals globally has grown from 392 to 1,233, mobilising approximately US\$231 billion in capital towards sustainable development initiatives in developing countries, according to Convergence, which collects and maintains a detailed database of historical blended-finance transactions to help build the evidence base for them.<sup>22</sup> Almost half, 47 percent, of those transactions have taken place across sub-Saharan Africa. "Countries like Kenya, Nigeria, Ghana, and Uganda are at the forefront in terms of deal volume, particularly in sectors vital for sustainable growth, such as agriculture, energy, and financial services," says the African Venture Philanthropy Alliance (AVPA), a champion of such deals.<sup>23</sup>

The <u>Catalytic Pooled Fund</u>, launched in September 2024 by AVPA, aims to pool capital from foundations and governments to demonstrate how a fund and the individual social enterprises it supports can take on more risk and still succeed, paving the way for attracting much-needed private investment. CIFF and USAID's Prosper Africa, which draws funding from 17 US government agencies, stepped up as anchor investors (although USAID participation going forward is now doubtful).

"We need to crowd in more private capital into social investments, and for that to happen, we need catalytic capital to not only de-risk high-impact social investments but also to unlock new markets, test innovation, and scale high-impact concepts," says

Frank Aswani, AVPA's CEO. The fund aims to pool US\$200 million over the next five years, attracting up to 10 times that amount in private capital. Because the fund is an African-led initiative, Aswani hopes it can tap into some of the estimated US\$1.8 trillion of domestic private capital held by insurance companies, pension funds, and dormant bank accounts. To attract African funders, Aswani says the threshold for joining the Catalytic Pooled Fund is smaller than what is expected of Global North funders. "If we leave [smaller local funders] on the sidelines, we'll never build critical mass," he notes.

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### Joint initiatives toward a common goal

Joint initiatives are the most integrated form of collaboration. They go beyond pooling capital by also mobilising partners' technical expertise, influence, and convening power in support of shared objectives. Roles are defined to correspond to each partner's distinct strengths and potential for value addition.

These initiatives can either be housed at a lead partner – a foundation or development funder – or they can be established as an independent entity. Typically, they create governance structures, such as a steering committee of funder representatives to consult on strategy. For example, the World Bank's Partnership for Economic Inclusion (PEI), a multi-donor trust fund housed in the Social Protection and Labor global practice, has established a steering committee of outside experts to provide advice on specific aspects of the partnership's goals. "Whenever there are decisions that require a change in strategy and priorities, we always consult [the steering committee]," says Victoria Strokova, PEI's programme manager. In addition, PEI relies on technical partners, including research institutions and a select group of NGOs, to share knowledge and good practice on scaling up effective economic inclusion programmes.

PEI's mission is to empower households experiencing extreme poverty to increase their earnings and assets. It receives financial support from a mix of funders, including Co-Impact (itself a collaboration among funders), the German Agency for International Cooperation (GIZ), BRAC International, Irish Aid, the Swedish International Development Cooperation Agency (Sida), and USAID. PEI exemplifies ways to work with funding partners to take advantage of their strengths. It also maintains a centre of excellence to ensure that initiatives are evidence-based.

In Zambia, PEI is working with the government to support its <u>Girls' Education and Women's Empowerment and Livelihoods</u> project. The project provides extremely poor women with access to livelihood opportunities and economic empowerment through training, mentoring, peer support, productivity grants, and help with setting up savings clubs. Within a year, project participants saw business profits increase by 45 percent and savings grow by 180 percent. Gains nearly doubled after three years, indicating lasting impact.

Similarly, the Banking on Nutrition Partnership, a joint initiative led by the African Development Bank and supported by the Aliko Dangote Foundation and Big Win Philanthropy, aims to reduce childhood malnutrition and boost cognitive development across the continent. Each funder plays a distinct role: the African Development Bank is in a unique position to encourage multiple governments and sectors to prioritise nutrition as a development target. Big Win Philanthropy provides financial, technical, and training assistance to the bank. The Aliko Dangote Foundation provides the bank with capacity development for "nutrition-smart" programming, including helping to train bank project managers to oversee nutrition investments. With funding from the two foundations, the bank engaged Nutrition International, a nonprofit, to supply technical expertise in malnutrition interventions. The bank has extended the partnership through 2025, as described in its Multi-Sectoral Nutrition Action Plan.

# From Frontier to Mainstream: Creating Conditions for More Partnerships

Undeniably, collaborations between development funders and philanthropy can be "difficult" and "complex," two words we heard frequently. The two parties approach their work differently, and their default setting is to work in their own worlds. Lately, however, momentum has built among development funders and philanthropy to explore how they can move collaboration from frontier to mainstream. "Collaboration is quite the currency of the day. We are hearing and seeing this in different forms," says Urmi Sengupta, the MacArthur Foundation's field support manager and senior impact investments officer.

In fact, collaborations among philanthropic funders have picked up steam in recent years. In the United States, for example, the pace of philanthropic collaborative formations began to surge after 2010.<sup>24</sup> In Africa, recent Bridgespan research identified 131 philanthropic collaboratives, all but three of which were founded after 2000.<sup>25</sup>

From our interviewees, we heard several recommendations directed at preparing development funders and philanthropy to explore successful collaborations of their own.

**Take small steps to learn about collaboration.** For newcomers, start with informal ways of partnering – information-sharing and networking – before working on more structured

approaches. This allows time for building trust with other funders, understanding how partnerships work, and staking out each partner's distinct role. "Collaboration starts with basic connections and taking in information, then expands into getting knowledge and the nuance of what others are doing," says Laura Savage, executive director of the International Education Funders Group. "Over time, that changes your mindset and behaviour, and you see yourself intuitively as a system-change actor. The more you become embedded, the more it's okay to be a small part [of a larger collaboration]."

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INTERNATIONAL EDUCATION FUNDERS GROUP

**Do upfront planning.** Look for points of intersection with the other party. "You need to know not only what you want to do, but what others in the collaboration are interested in doing because you have to find that common purpose – the way everybody is aligned," says Sengupta. Without strategic clarity, whatever the amount of capital involved, it is unlikely to achieve maximum effectiveness.

For philanthropy, build relationships with aligned development funders before committing to collaboration. "It's really the relationship that matters alongside the shared alignment on vision and goals," says Sarah Iqbal, program officer in Gender Equity and Governance at the Hewlett Foundation. Both philanthropic and development funders have a range of skills and experience, capabilities, and assets to bring to collaboration. Take those strengths into account when designing or joining a partnership to maximise its impact.

The African Development Bank follows this advice. "It's up to us to identify where we think the sweet spot [for a philanthropy] is and then put forward the case," says Alasdair Charnock, chief resource mobilization and partnerships officer. "Through the bank's 'High 5' priority areas, we have a wide range of sectors and financial instruments that we can engage philanthropies on. With this variety of projects and ability to leverage investments, we believe we are the partner of choice for any philanthropic organisation on the continent."

**Put impact first.** Be clear about what you want to achieve and how. What does success look like? How will you measure it? Defining and measuring success requires careful planning and adequate resources to carry through.

Measurement can be complex when it comes to collaboration. "There is a lot of experimentation, and people are trying a lot of things, but they are not being systematic in terms of impact and especially in terms of outcomes on the ground," says Aidan Eyakuze, former executive director of Twaweza East Africa, which works in Tanzania, Kenya, and Uganda to give citizens agency and is shaping responsive government policies. It helps, Bridgespan

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research has found, to think about measuring a collaborative's impact on three levels: on grantees, on systems or fields, and on the donors or participants of the collaborative itself.<sup>26</sup> Change on any of the three levels could be meaningful.

**Prepare for trade-offs and compromise.** Development funders and philanthropies typically have different administrative and reporting systems that don't integrate. "There's a specific way we grant, but when we work with a multilateral, you have to adapt your own template to meet theirs," says lqbal. Also, given that development funders and philanthropies work on very different timelines – the former more long-term and latter more short-term – it is important to agree up front on timelines to achieve success. "Philanthropy can shift the way we work, think about longer timelines, and be cooperative with impact frameworks that are in place for multilaterals," says Davids of Philanthropy Africa.

# When You Are Ready to Explore Collaboration, Where Do You Start?

The answer to this essential question is a work in progress for all involved. There's no one-stop shop for philanthropy to learn about development funders, nor is there a sole source for development funders to learn about philanthropy. What we know for sure is that a number of interested parties are working to make collaboration easier. "Collaborative relationships matter, and embedding some of that in the [World Bank's] work is different from funding it in parallel," says Rahim, CIVIC's program manager.

Acknowledging criticism that philanthropy views it as a black box, the World Bank is making an effort to help philanthropy find entry points for collaboration. "We know partnerships with philanthropy pay off, and we are making structural changes at the

World Bank to more fully unleash that potential, to build more partnerships that are more innovative and more impactful," says Anna Thompson-Quaye, the bank's lead for private-sector and foundation partnerships.

More broadly, the complexity of development funders is a barrier widely experienced by the philanthropic funders we interviewed. A consensus emerged that development funders seeking philanthropic partners need to make navigating their agencies easier. "If you wanted to bring on two or three partner organisations, identify who is responsible for partnerships and collaborations," says Henrietta Bankole-Olusina, vice president, Global Africa, at Rockefeller Philanthropy Advisors. In short, make it someone's job to liaise with philanthropy.

On the continent, the African Development Bank and AVPA are pan-African organisations that champion multiple ways to put more capital to work to achieve social and environmental impact goals, including collaboration between development funders and philanthropy. Through outreach to philanthropic organisations and hosting events like the roundtable in New York City, the bank is exploring a number of ways to "collaborate more effectively with philanthropies by combining our respective resources to fund high-impact development projects," says Henriette Hanicotte, principal resource mobilization and partnerships officer at the African Development Bank. "So it's really a work in progress."

AVPA uses its member convenings to talk about the benefits of collaboration. "People don't know where to start, so education is everything," says CEO Aswani. "The whole lack of education and knowledge in impact investing and sustainable funding is a major barrier to building a cohesive ecosystem," he says. "People don't know what they don't know, and that is holding us back." To that end, AVPA hosts a catalytic investment training programme for governments and funders to learn how they can join forces to support blended-finance investments.

Intermediaries also play important educational and matchmaker roles. Since 2012, the OECD's netFWD has brought philanthropic leaders from 32 countries together to engage and learn from each other, centring its work on data and evidence. netFWD aims to break down institutional silos and help philanthropy identify unmet development needs. It also encourages philanthropy to participate in coalitions and partnerships, including with development funders.

WINGS champions collaboration as a way for philanthropy to fulfill its potential. "One of the key things WINGS is trying to push for is to have more investments in building the collaboration infrastructure and ecosystem," says Executive Director Bellegy. "We're trying to scale out coordination and collaboration platforms and mechanisms so that many more small- and mid-sized partnerships can emerge on an ongoing basis. This is critical if we want to go beyond a handful of big shiny examples and enable a whole new way of working across the entire philanthropy sector."

The TAI Collaborative has helped to incubate several philanthropic partnerships with the World Bank and bilateral funders, says Executive Director Jarvis. It also facilitates conversations among foundation programme officers and their counterparts with development funders. "We fill a vacuum in being a space for them to meet with their peers, to have that sense of community, to not feel so isolated," says Jarvis.

Continuing to build momentum around collaboration has to be intentional, says Jarvis. "If we just wait for foundations to start partnering more with governments, and we just tell them from time to time at conferences that it's good to partner, it's just not going to happen. We need to be much more intentional, and we need to build infrastructure for collaboration and develop tools for it to happen." Joe Torres, a consultant to the Global Innovation Fund, observes that established organisations already in collaborations tend to cluster and talk only to each other. To broaden the networks needed to achieve development goals, he suggests that they consider mentoring newcomers.

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MICHAEL JARVIS, EXECUTIVE DIRECTOR, TAI COLLABORATIVE

A confluence of challenges – fundamental shifts of development budgets and growing need – presents development funders and philanthropy with an opportunity to forge new ways to work together to achieve more than working separately. Collaboration done well benefits all the parties involved: development funders, philanthropy, and, most importantly, the people for whom the collaboration exists. Despite the many challenges, this important collaborative frontier has the potential to become tomorrow's mainstream practice.

Anna-Maria Mbwette is a partner at The Bridgespan Group based in Dar es Salaam; Jan Schwier is a Bridgespan partner based in New York City; and Rossina Naidoo, Dominique Wells, and Nuvika Pillay are a manager, consultant, and associate consultant, respectively, based in Bridgespan's Johannesburg office. Roger Thompson is an editorial director based in Boston.

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Chandler, based in Seattle, champions collaborations with governments, civil society, the private sector, and international institutions to create high-trust societies where people can thrive. Tsai and Chandler's Vice-Chair **Tim Hanstad** helped to connect the Bridgespan team with key individuals interviewed for this report and provided a sounding board for our insights and analysis. We thank Tsai and Hanstad for generously sharing their time and expertise with us.

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Joe Torres	Senior Advisor, Partnerships & Fundraising	Global Innovation Fund
Leslie Tsai	Director of Integrity Programs	Chandler Foundation

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