2023 Ariadne Forecast:

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The question for philanthropy is how to be transformative in a time of crisis.

Carole Sarkis | Philanthropy Consultant

We would like to release control and support more from a basis of trust because we believe in what our partners do. I look forward to more foundations making this shift towards more flexible, proactive, and trust-based funding.

Sümeyye Ekmekci | Programme Manager | Democracy and Media Foundation

It is in times of crisis that there is the possibility for change to emerge. New energies, a daring state of mind emerge when the situation is so uncertain that the comfort zone no longer exists and therefore one is more inclined to imagine new approaches.

Susanna Pietra | Director | Italia Hello
2023 Ariadne Forecast:

About Ariadne

Ariadne is a European peer-to-peer network of more than 700 individuals from 147 grantmaking organisations in 23 countries which support social change and human rights. Ariadne helps those using private resources for public good achieve more together than they can alone by linking them to other funders and providing practical tools of support. Ariadne is a programme of Global Dialogue, a registered charity (1122052) and limited company (5775827) which promotes human rights and social change by supporting innovative and collaborative philanthropy.

Methodology

The Ariadne Forecast is a community created resource that draws on the Ariadne network. Ariadne participants and other friends of the network were asked six questions about trends in their field for 2023. We collected surveys and interviews from members across Europe and in-person forecast meetings for funders in France and Italy, as well as online meetings in the UK, the Netherlands and Germany to discuss and add to the findings. In the end we estimate that around 195 people have had the chance to contribute to the Forecast. While the meetings and discussions at them were private, the final forecast is publicly available for all, as a reflection on the current direction of the sector.

The 2023 Ariadne Forecast report was written by Julie Broome and edited by Debora Guidetti and Jana Stardelova, with support from Molly Mathews.

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For more information, please contact: info@ariadne-network.eu

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#2023AriadneForecast
Introduction

Three years ago, when our 2020 Forecast was published, it felt as though the world had changed forever, and that philanthropy had taken a dramatic step forward, positioning itself as a flexible and responsive source of support for the many new and emerging activities civil society took on during the early days of the pandemic. Although it was an unsettling and stressful time, that moment also contained a certain hope for positive, systemic change, in the world and in philanthropy. As we start 2023, some of those hopes have now been tempered. Now we talk of ‘poly-crises’ as we grapple with the acceleration of the climate crisis, Russia’s war against Ukraine, and the ongoing impacts of the Covid pandemic. The sense of fatigue among activists and funders alike is palpable. And many foundations have reverted to business as usual, reimposing requirements that had been lifted during a time of emergency.

Nonetheless, there are reasons to be hopeful. In this year’s Forecast, funders speak of a desire to be prepared for future events and a need to take a long-term view towards social change. They are struggling to balance the demands for rapid response to emerging crises with the pursuit of a vision for systemic change, but they are actively seeking ways to do both and not lose sight of the society they are trying to build. There is also a growing recognition that truly addressing the crises we face will require more radical change than most funders have been willing to support to date. While that recognition may be slow to transform into action, funders are having more open discussions about systems change and a just transition, and this came across in many of our interviews and roundtables for the Forecast.

Furthermore, acknowledgement of the value of core support and the need to break the non-profit starvation cycle is more widespread. Some organisations and funders alike have expressed frustration with the slow pace of the implementation of practices around multi-year, flexible funding, but more foundations are recognising that civil society organisations need a certain level of flexibility in order to respond to the challenges that today’s dynamic external environment puts to them. Following our discussions with funders in preparation of this year’s Forecast, we hope to see more foundations becoming more flexible in their funding, and the Funding for Real Change website, developed by Ariadne and EDGE Funders Alliance, offers resources to help funders moving in this direction.

2023 promises to be another year of transition, as everyone tries to find the balance between in-person and virtual working as part of this new phase of not-quite-post-pandemic life. As we find our way as a sector through this period, I look forward to working with each of you to support your efforts to contribute to positive change. There is a long road ahead, but we are likely to go farther if we travel together.

Best wishes,

Julie Broome
Ariadne Director
The war in Ukraine has had an impact across Europe and globally, driving up the costs of energy and goods and forcing migration across the continent. Meanwhile, threats to civic space and to the safety and security of journalists and human rights defenders continue to increase. In this context, funders are trying to sustain the work of civil society organisations, including giving more attention to the wellbeing of activists, while also trying to open up their own processes through more participatory approaches to grantmaking. Will this be a year of transformation for European philanthropy?
What do you expect to be the most pressing challenge facing your grantees in 2023?

Rising nationalism, across Europe and the US, is a challenge that social change and human rights organisations will have to contend with. The aggression of Russia, alongside the trajectory of states such as Orban’s Hungary, threatens to destabilise the European Union. The anti-rights agenda of these nationalist, far-right regimes poses a threat to marginalised groups and to the promotion of human rights, especially the rights of racial and gender minorities.

The proliferation of the anti-gender ideology movement keeps growing. You can look at Hungary, where the proposals to introduce the propaganda laws were defeated, but also Romania, which is considering similar proposals. It’s hard to know where it will break out next, but it will. These things don’t tend to get better, they tend to get worse.

Programme Officer | Private Foundation | UK

One funder expressed cynicism about Europe’s ongoing commitment to human rights when it comes to balancing rights against economic interests, particularly in the face of European reliance on Russian gas. Despite the lip service paid to human rights values, European states could end up compromising rights in the interest of maintaining affordable energy.

Civic and democratic space constraints remain a challenge globally. This has been a downward trend for years, and even where there are no significant new restrictions on the horizon, there are few indications that the trend will soon turn. As activism around climate has become more politicised, governments are now actively seeking to repress climate campaigning, and governments are increasingly using surveillance technology and anti-terror legislation against activists as environmental movements strengthen. Even in countries that were once quite open, as governments shift to the right, gender issues are becoming more contentious.

These ongoing challenges to the space for organisations to do their work, as well as the overlapping crises demanding their time and attention, are having a wearying effect on civil society. Burnout and exhaustion are likely to become more prevalent in 2023, and funders will need to consider how they can support partners through these crises. Otherwise, movements could become less sustainable.

Safety and security for investigative journalists is expected to become more important. For example, one organisation is currently investigating war crimes by Russian soldiers in Ukraine, and this evidence will be used in trials, bringing that organisation under threat from Russia. Journalists and the media are being criminalised in some jurisdictions, but distrust in the media is prevalent in many parts of the world. Journalism is simply becoming more difficult. In addition, many of the investigative journalism organisations are not-for-profit, and with many media funders leaving Europe to focus on the Global South, they face funding challenges. How they choose to fill those funding gaps could influence their independence.
International development aid budgets across Europe have been declining as governments reallocate funding to addressing refugee flows, especially from Ukraine, and this could have an impact on both intermediary funders and civil society organisations in the coming year. Of particular concern is SIDA, which has been a significant funder of human rights issues. Sweden has now reduced the percentage of its GDP allocated to international development, and given the country’s shift to the right in 2022 this is a decision that is unlikely to be reversed. Some funders are concerned that despite shifts to the Global South among funders in particular issue areas, European foundations overall are too consumed with events in Europe and their own countries and expressed a need for European philanthropy to be more outward-looking. There is also a risk that foundations, in trying to respond to the short-term challenges before them, lose sight of their longer-term objectives and fail to invest in the systems change necessary to address the root problems of the current crises. This risk is exacerbated by potential reductions in foundation funding in response to the economic downturn.

What opportunities do you see in 2023 that might help your grantees advance their work?

There are a number of opportunities in the European digital rights sphere in 2023. First, civil society will be able to help shape discussions around a European legal framework for Artificial Intelligence. This window will close later in 2023, when Brussels politicians will start preparing for the next EU elections, but digital rights groups should be able to have more influence in the first half of the year. Second, as the EU Digital Services Act and Digital Marketing Act come into force, there is an opportunity to press for national implementation of the legislation, which should have a positive impact on data and privacy rights. They provide a lot of options for governments and individuals to curb the power, the monopolies of Big tech. Now you can better control what information you get access to and what information you give about yourself. They can break the monopolies. You can have more control on where the information you get comes from and there will no longer be one service controlling all your information. They weaken Big Tech with the implosion of companies like Twitter presents new opportunities for research and for the open movement. The growing recognition of the intersection between digital rights and climate justice also provides the possibility of new opportunities for funding and collaboration across different fields. Journalism funders see an opportunity to encourage more funders to the field and to help media outlets diversify their funding sources. It takes significant time to build an investigation, and it is often difficult to get funders in the early stages, but as more stories come out and have a strong impact, it may be possible for those working in other fields to see the benefits of investigative journalism to advancing their own agendas. As the pandemic comes under greater control, there will be more opportunities in 2023 for organisations to come together for planning and strategizing. This could be a moment for greater collaboration to build solidarity across different issues and movements. Funders are likely to invest more in networks and take better advantage of them. There will be a focus on reducing competition and working together to address some of the big, systemic challenges. The localisation agenda is gaining traction among funders, which could help shift more power to grassroots organisations.
How do you expect your practice as a funder to change in the next twelve months?

Participatory grantmaking is a growing interest in the field, and more funders are experimenting with implementation of such practices. There will be more focus on shifting resources to directly impacted communities.

More foundations will be doing deeper work on issues of equity and inclusion and truly operationalising a new perspective. Some funders are hopeful that the conversation will move beyond a diversity, equity, and inclusion (DEI) approach to more nuanced explorations and understanding of anti-oppression work.

Wellbeing and self-care will be more important this year. Some funders are trying to centre compassion in their work internally and with others, focusing more on building true relationships. Recognising the toll that the work is taking on staff, there will be more emphasis on accommodating flexible work schedules.

I expect that conversations about our own wellbeing will continue to be welcomed, as became the case during the pandemic. I’d like to see budgets that recognise these needs.

Executive Director | Philanthropic Network | UK

Network development, both among funders and among partner organisations, will be a priority in the coming year as funders seek more collaboration. There is an interest in learning more from one another.

Funders are trying to balance crisis response with their longer-term missions. On the one hand, they are creating emergency response funds and trying to free up resources for Ukraine and other crises, but on the other hand, they are trying to develop and pursue strategic long-term goals. This creates a tension that can sometimes be difficult to navigate.

Long-term, core support may become a more widespread practice among funders in 2023, as foundations recognise that organisations need flexibility and stability in order to respond quickly and effectively to emerging crises.

What issue or field of practice do you think will become more important in 2023?

It will be important in 2023 to think about how to support civil society in authoritarian regimes such as Russia and Myanmar with an eye to future leadership transitions and to work with groups in exile to help them remain effective, even from outside the country.

Just looking at all the partners, thinking of Russia and Myanmar and perhaps Syria here, all the groups that had to flee at short notice and relocate. How do we continue to support those groups? How do you get independent media that continues to challenge disinformation and state information in Russia? How does an NGO set up abroad while maintaining a footprint in country? Against all odds, people are continuing to work at significant risk to selves and families. I can’t imagine Russia will be the end of this trend – there will be more cases where people will have to relocate to other geographies. There are important lessons to distil and integrate into practice going forward.

Programme Officer | Private Foundation | UK
In this vein, the security of human rights defenders and their organisations, particularly in repressive contexts, will be a priority in the coming year. Funders may need to invest more in training and in helping organisations to develop the necessary protocols to cope with attacks. The risks are growing as attacks are increasingly legitimised by far-right narratives. Climate activists will likely also find themselves under growing threat and will need greater support for protection and the prevention of attacks.

In addition to physical attacks, digital threats are also evolving and becoming more sophisticated. More support is needed for digital security research and knowledge sharing; some funders are investing more in networks for security experts to exchange best practices. Funders are also investing in capacity-building for their partners and for external assistance on digital security issues.

We learned that practical hands-on support is key: a network of local digital safety and security experts in countries who know the political and social environment the organisations operate in is critical.

Programme Manager | Private Foundation | The Netherlands

Arrest of journalists in contexts such as Turkey, Poland, and Hungary is also a growing problem that some media funders will be paying more attention to in 2023. As the far-right gains more power, some would like to see progressive actors come together to more effectively combat this trend.

We need to strategise together how we all combat the rise of ultra-nationalist actors who have been so successful in polarising our societies. We know their funding sources and networks; we need now time and space to convene and learn how to effectively curb this phenomenon.

Programme Officer | Private Foundation | UK

Some funders are investing more in local networks, both to help generate solidarity and in hope that they may help prevent crisis responses that are militaristic or authoritarian. Attention to mental health, wellbeing, and self-care of activists will also be important to help movements and organisations sustain themselves in the face of all these challenges.

Digital rights are likely to become a greater priority in the coming year. There will be a focus on the role and impact of artificial intelligence, including facial recognition. Surveillance and the use of border technologies will be of concern for human rights and migration funders. Content moderation will also be a big issue, and the change of direction at Twitter has raised questions about the future of social media. As the power of Big Tech is better understood and recognised, digital rights funders are keen to build more bridges with human rights actors who are interested in technology. There is also interest from some funders in how open data and open networks could be used for climate action.

The economic crisis has put workers’ rights more firmly on the agenda than it has been in many years, especially as more industrial action takes place across different countries. Trans rights and questions of bodily autonomy and reproductive justice will also be more important in light of retrogressive decisions in the US and elsewhere in 2022.
What political event or sequence of events do you predict will have a substantial effect on your work?

The war in Ukraine overshadows most other political developments, and funders are watching to see how the conflict will play out and how it continues to impact Europe and the world. Observers fear the conflict could become extremely protracted, and the possibility remains that NATO could become more involved, bringing other countries into conflict with Russia. Furthermore, the impact of the war on inflation and the energy crisis are concerns across Europe. Some funders are also keeping their eye on the potential escalation of other conflicts, both within Europe – such as Kosovo, Bosnia and Herzegovina, Armenia, and Azerbaijan – and globally, including Myanmar, Ethiopia, and Taiwan.

Following the elections in Hungary and Italy in 2022, which bolstered the far-right in both countries, human rights funders are concerned about upcoming elections in Poland and Greece. If the far-right performs well in those countries, it is likely they would take a harder stance on immigration both domestically and in the EU. Elections in Montenegro and Turkey could also impact human rights protections in those countries. Some funders will be supporting efforts to ensure that the electorates have access to fact-based information to help counter the disinformation that is likely to spread throughout the campaigns. Again, there are particular concerns about the role that Russia could play.

The ‘success’ of Russia’s disinformation strategy, including the internal repression of media, and the threat it poses to media and freedom of information seem to be contagious and inspire authoritarian leaders and dictators in other countries. We need to stop the domino effect.

Programme Manager | Private Foundation | The Netherlands

Some funders are also conscious of the impact the elections within Europe can have on support for work in the Global South.

There is a stronger realisation on our end that elections within Europe have a strong impact on our work, and indirectly on grantees outside of Europe, because international development policies tend to be the first ones that get changed or reconfigured if there is a shift.

Programme Manager | Intermediary Foundation | The Netherlands

Funders active in North Africa are concerned about the situations in Tunisia and Algeria, which are becoming even more repressive for civil society.

Restrictions on access to foreign funding for Tunisian civil society organisations are on the horizon. In Algeria, French organisations can no longer act, and a lot of activists have left because their lives were in jeopardy. The last independent newspaper has just closed its doors. The space for civil society has been shrinking dramatically. The burial of the Arab Spring continues and seems to be finalizing.

Programme Manager | Private Foundation | France
What is your greatest hope for 2023, in relation to your work or philanthropy in general?

I hope that philanthropy is willing to collaborate more side-by-side with civil society in designing solutions, rather than deciding on a strategy in advance and exerting power over civil society organisations.
Philanthropy Consultant | UK

I hope that more funders understand the urgent need for unrestricted funding and for decolonial principles to guide their priorities.
Director | Intermediary Foundation | Germany

I hope that flexible, unrestricted funding can finally become a reality for any private foundation in Europe so as to be able to move on to address other important issues together, drawing upon the stable basis of an important principle of philanthropy that would actually be implemented across geographies and actors.
Programme Officer | Private Foundation | UK

I hope that the added value of investigative journalism will be more acknowledged and that other supporters will jump on the bandwagon so that important stories can still be told and shared with as many people as possible.
Programme Manager | Private Foundation | The Netherlands

I hope that there is some kind of tipping point in relation to polarisation and that people start to rebuild.
Anonymous | UK

I hope funders move beyond short-term thinking and emergency responses to threats against activists to dealing with the underlying drivers which close civic space and that they move towards more use of flexible funds.
Programme Officer | Donor Affinity Group | UK

I hope that funders can become more radical and progressive and seek to fund those who have alternative ideas for the future.
Manager | Donor Affinity Group | UK
The strengthening of far-right actors and the growing polarisation in France has helped fuel threats to civil society, which is exhausted from years of political battles. French funders are now challenged to take more risks and push forward a more progressive agenda as they consider how to tackle the climate crisis. Will 2023 be a year for bold philanthropy in France?
What do you expect to be the most pressing challenge facing your grantees in 2023?

The tense political situation in France could pose a challenge for civil society organisations, as the President seeks to overcome resistance to his agenda in the Assembly. However it plays out, civil society organisations will have to figure out what position to take on engaging with the political situation and in particular with the left-wing coalition, New Ecological and Social People’s Union (NUPES). Organisations will need to be strategic about what alliances they build and ensure that they maintain their independence.

The paradox is that there are more opportunities: because of the absence of an absolute majority, the (left) opposition can get things done, in contrast to the tradition of the Fifth Republic, in which the president has had the absolute majority. The risk is that civil society is subject to the left-wing political forces in the assembly; the hegemonic will of the NUPES could instrumentalise progressive civil society.

Senior Programme Officer | Private Foundation | France

With no elections planned for the year, it will also be a challenge for organisations to set their own advocacy agendas outside of the electoral campaigning cycles.

Another challenge for civil society will be connecting local efforts to national advocacy strategies. There is more room to experiment at the local level, and social change can progress more quickly at the local or provincial level than at the national level, where there are more political obstacles. As these more local innovations move ahead, civil society groups are challenged to think about how these learnings can be scaled nationally.

In France, as in other countries, the geopolitical situation, including the war in Ukraine and the resulting rise in energy costs and inflation, is having an impact on civil society. There is less funding available, and organisations are struggling to cope with the increased operating costs. Many groups have also had to pivot to support refugees and to help communities cope with getting through the winter during a time of high energy prices. This has not only diverted them from their missions but also exhausted them. It will be a challenge for them to maintain this level of work over time.

The polarisation of society remains a challenge facing social change organisations. The divisions within society are making it more difficult to garner support and engage people in social change efforts and have a genuine impact. Organisations are operating in a context in which conservatism is on the rise, leading to a backlash against their work and particularly endangering those working for women’s rights and racial justice. The continuous shrinking of democratic space is also a factor in this context. Disinformation remains prevalent and is often used to target the reputation of civil society. The cumulative effect of this context is to leave organisations feeling drained.
One challenge is around an exhaustion moment, as civil society organisations have been involved in struggles for years; there is a movement towards more radicalisation, but also a higher backlash. Elections in France are behind us, and a lot of work went into that, and now there’s a sort of tiredness, including around the results. The question to us as funders is how to support them in the longer term, beyond the sense of urgency.

Philanthropy Consultant | France

Access to funding is also a challenge for organisations in France. Most of the funds for support to issues around the protection and promotion of democracy come from abroad, and there are still very few social change funders in France. Many French funders still have very burdensome application processes, which means funding can be slow and difficult to access.

What opportunities do you see in 2023 that might help your grantees advance their work?

There is a growing awareness of the climate crisis, in the general public but also among foundations, who are starting to put more funding towards the issue and look at more cross-cutting approaches to addressing climate. In this vein, the current energy crisis presents an opportunity for organisations concerned about the environment and climate change, as it highlights the fragility of our natural resource supply.

Before our partners were not very audible, but now, with the crisis of the increase in prices, the solutions they offer have become very visible. Quoting Churchill, “Never waste a good crisis”: there is an historic opportunity to change dimensions on the issues of consumption, degrowth, energy conservation, and the reduction of transportation, an opportunity so that conservation is not suffered, but organized and fair, an opportunity to move on to the social and democratic issues.

Senior Programme Officer | Private Foundation | France

Some funders have observed that the war in Ukraine helped encourage foundations to make funding accessible in more flexible, quicker, and simpler ways, slowing down the return to ‘normal’ funding practices after the pandemic. Some are hopeful that this is a trend that might continue.

MacKenzie Scott’s approach could be the answer: large sums given with confidence and much more flexibility to enable the survival of organisations and their development of a longer-term vision. The context after the health crisis has prompted some foundations to question their practices and move towards more flexibility, enabling organisations to focus on their work in the field.

Programme Manager | Intermediary Foundation | France

French funders are having new conversations around systems change and a just transition in philanthropy, including changing practices to move towards more equity and justice and creating easier, more accessible processes. Some funders are hopeful that these discussions are starting to happen beyond the small circle of foundations already focused on social change and that they are moving beyond a diversity, equity, inclusion (DEI) approach to deeper conversations around power structures and the need to shift governance models. Some funders remain sceptical about the depth of commitment foundations have to shifting power, and it remains to be seen how much foundations will change in practice, but the engagement with these discussions signals new possibilities and presents an opportunity for grantees to push funders to change their mindsets.
New approaches to creating dialogue between different parts of society present an opportunity for addressing polarisation. Funders are open to learning from the innovations of civil society in this regard, and there is potential for philanthropy to shift its approach to tackling this challenge.

Activists are gaining visibility through radical actions, while others are also thinking about bridging dialogues. A wider diversity of approaches is on the table now, and this could bring new opportunities for some grantees. This will benefit the radical ones, which were the least funded, as there’s more understanding now that we need a broader choice and range of actions. These dialogues might bring some innovation in the way we address those issues.

Philanthropy Consultant | France

How do you expect your practice as a funder to change in the next twelve months?

Some French funders are shifting towards more accessible funding mechanisms and will offer more multi-year, flexible funding. There is more openness to experimentation and a stronger risk-taking attitude among funders. Although there are still few examples of participatory grantmakers in France, discussions around power and how practices need to shift to equalise power in philanthropy are now on the table and bringing in more senior leadership in foundations.

There are no examples yet of participatory grantmakers or trust-based philanthropy, but many foundations are starting to experiment or move their practices towards that. This was a quick change over the past six months. There will be more experiments, also collective ones, a more intentional shift of practices. Some foundations already moved a bit towards long-term and flexible ways of funding, but now they will do so in a more structured way having listened to the field.

Philanthropy Consultant | France

As part of these conversations, funders are thinking more about the non-financial support they can provide to partners. Some foundations are also considering whether they can give funds to individuals who are leading social change efforts. There is particular interest in supporting the wellbeing of activists who are burned out as a result of the difficult context in which they are working.

We are considering mental health scholarships so that activists can continue to do their work. These are people living precariously, volunteers that we cannot afford to lose for the movement. We need to support them so that they can take a break and avoid getting burned out and lost. There is not enough recognition within the feminist movement for these people who give themselves for the movement.

Programme Manager | Intermediary Foundation | France
What issue or field of practice do you think will become more important in 2023?

Climate justice and a just transition are becoming more important for some French funders. The focus is moving beyond simply environmental concerns to the social dimensions of the climate crisis. The yellow vest movement over the past few years has helped bring social justice issues into the debate, and there is now more consideration of issues like tax justice and racial justice when considering approaches to the climate crisis. Foundations are taking an intersectional approach to understanding climate, recognising that the climate crisis is interlinked with questions of inequality, offering opportunities for mainstreaming work on climate while deepening understanding of social issues. The focus on a just transition and the creation of a new social and economic structure is leading some funders to prioritise citizen participation, work on the commons, and cooperation with local authorities. However, for funders who are just beginning to understand systems change, there are questions about how to effectively fund it.

How should one approach systems change philanthropy in a world of crises?
Before, few foundations were funding systems change and transformation; now multidimensional crises are adding up to one to the other, and the idea is emerging that philanthropy should be both transformative and responsive to crises. The unequal impact of those crises is visible. The field is acknowledging the differentiated impact of crises on people and on those who contributed the least. The question for philanthropy is how to be transformative in a time of crisis.

Philanthropy Consultant | France

The growing number of civic actions, particularly in response to environmental and climate issues, has placed more importance on understanding civil disobedience tactics. The police response to such activism poses a challenge that funders may need to consider in 2023.

Senior Programme Officer | Private Foundation | France

Civic engagement and participation, especially among young people, is a growing concern for some French funders, who would like to see philanthropy support more democratic participation efforts.

Director of Programmes | Intermediary Foundation | France

French funders are engaging more with issues of ethnic discrimination, which tends to be quite complex and polarising in France. Many funders have preferred to remain neutral on these issues in the past because there is little consensus on them, even within foundations. However, the younger generation places much more value and attention on questions of racial justice, and as foundations begin to support new forms of youth mobilisation, they are being confronted with these issues.

Migration issues continue to be important for France given the influx of asylum seekers coming across the Mediterranean. Human rights, gender issues, and energy poverty are also concerns for some French funders going into 2023.
What political event or sequence of events do you predict will have a substantial effect on your work?

The shrinking democratic space is a growing concern for French funders, especially the criminalisation of civil society. The language used by some government officials is creating a negative narrative and environment for civil society. The Republican Commitment Contract (CER) established by the so-called 'separatism' law could lead to a ban on public or even private funding, which could directly affect foundations, not just organisations.

The CER is a means of controlling civil society and funding. All of this will be built through case law because the law is very vague. For instance, we have seen the prefect of Poitiers pushing the city to withdraw funding from a grantee because it provides training in civil disobedience. There is a risk of self-censorship by civil society and foundations. Everyone recognized the risks of the CER and yet there was no action from the philanthropic sector vis-à-vis the CER.

Senior Programme Officer | Private Foundation | France

These challenges raise some fundamental questions for philanthropy to consider.

There is the question of the legitimacy of philanthropy. Can we take a stand? Can we really be neutral? Or is choosing neutrality already choosing sides, a political choice? Maybe the debate is on whether being political or partisan. We should have a very open and frank debate on these issues as a field. We should have these discussions as a sector to increase our credibility and learn from one another.

Programme Director | Private Foundation | France

If the president decides to dissolve the assembly at the beginning of 2023, it will trigger new legislative elections, raising the risk of more far-right MPs being elected. Similarly, funders are concerned that the indirect election of new senators in September could result in the far-right gaining more power, reducing funding for women’s associations, for example.

A debate on pensions as part of the federal budget vote could risk reopening social confrontations with the yellow vests.

The war in Ukraine is expected to continue to have an impact in France, as in the rest of Europe, and political questions around migration are likely to be on the agenda.

There are signs of more progress on climate issues in 2023, as following international pressure at COP27, the President is taking measures he had previously refused to take, such as supporting the prohibition of exploitation of the deep seabed and acknowledging the language of climate justice. However, while the actions are welcome, not all funders see this as an actual step towards climate justice.

For the term “climate justice”, it is not a victory that this term is used by President Emmanuel Macron: if this term is co-opted and emptied of its real meaning, it takes away the weapons from those who forged it.

Programme Lead | Intermediary Foundation | International
What is your greatest hope for 2023, in relation to your work or philanthropy in general?

For once I am a little optimistic about the potential for coordination between foundations that finance the ecological transition in France. I hope we can be more strategic and facilitate access and interaction with partners so that they can devote more time to their action rather than being accountable to funders. I also hope to see more investments by philanthropy endowments in the social, solidarity, and ecological economy beyond grantmaking, knowing that the products and services they develop fit into a vision of the economy of degrowth.

Senior Programme Officer | Private Foundation | France

I hope that philanthropy manages to take up issues of racial discrimination in France to ease tensions (especially concerning Islamophobia). This is a very sensitive subject in France. I hope that philanthropy can help change attitudes and provide answers in France too.

Programme Manager | Private Foundation | France

I hope that the work of organisations will be facilitated with a greater redistribution towards frontline groups. Let’s stop adding tasks and complications to them. I hope to see more multi-year and flexible support, removing the burden of urgent fundraising and the risk of closing the doors.

Programme Manager | Intermediary Foundation | France

I hope that philanthropy will take a more public stance. How can French philanthropy acknowledge its political role (not party political) being part of society with power if we can’t acknowledge that choosing grantees is political and driven by a worldview? How can we start looking at ourselves as being part of a system we want to change? For philanthropy to take more risk, we need to use our power to really support our grantees and the issues they push for. We need to be more consistent in between the way we do things and how we talk about it. Just transition in philanthropy includes the just transition of philanthropy itself.

Philanthropy Consultant | France
The conflict in Ukraine is strongly felt in Germany, and funders are contending with the uncertainty this creates for organisations in the region. However, with the new government now getting down to work, the opportunities for campaigning and shaping social policies are expanding, creating new energy in German civil society. It promises to be a year for change; will German philanthropy seize the moment to advance a progressive social agenda?
What do you expect to be the most pressing challenge facing your grantees in 2023?

German funders see a multitude of challenges for their grantees in 2023, many of which are related to the ongoing war in Ukraine and the general Russian threat felt in Eastern Europe. Some funders fear that the existing humanitarian emergencies in and around Ukraine will continue to take the focus away from human rights work in the region and that humanitarian relief structures will continue to outright exclude, for example, LGBTQ+ communities and other groups. In addition, some funders see a backlash against recent gains in human rights, especially against LGBTQ+ activists and organising and racial justice organising.

Overall, we see the world becoming more unequal, more undemocratic.
Senior Director | Private Foundation | Germany

The war in Ukraine will also continue to influence climate action. Several funders fear that the urgency of the climate crisis will not be adequately addressed, leading to yet more intensive needs and even bolder steps in the following years.

We are back in some discussions at the level of 20 years ago, such as on clean energy and agricultural policy. The pushback is severe.
CEO | Private Foundation | Germany

Another funder notes how some of the seemingly economical solutions to high energy prices are actively damaging the environment, such as fracking or logging for firewood. Similarly, the continued need for emergency funding may lead to further competition between grantees for limited resources. If funders take approaches that weigh certain crises against other crises (for example, energy and living costs versus climate) rather than intersectional approaches, it could exacerbate this problem significantly. Grantees will also have to face significantly higher general operating costs, for which it is notoriously difficult to raise.

In this time of crises, it is important for social change and human rights actors to develop coordinated responses to be able to withstand forces pushing in a more regressive direction.

Repressive forces and actors are simply better organised, coordinated, and equipped than progressive groups, and there is even noticeable conflict among the latter on the best ways forward. We need to find a balance between these necessary discussions among progressive groups and actually addressing the real enemy.

Senior Director | Private Foundation | Germany
In digital rights, the other side can simply throw millions into lobbying efforts. Big Tech is the largest lobby in Brussels. It is incredibly difficult to stand against this, especially with such important issues such as regulation and data protection on the line.

Project Manager | Private Foundation | Germany

Some funders also see a danger of not being able to reach local levels of organising with their funding, especially in regard to peace building and justice.

Many funders also see not enough resources going into general capacity-building for movements. One funder also named the very restricted availability of funds on the level of movement funding or support for individual activists as a major problem in supporting necessary change and organising. This also seems to be a particular problem for digital rights work.

Funders’ fixation on having (and demonstrating) an impact is also having some negative impacts on the civil society sector, as it can lead to short-term thinking when what is actually needed is long-term investment to address entrenched social issues.

If a foundation pursues the goal of strengthening civil society in an authoritarian country, then we would have to set a timeframe of 30, 40, or 50 years for this and cannot then ask after three years what the result is. It takes a long time to change structures.

Executive Director | Intermediary Foundation | Germany

A funder from Austria also lamented the particularly poor shape of labour unions in the country, which could have been allies in a number of causes but will be in no real position to do so.

For groups active in digital rights and digital civil society, finding useful and engaging narratives to reach the wider public will still be a major challenge. On a political level, they will need to find ways not just to be consulted, at the last minute, for specific questions, but to be systematically involved in all matters relating to digital policy.

One challenge that some funders see is the slow-moving nature of philanthropy, which is sometimes late in recognising and addressing urgent social problems.

Funders need to do some critical self-analysis and, more importantly, finally get off the couch! Nothing is comfortable about our current situation, it is just that funders mostly don’t feel this themselves until very late.

CEO | Private Foundation | Germany

As a person new to the funding world, it baffles me how slow funders are. Of course, slowing down and examining the context is important, but this so-called ‘speed’ really needs getting used to.

Founder | Private Foundation | Germany

Funders are also concerned about the needs of many low-income households and all already disadvantaged groups.

The scale of immediate needs is breath-taking and frustrating. It makes you question the proper functioning of the state. Nevertheless, we have to look for ways that the state addresses this on a fundamental level. Until then, we will give support to those in need.

Until we are no longer necessary.

Private donor | Germany
What opportunities do you see in 2023 that might help your grantees advance their work?

The opportunity to meet and organise in person again will allow many grantees to build on years of work again and to gain some structural advances. Public opinion and awareness are shifting in a positive way for some core issues, such as more LGBTIQ+ and feminist mainstreaming.

One funder also named 2023 as the year where no one can any longer close their eyes to inequality in Europe and especially Germany.

Inequality hit us in the face so hard, we really cannot ignore it anymore.
Private Donor | Donor Collective | Germany

Inequality is really now on everyone’s mind. Even the big players are thinking about this now. And the questions are moving from the ‘if’ to the ‘how’ of supporting work on equality.
Senior Director | Private Foundation | Germany

Naively we thought that the Covid crisis had already demonstrated the systemic importance of certain areas of work such as care. But that clearly did not lead to change. It did not lead to useful anger. Maybe this new experience of inequality will finally do that.
Founder | Private Foundation | Germany

One funder also notes how the even more dire situation now might set free more energy and lead to more coordinated work, both from individuals and organisations.

Several funders also see an opportunity in societies, and also funders, having learned more about how to talk about racism and how to address the history and presence of colonialism in Europe. This will allow for more room for initiatives that had worked on this for a long time, but seldomly reached truly open ears.

One funder sees a renewed interest in peace building efforts and therefore more resources going into conflict prevention and organising for peace. They also note a significant interest of the German government in supporting local peace building efforts.

There is also a much clearer demand, and therefore opportunity, for civil society organisations and movements to be active in shaping policy in Germany. Stakeholder participation will be significantly more open to groups advocating for progressive social change. Similarly, with the new government and new people in key positions now settled in their roles and with political strategies in place, 2023 can be that window of opportunity where progress can be achieved on a number of issues, specifically on human rights inside and outside of Germany. This may also create tremendous opportunities to influence the flow of government funds towards social change issues.

It is much easier for the groups we support in Germany to get into discussions with the government. However, these discussions and constant pressure are also necessary because the Green Party seems to compromise too much in order to keep the government going at all.
CEO | Private Foundation | Germany

Outside of such more direct influence on government policy, funders active especially on climate and other justice issues also see opportunities for strategic litigation that may have significant impact.
How do you expect your practice as a funder to change in the next twelve months?

Many funders have changed their funding practices in very recent years, aiming for more participation, flexible funding, general support, and support for riskier initiatives, and are now implementing these changes in the coming years. Many also want to further improve other forms of support they can provide to grantees, such as access to networks. They also aim to make these changes of practice more visible to other funders and the public, hoping to set examples for the sector and to learn from funders going in similar directions. There is more acknowledgement of the fact that structural discrimination in the way philanthropy operates has historically excluded certain groups from funding and a growing effort among some foundations to become more equitable.

One funder is now systematically including a financial sustainability approach in their funding of grantees. For 2023, this will mean supporting income-generating actions and opportunities at grantee-level, such as property purchases for NGOs in the Global South and East. Generally, funders are aiming to tailor their support more to the specific needs of their grantees. One funder is also moving beyond the team separations between investment and grant teams, calling on both teams to find new ways to support grantees in the medium and long term.

Another funder notes that they will continue to examine budgets submitted to them by potential grantees in significant detail in order to understand the underlying needs but will then issue nearly unrestricted grants, a practice they aim to further expand.

However, some intermediaries are experiencing a drop in support from their private foundation donors, leading to reductions in the minimum grant sum the intermediary funder awards.

Several funders are thinking about how to better support individuals and not just organisations, while some are also planning on supporting infrastructure for entire movement sectors.

What issue or field of practice do you think will become more important in 2023?

Some funders expect a renewed discussion about the role of the state in addressing inequality. With a massive rise in living costs exacerbating a social divide, and with this especially hurting the most disadvantaged groups – often the focus of social change funders – some funders expect a more honest discussion on the limits of the funding sector in addressing the consequences of structural and systemic inequality. They expect that the state will have to take on a more active role, and they hope to support advocacy work aimed at such change.

This may make the work of groups with clearly articulated political demands more important but also more complex, as in Germany NGOs that are regarded as political actors still face huge challenges. This will need continued work and support by funders because grantees can only rarely afford fighting the related legal and financial challenges of a risk to their non-profit status themselves.

Digital rights are also among the issues funders expect to be even more relevant next year. This includes questions of citizen participation, but also algorithmic decision-making and
the power of tech corporations. Especially the question of diversity in the digital rights field will become more important, including how this can be addressed in funder practice. Several funders see a danger in the far-right potentially co-opting issues such as inequality or peace for their own ends, both in Germany and in Austria. Related to this, many also see a need to further defend the democratic system and to find ways to also address the current inequality in political participation and access. Funders may also be more willing so shift their funding practices, setting the basis for more structural support (as opposed to project support) of their grantees’ work. In the German and European contexts, funder affinity groups and networks such as Ariadne, EDGE Funders Alliance, #VertrauenMachtWirkung, Impulse Stiften, and Resource Transformation were named as places that may further shift the sector towards funding practices that will enable all grantees to advance their work. Especially the next generation of funders appears ready to change funding practices towards structural support and trust-based giving. Perhaps more importantly even, as several funders note, the funding sector may now be ready to talk about its own wealth and power in relation to the issues and grantees they support. We are finally addressing power and power imbalance in the funder world, especially in relation to the position of movements. Here we can and must change something fundamentally for the entire sector.

CEO | Private Foundation | Germany

There is also a growing discussion about investments and the origins of wealth in the philanthropy sector. Foundations and philanthropists are now being asked to account for the whole portfolio of their investments and assets and not simply lauded for their grantmaking.

It is important to look at where the money comes from. Does it really make sense to cause damage first and then to philanthropically try to solve a problem afterwards?

Member | Donor Network | Germany

What political event or sequence of events do you predict will have a substantial effect on your work?

Some funders see significant potential and windows of opportunity in Germany’s feminist foreign policy being implemented on the ground. This could lead to better funding opportunities for grassroots groups working on issues like democracy.

Even career diplomats are now open to a real feminist foreign policy. This would have been unthinkable just a few years ago.

Senior Director | Private Foundation | Germany

One funder collective expects that the answer to a fundamental question will determine 2023 and the following years: How does a government cope with the fact that the people are living in multiple crises? For Germany, they are hopeful that the answer may fall more on the side of active social policy work; for other EU countries, they fear a politics of division, catering to right and far-right narratives.

In this context, some funders are questioning the relationship between philanthropy and the state and challenging foundations to examine their own role. This raises questions around the appropriate regulation of the sector.
What is the task of philanthropy, and in what form is it needed and for how long? There is a danger that philanthropy creates a parallel society, a parallel institution to what state organisations can and should create. This can create power structures that are contrary to the support of civil society.

Member | Donor Network | Germany

One funder active in inequality and peace notes the presence and rise of dictatorships all around the world and sees the German, European, and international response to them as a deciding factor for their funding work.

However, most funders rather look to the EU for policy changes than to individual member states. This is relevant for work on climate, agriculture, energy, and transportation, and especially for digital rights.

Funders working on climate issues have very little faith in COP28 in Dubai but see value in civil society organising around it.

What is your greatest hope for 2023, in relation to your work or philanthropy in general?

Many funders on a personal level hope for some “breathing space” in 2023. Some hope for change in their own organisations, leading to more diversity in the team. One funder hopes to overcome a traditional language barrier which prevented people who did not speak German from being hired.

Several also expressed the hope that a new, deeply felt and shared understanding of the gravity of inequality will lead to a joint search for and implementation of solutions. This will lead to more communication and especially cooperation between funders, ideally also to an acceptance of risk as a necessary part of all action.

I hope funders will simply act and do and see what works on the ground instead of following logframes and metrics that are completely out of touch with reality.

Founder | Private foundation | Germany

Change is born out of crisis, and we have plenty of those. People will be more active, more creative, and find new ways forward. This is true for individual citizens and for NGOs, but also for philanthropy and maybe even politics.

CEO | Private Foundation | Germany

My hopes are for funders practicing listening, addressing real needs, and following a truly decolonial agenda.

Senior Director | Private Foundation | Germany

I really hope funders will see their work less as spaces for their own occupational therapy and more as a duty and opportunity in the larger picture of social change.

Founder | Private Foundation | Germany

One funder hopes to find solutions to “wealth transfer grants”, based on a decolonial analysis and aimed at building wealth at grantees.

For the sector, they hope for a change within philanthropy towards true partnerships with their grantees. This, they hope, will also give the sector a renewed sense of strength and purpose.
The pandemic hit hard in Italy, leaving the country grappling with high levels of poverty and inequality. The education and opportunity gaps between different parts of the country are only growing, presenting huge challenges to a civil society sector that is chronically under-resourced. However, new funding mechanisms offer the opportunity to breathe new life into social change efforts. Will public-private partnerships flourish in Italy in 2023?
What do you expect to be the most pressing challenge facing your grantees in 2023?

As in other countries, one of the main challenges facing organisations in Italy is a lack of sufficient funding. Foundations are operating with fewer resources and also shifting their priorities in light of environmental emergencies. Foundations have mobilised humanitarian aid in response to the extreme heat and wildfires in recent summers, for example. The competition for funding has led to some groups becoming more professional, but it also disadvantages small organisations that are more locally oriented and that rely on volunteers and connections within communities, as their fundraising is not as well developed. As foundations make their funding processes and requirements more complex, grassroots organisations are struggling to meet them, giving the advantage to larger NGOs. Despite the relaxation of restrictions on eligible costs and conditions brought in during the pandemic, grants are becoming more inaccessible for some groups.

Growing poverty is a challenge facing Italy, along with other European countries, and funders are trying to come to grips with the ways in which poverty intersects with other issues and find ways that they can support responses and solutions. The social inequalities that help drive poverty also remain a pressing concern, and the lingering effects of the pandemic in this regard continue to be felt in many areas. Education and culture have been neglected by the government in recent years and now need greater attention. The education gap between different social classes is growing, with education poverty being a very serious issue particularly in the south of the country.

For the south, this reality has a double side: it means wasting children’s opportunities when actually investing in education would be the most important thing to do for the development of the south. If there is no investment in human capital, the economic development then cannot follow.

President | Private Foundation | Italy

Civil society organisations were also affected to differing degrees by the pandemic, with arts and culture groups being forced to suspend or downsize their activities for the greatest amount of time while environmental groups were able to continue operating. Many organisations, however, regardless of their thematic focus, are still struggling with mobilising local resources.

In a context where they are constantly having to address new emergencies, organisations struggle to be able to plan ahead. Although strategic planning is a growing focus for foundations, and part of the legislated reform of the third sector, in practice civil society organisations lack the time and space to effectively plan for the future and are unable to develop multi-year plans and visions. This is especially true for local, grassroots organisations.
The restriction of civil liberties could become a greater challenge in Italy in the coming year, especially given the political proximity of the current Italian government with countries such as Hungary. A recent anti-rave regulation that limits freedom of assembly, for example, has aroused some concern. Vulnerable groups such as migrants or LGBTQI+ community are at particular risk of restrictive policies in this context.

The majority of the country does not understand these issues; the left has not been able to explain them.

Programme Officer | Private Foundation | Italy

It is incredible to continue to helplessly witness people who lose their lives crossing the Mediterranean.

Director of Programmes | Private Foundation | Italy

The European Parliament-Qatar corruption scandal, in which a number of Brussels-based political actors, including some working in human rights, have been accused of accepting bribes to help smooth deals between Qatar and the EU, has helped taint the whole sector and delegitimise the EU, anti-corruption and human rights NGOs, as well as intermediary bodies such as trade unions.

One area posing a challenge is the urban suburbs, where all social problems are concentrated and fuelled. Social fragmentation is particularly high in the south of the country, and many funders see a need to help rebuild community ties and support communities to become more inclusive.

In these neighbourhoods, there is a total absence of the State, there is only a negative community. The rules of the game are often imposed by crime, and fundamental rights are denied. Furthermore, the suburbs are expanding and invading the urban fabric.

President | Private Foundation | Italy

Climate change mitigation is also an issue of growing concern to Italian funders and a challenge that will need urgent attention as its effects have been long underestimated. However, some funders are frustrated that the climate crisis is not part of the political debate in Italy and that it is almost never discussed or understood in terms of its connections to social rights.

What opportunities do you see in 2023 that might help your grantees advance their work?

The European Commission’s resilience and recovery plan (PNRR) for Italy provides the greatest opportunity for 2023, according to Italian funders. The plan will bring additional resources into Italy, including funds for public-private partnerships for the redevelopment of the territories, and it provides a mechanism for the participation of philanthropic organizations, enabling them to amplify the resources of the PNRR for a particular set of grantees. In a survey conducted by Cariplo Foundation, approximately 50% of the entities interviewed stated that they had not yet begun to explore funding and development opportunities offered by the PNRR, but many organisations were hopeful that this new source of funds would provide opportunities for them. Some funders are hopeful about the PNRR document itself, which speaks of social inclusion, inequalities, and the role of the third sector and could help influence public narratives.
The new code regulating the third sector provides for co-planning and co-programming with local authorities, and funders see opportunity in these new tools, which they hope might invert relations between local authorities and foundations and lead to genuine joint decision-making. Co-planning, for example, is becoming a fundamental element of public administration even in medium to large cities.

Think, for example, of the regulations for the shared management of common goods (Rome and Bologna). The idea is gaining ground that not everything should be subject to calls for proposals, as in the case of a public administration that involves a foundation in partnership with the CSOs for the management of material and non-material assets. This is a new challenge that is aimed at a well-selected audience of CSOs who can manage this process. Thus, a more equal relationship develops, and these actors interact more, not as isolated subjects.

Director | Private Foundation | Italy

Other funders have noted some of the challenges around the implementation of the co-creation process but are nonetheless hopeful that it could be a positive development in the long term.

The PNRR should have already opened a common planning season, but the public machine has struggled a lot to co-create projects so many have been created without due consultation. Nine billion could come to Rome in the next ten years in between this and other initiatives, and there are opportunities for the municipalities with regard to access European projects.

Programme Officer | Private Foundation | Italy

Covid overturned unthinkable paradigms in 2019 that are now putting the third sector at the centre, giving value to its subsidiary role both in the co-programming and co-planning phases. This rediscovery of civil society should facilitate network alliances and the strengthening of sustainability tools. Even the now mature debate on the 2030 agenda should facilitate the legitimacy of third sector entities with respect to the first sector (public) and the second sector (for profit).

Director of Programmes | Private Foundation | Italy

If financial markets recover, that should provide a greater opportunity for available funding from foundations, particularly as there will be a reduction in the tax burden on foundations of banking origin. Foundations may also be making more investments from a ‘green’ perspective, benefiting environmental issues.

Some funders are even embracing this time of transition itself as a positive opportunity.

In fact, it is in times of crisis that there is the possibility for change to emerge (there’s opportunity in adversity). New energies, a daring state of mind emerge when the situation is so uncertain that the comfort zone no longer exists and therefore one is more inclined to imagine new approaches.

Director | Private Foundation | Italy
How do you expect your practice as a funder to change in the next twelve months?

More Italian foundations are thinking about how to centre the experience and needs of their partners in their work. This means better understanding the context in which organisations are working and co-designing programmes with them. There is a growing focus on being in active relationship with supported organisations. Although some foundations find it challenging to be completely responsive to the needs of communities, there is a shift towards more flexible support, more relaxed funding guidelines, and in some cases more core support, which may be coupled with training and accompaniment for partners.

The direct work with the partners must also be accompanied by a connection with the institutions, a work on co-programming and co-planning, greater exposure to local/national and international good practices. The fulcrum of accompaniment to partners must remain training and investment in people and territories.

Programme Officer | Private Foundation | Italy

We have moved from an ego-system approach to an ecosystem approach, in which the foundation places itself on a par with third sector entities by sharing power, ideas, projects, and various resources. Added to this are the flexibility measures towards entities adopted during the pandemic and also confirmed in subsequent years. Next year we will try to work on involving segments of the population that are not sufficiently involved today, such as young people, trying to give them a voice, listening to their needs and promoting co-designed responses together with the young people themselves and financed by the foundation. We will likewise seek to pursue the terrain of Trust Based Philanthropy by implementing mission support rather than project support, increasing project overheads, multi-year grants and easing anything that may be excessively overburdening towards the organisations.

Director of Programmes | Private Foundation | Italy

The dream would be a foundation that reads the needs and intervenes on the territory, but we are a medium-small foundation. Therefore, we need objective criteria, but we are making the effort to mitigate the negative aspects of tenders by limiting their number. In 2022, we already disbursed ⅓ of our resources without tender and now all the tenders are in two stages. The project is then put together with the proposing organisation so that it's not the writing skills which are rewarded, but the substance.

President | Private Foundation | Italy

The philanthropy sector is still very much in transition in terms of moving to more flexible models of support, and some would like to see it progress more quickly, but nonetheless there is more openness to new models than has been the case in the past.

Some funders are also trying to support civil society organisations to have a political impact through their contributions to socioeconomic development.

The work of civil society has a double meaning: to recognize the denied rights of fragile subjects, but also to increase social capital and promote economic development. Welfare should not be seen as a compensatory function of which economic growth is the precondition, but the opposite. If one asks why in Calabria there are only two nursery places for every 100 children, the answer given is, "because Calabria is poor". In fact, it is the opposite: Calabria is poor because social issues have always been side-lined and never placed at the centre of the strategy.

President | Private Foundation | Italy
The growing role of public-private partnerships as a result of the PNRR is also leading some funders to think about the importance of the independent role of philanthropy.

There is still a dependence on local or national political power, when instead it would be necessary to reaffirm one’s independence, the fact that everyone does their job while also being able to play an innovative role thanks to the decision-making dynamics and organizational structures that could and should be more flexible than those of public bodies. My hope is that this process can be consolidated and that a collaboration from a more systemic and structural point of view can also emerge as a practice less linked to direct contacts or personal acquaintances but to the desire to create networks of collaboration and management of funds available to the associations of the reference territory.

Director | Private Foundation | Italy

Many organisations in Italy operate with very low salaries, and the culture to date has been to expect that because people enter the charitable sector on the basis of their values, they do not need to be paid more. Some funders are calling on foundations to use their influence to challenge this assumption and to draw more attention to the working conditions of staff in civil society organisations.

What issue or field of practice do you think will become more important in 2023?

Education is likely to be an important issue for Italian funders in 2023, given the huge gaps in the education levels between different social classes and the residual impacts of the pandemic on childhood development and learning. Funders will also be paying more attention to youth activism and the wellbeing of young people, as the current generation of young people has missed out on many opportunities as a result of the pandemic, and they are suffering high rates of depression as a result.

Work on poverty and inequality will also be priorities in the current context, especially at the local level. Many organisations are now providing direct services to help address current community needs and require additional support for this expansion of their work. Gender-based violence is also an issue of concern for funders, who are beginning to acknowledge that it is a significant issue in Italy and one that has not received the attention that it deserves. One funder is supporting a network of associations working on violence against women to help raise the profile of and address the issue.

Environmental issues, including work to combat climate change and to protect biodiversity, are poised to assume greater importance, particularly in light of the recent energy crisis. Funders are becoming more concerned about environmental issues and considering how they can better support solutions to environmental challenges.

We hope to support and stimulate environmental activism, citizen science, and participation in the environmental debates and go beyond the issue of waste management to think about the ecosystem and recycling.

Programme Officer | Private Foundation | Italy

Some funders are thinking more about the rehabilitation of prisoners, identifying this as an overlooked area that could have a positive impact on social change.

Our constitution says that punishment is used to rehabilitate, but this is totally neglected. When prisoners are not integrated into rehabilitation programs, recidivism is very high, whereas when they are integrated, recidivism is very low. Moreover, the lack of
prevention is very costly; there is a system efficiency problem. The social inclusion of prisoners strengthens communities and vice versa; the lack of inclusion weakens it.

President | Private Foundation | Italy

In terms of practice, the work with local public administrations as part of the PNRR is a development that will receive more attention in 2023. Foundations will be devoting more time and resources to joint planning and development with local entities as well as providing more capacity-building support to civil society organisations. Some funders are hopeful that this cooperation will help develop the role and perception of philanthropy in Italy.

This has an advantage from the point of view of effectiveness and efficiency, but it also makes the concept of what ‘public’ means evolve in our country; currently there is a clear division between the two as if only the state pursued the public interest and the rest were only private. But foundations and civil society organisations also have a public value.

President | Private Foundation | Italy

Other issues that Italian funders are prioritising include the situation of the aging, culture, and migrants’ rights. Migration has been a significant challenge in Italy for a number of years, and Italian funders were disappointed that rights offered to Ukrainians in 2022 have not been extended to other nationalities.

What political event or sequence of events do you predict will have a substantial effect on your work?

The international geopolitical situation, including the war in Ukraine, the energy crisis, and general global instability, is expected to influence the domestic situation in Italy. Funders anticipate these factors could further amplify existing inequalities and potentially impact the operations of civil society organisations, which are still recovering from the effects of the Covid pandemic.

Inflation, the geopolitical impacts of war, and the energy crisis are events that have a significant impact on the income generation dynamics of foundations, which find themselves having to navigate new seas with outdated compasses that are not always capable of keeping the desired routes.

Director of Programmes | Private Foundation | Italy

Funders are watching to see how much the new Italian government will attempt to restrict civil rights and liberties. Their approach thus far to asylum seekers, which saw NGO rescue ships of migrants left adrift in the Mediterranean, has obviously raised concern for the human rights community. As the government pushes its right-wing narrative, the most vulnerable, including migrants, are likely to feel the impact most acutely. The interplay between the media and the government could also have a negative impact on human rights organisations.

A very strong press campaign against NGOs is underway: a continuous hammering from a part of the press, which is now amplified by the government’s bass drum, with the long-term effect of delegitimising those who deal with issues such as migration.

Programme Officer | Private Foundation | Italy
Other funders, however, are more worried about how the international situation will influence migration, although they see that the response on a local level is often not as harmful as that of the national government.

I believe that fortunately, on the local level, on the issues of inclusion and access to work for foreigners, there is much more common sense and logic on the part of local administrators rather than what is shown by the central government policies. Unfortunately, the theme of migration has been seen as a problem for too many years. For me international events such as ongoing conflicts and the impact of climate change with the relative influx of migrants from Africa are more worrying.

Director | Private Foundation | Italy

What is your greatest hope for 2023, in relation to your work or philanthropy in general?

I would like to see an Italian philanthropy that is increasingly open to the outside world, a philanthropy that knows how to interact with society and that allows the entry of new representatives of the diversity of society itself.

Director | Private Foundation | Italy

Faced with momentous events - some unexpected such as the pandemic and the Russian-Ukrainian conflict, others more foreseeable such as the demographic, climate, and digital transitions - the increasingly concrete risk is that the fragmentation of the community will increase, with people who, despite living within a short distance of each other, come to experience completely different perspectives in terms of quality of life, expectations for the future, and access to new opportunities. The main wish for 2023, for the Foundation and for philanthropy in general, would be to be able, through our work, to concretely contribute to shortening these distances.

Director of Communication | Private Foundation | Italy

I hope that a welcoming and conducive environment for philanthropy is created in places where it is usually less present, such as the city of Rome for example, and in which innovative actions can be carried out through public-private partnership.

Programme Officer | Private Foundation | Italy

I hope for the end of the war in Ukraine.

President | Private Foundation | Italy

Italian and international philanthropy still collaborate too little. Each entity should be encouraged to collaborate, to stipulate alliances to maximize the impact of their actions. My hope is that the fences will be torn down and that we seek ways of cooperating on common aspects, making the most of the extraordinary advantage of not being competitors but co-operators. The challenges before us can only be faced by collaborating between different subjects; it is time for philanthropy to take the lead.

Director of Programmes | Private Foundation | Italy
2023 could be a year to focus on participation in The Netherlands, with the possibility of citizens’ assemblies taking place and more funders thinking about how to democratise their own practices. As the country comes to terms with its own colonial past and explores new economic models to take it into the future, at least in some urban centres, funders are starting to push their own boundaries. Where will this take them in the coming year?
What do you expect to be the most pressing challenge facing your grantees in 2023?

Funding is expected to be one of the biggest challenges for Dutch organisations in 2023. Many foundations in the Netherlands are in the process of reviewing their strategies and will therefore be putting out fewer new calls for proposals, making it more difficult for new organisations to enter their portfolios. Foundations are taking this time in an effort to be more strategic in a context of overlapping and emerging crises, but an unintended consequence could be that fewer groups are able to access funding in the short term. Some funders are also concerned that as their peers step back and re-strategize, their own foundations could be left supporting entire fields of work in the interim, which is unsustainable.

All of this is taking place against the backdrop of inflation, which is making everything, including staff costs, more expensive for organisations, increasing their financial needs. On a broader social level, inflation also means that social inequalities will deepen.

We have a fund here for local Dutch activists, and it’s much more expensive now for activists to organize, to mobilize. The cost of doing business is increasing, and groups can’t always pay. They don’t have reserves, and they can’t always keep up. We’re trying to ensure that we’re able to have that flexibility to help our grantee partners deal with things like inflation. There are times when groups come to us and say, well, we were going to do this advocacy strategy, but we realise now that we need the money for salaries, for generators, for food.

Programme Director | Intermediary Foundation | The Netherlands

What opportunities do you see in 2023 that might help your grantees advance their work?

Municipal-level policies and initiatives offer some hope and opportunity for funders hoping to advance a just transition. Although there are social divides between urban and rural areas, which are often exploited by the media, some funders see the experimentation happening within the larger cities as learning opportunities for initiatives that could be replicated elsewhere.
Amsterdam is a really progressive city that is moving a lot of policy work on things like the donut economy, principles, etc. There’s a lot of energy at city level that I don’t think we as funders have tapped into. These are hotbeds of ideas, and even if at the federal level or the state level, things might be moving a little slower, there are these cities that can be test grounds.

Programme Director | Private Foundation | The Netherlands

The rise in grassroots organising is a trend that offers potential to civil society organisations to reach and better engage new audiences. Protest movements are growing as more people want to be involved in social change.

The Netherlands does not have a tradition of grassroots movements and organising, but this is happening more and more. It’s something to be applauded to see people asserting themselves in a democratic way on issues like racial justice and climate change for instance.

Programme Manager | Private Foundation | The Netherlands

Strengthening democracy more broadly is also a growing focus for Dutch funders, including among those who previously did not see the value of such work. The war in Ukraine has helped raise awareness of the value of democracy, and funders are increasingly considering that there is a need to protect democracy in Western Europe as well as in other parts of the world. This could lead to more funding becoming available for democracy and human rights, from governments as well as from private foundations.

Some funders also see opportunity in working across issue areas and moving away from the siloed approach to tackling social problems. While this is still a challenge for many foundations, there is a call for funding to more closely mirror developments in the ways that movements operate.

Now more than ever, you are seeing the stitching together of these communities of practice on concepts like just transition, where the labour movement and the climate movement are working more synergistically together. You’re seeing those same concepts expand to include broader community-based and rights-based considerations of the ideas of climate justice. These concepts are really taking hold in communities around the world, and funders are moving money to where those opportunities lie. That to me is an advancement in our rhetoric and our practice, because the way we fund can create silos or eliminate them entirely. I think increasingly we as donors need to question whether setting up our programmes as a climate programme and a rights programme is actually disabling the type of systemic transformation that the field is already perceiving and feeling.

Programme Director | Private Foundation | The Netherlands

How do you expect your practice as a funder to change in the next twelve months?

Some Dutch funders anticipate making changes to their internal processes. There will be more focus on core, multiyear grants, and those foundations that are already giving core support plan to become more vocal with their peers about the value of taking this approach. They are also thinking about how their processes can be more responsive and accommodating of partners’ needs.
We would like to release control and support more from a basis of trust because we believe in what our partners do. I look forward to more foundations making this shift towards more flexible, proactive, and trust-based funding. We will still have both calls for proposals and solicitation of proposals; we want to experiment and see what works. We will also provide support in different ways, such as support to individuals. There will be a lot of experimentation in the next six months, while in the past we had always a general call for applications.

Programme Manager | Private Foundation | The Netherlands

These funders are trying to make their processes less burdensome. One challenge is to try to be accessible for a wider range of organisations while not wasting the time of either applicants or staff on proposals that are unlikely to be funded. This may involve a shift to shorter concept notes, for example.

At least one Dutch foundation will be undergoing an internal diversity, equity, inclusion (DEI) revision with their team and board. They do not yet know what this process will bring, but it could be an opportunity for them to expand funding to different types of organisations.

It’s a slow process which might be leading also to change in the grantmaking. Currently, we only fund organisations with charitable status, mostly those that are well established.

Programme Manager | Private Foundation | The Netherlands

Some Dutch funders working internationally are thinking more about how they can operationally shift more power to the countries where they are supporting work. There is a trend of decentralising from the Netherlands and localising as much as possible from a programmatic perspective. There is a strong moral commitment to this shift, even as it raises longer-term questions for the role of international funders.

Legally and operationally, we are still very much a Dutch organisation, but there’s this strong internal decentralisation. It’s great from an ethical, moral, and historical point of view but also has challenges. In the mid- to long-term future, it raises the question of what our function is if there is a handover to local structures. This is something we will need to look into over the next 2-5 years. One possibility would be to return some programmatic focus to Europe, but that is only one option.

Programme Manager | Intermediary Foundation | The Netherlands

Participatory grantmaking is an approach that is of growing interest to Dutch funders, continuing a trend that has been building over several years. There are also calls for funders to be more courageous and to support those organisations and activists taking significant risk by doing their work.

As funders we must match the courage and the boldness of the grassroots and reassess our practices and perceptions around this idea of risk, balancing that against what is needed for the people who are putting everything on the line to bring about change or fighting for justice. We should recognise that so much of what we consider risk is a rhetorical exercise, and so much of what civil society activists do is absorb risk and face it head on. We have to continue to be bold, and we have to continue to take action as well, and to really support individuals and organizations to do the work.

Programme Director | Intermediary Foundation | The Netherlands
What issue or field of practice do you think will become more important in 2023?

Democratic citizens’ assemblies are a tool gaining more focus in the Netherlands in 2023, with one potentially planned on climate issues. Some funders are hopeful that these assemblies could be a vehicle for engaging people in more progressive social change. These are delicate processes which can make things evolve in an unexpectedly progressive way. They enable the emergence of requests for basic rights. People in power seem to be resisting change, referring to the conservative views of the public, but when people are really informed and consulted the real progress happen, and few are really against letting people live their lives how they want. Initiatives like these, break down power dynamics instead of just trying to influence power.

Programme Manager | Private Foundation | The Netherlands

Climate change will continue to be a critical issue over the coming year, with focuses in the Netherlands on pollution and the role of farmers. Some funders are also thinking more about the intersection between climate change and digital work.

In 2023, the Netherlands will celebrate the 150th anniversary of the abolishment of slavery. It will be an organising moment for civil society, as the government has been criticised for making formal apologies hastily and without proper consultation and communication. This could be an opportunity for greater reflection not only in society but among foundations as well.

This will put the spotlight on Dutch history and how the colonial past is still impacting our lives and racism is still here. The question is whether and how funders will engage on this issue via reactive or proactive work. There’s no mention yet of reparations: that might be a critique that there will be apology without reparations.

Programme Manager | Private Foundation | The Netherlands

Some funders will be paying more attention to polarisation in the coming year and taking a more comprehensive approach to addressing it.

We now make a distinction between democratic polarisation (which is positive) and toxic polarisation (which is negative); that lens will help us make choices in our grantmaking. There are foreign states benefiting from disrupting our societies by emphasising divisive debates online. It’s important to tackle those challenges to see where the threats to our democracy lie. We need to explore opposition research beyond only supporting watchdog NGOs to hold the government to account. The narrative of ‘there are no bad people, but only bad systems’ has shown its flaws; it’s a bit naïve, as sometimes there are interests for people to do bad things, and they are doing it in a structured way, using big money to push their interests for an outcome which is not in the public interest.

Programme Manager | Private Foundation | The Netherlands
What political event or sequence of events do you predict will have a substantial effect on your work?

Provincial elections in March could have an indirect effect on the composition of the Senate, as the representatives elected decide who will be in the first chamber, where the government currently does not have a majority. However, there is not likely to be a high electoral turn out for the election, because the general public is unclear about its impact. The number of political parties has also been growing – there are now 20 – making elections more overwhelming for the voter. There will be a number of in the early part of the year to generate more awareness and attention.

The Biden Summit for Democracy is coming to the Netherlands in March, which could be an opportunity to raise awareness about the need to strengthen democracy and counter corruption and authoritarianism.

The war in Ukraine will also be an ongoing concern for funders.

What is your greatest hope for 2023, in relation to your work or philanthropy in general?

I hope that, as a lot of funders are re-strategizing, we’re not creating more new blind spots while focusing on what we feel is important, but that we manage to stay open to the vision of our grantees who are the ones doing the work on the ground. I also hope that we as funders have more courage to fund those who might not precisely fit our criteria but do the stronger work, rather than those who present the best.
Programme Manager | Private Foundation | The Netherlands

These past few years have been strange; my hope is just not to have another major negative event. Hopefully, this will be a transition year with lower inflation, peace in Ukraine (and we could start doing something about Russia), and a stop to the line of all these crises so that we can start solving them and make a just transition happen.
Programme Manager | Private Foundation | The Netherlands

I hope that we see more core flexible funding, more shifting power from institutional funders to community-led intermediary funders rather than those trying to implement participatory grantmaking practices with systems that do not allow criminalised communities to take the lead.
Coordinator | Community Foundation | The Netherlands

What gives me hope is that there is a bit more sense of urgency, within policy circles but also the wider population, that something needs to be done about climate change.
Programme Manager | Intermediary Foundation | The Netherlands
Three years after Brexit, the UK is struggling economically and facing the highest rates of inflation seen for decades. The war in Ukraine has had a significant impact on energy prices in the country, creating a cost-of-living crisis for many families. At the same time, the state of the union is in question with growing calls for a border poll in Northern Ireland and for independence in Scotland. Will UK funders rise to the challenge and succeed in helping communities thrive in 2023?
What do you expect to be the most pressing challenge facing your grantees in 2023?

The cost-of-living crisis is the top concern for UK funders going into 2023. Not only are the demands on charitable organisations expected to increase with more communities falling behind as a result of rising inflation and increased energy costs, but also organisations will find themselves with insufficient funds to cover their own higher operating costs. Organisations will be searching for ways to adequately compensate and retain staff in a sector that already suffers from below-market salaries; many are already reporting that they are losing staff to the private sector, just when they need more capacity.

This may be an important moment for foundations to reflect on the flexibility of the support that they provide to charities. Organisations continue to struggle to access core funding, trapping them in a cycle of searching for funds while never having time and resources to dedicate to planning around their core missions.

Some funders also raised questions about whether foundations would provide increases to existing grants to help organisations address the impact of inflation. Many were sceptical that foundations would do so. Rather, they predicted that both private foundations and government funders would likely make less money available in the context of a financial recession.

We’ve seen some of the bigger bilaterals reduce funding to LGBT groups because they want to support more Ukrainian refugees. We’ll probably be seeing more of those dilemmas. Instead of making more money available, we’ll see the repurposing of funds or funders changing tack at the last minute with quite disastrous consequences for the ones involved.

Funders also predict further class division in the UK, with a widening gap between the haves and have-nots and people moving between class categories as those in theoretically well-paid jobs find themselves unable to afford to live as well as they previously have.
Digital exclusion will also be a factor in this context, as some families cannot afford to pay for the necessary hardware or data for children to keep up in school, for example, or for older, vulnerable adults to maintain vital social networks.

Mental health and wellbeing will be a growing concern for charities, especially those that provide frontline services.

They picked up pieces during Covid, and now during the cost-of-living crisis, and no one’s thought about the people delivering services and their mental health and wellbeing. People are doing many more hours than they’re being paid to do; there’s a reliance on volunteers, many of whom have been there for years. They’re getting tired and no one’s coming up in future; no younger people are interested in taking up those roles.

Programme Director | Community Foundation | UK

Funders also expressed some concern that there has been backsliding in the past year from advancements that philanthropy made during the pandemic. Whereas foundations made significant effort in 2020 to reflect on their own roles in social change and to become more flexible and less controlling, they are now stepping back from that trajectory. This is reflected both in a reduction in core, flexible support and in the reluctance of funders to take on political risk. As right-wing lobbying groups challenge the politics of charitable organisations and put pressure on regulators, the philanthropy sector will need to decide whether it will respond by becoming more conservative or by taking greater risks.

We’ve been hearing for years that many groups don’t want to be charities. At some point, charitable trusts are going to have to take a position on this: do they start funding unregistered groups or work through intermediaries? There’s a lot of great movements that aren’t registered that should get money for their activism. Funders are going to have to take stands on racial justice, trans rights, and other things in media. Who absorbs risk in an increasingly hostile culture war situation? Most groups absorbing that risk are small and vulnerable themselves. Trusts have tonnes of assets beyond money; what can they start doing beyond grantmaking to absorb risks for groups in their portfolio?

CEO | Philanthropy Consultancy | UK

What opportunities do you see in 2023 that might help your grantees advance their work?

While many funders feel that they are simply trying to hold the line at this point, with the human rights field on the defensive, they identify some changes that could be made that would have a positive impact.

First, funding partnerships and collaborations could help organisations working in the same sector better achieve their goals. Funders are all concerned about having an impact, and greater impact could be had by working together.

Climate change is a massive issue – how are we ever going to address that on our own? There’s a real need and opportunity to work collaboratively across different funders to combine our efforts to address some of these issues. We need to listen to the community sector who are saying they need longer-term core support and are asking us to work together.

Programme Director | Community Foundation | UK
How do we work collaboratively as a group of funders? Perhaps we need to think about how we create shared infrastructure to support the organizations we work with. I think there’s a real question around how do we adapt ourselves and operate in a volatile and politicised context.

Programme Director | Community Foundation | UK

Similarly, there could be positive potential in working with the public and private sectors and not just with other foundations.

Finally, visionary civil society leaders need more support to develop and execute strategies that are longer term and could have an impact in years to come. As public coffers run dry, private foundations could make an impact by supporting alternative structures to the status quo, alternatives that civil society has already been creating. Philanthropy will need to be bold enough to support the creative solutions being generated by communities.

The outpouring of support for Ukrainian refugees has given some funders optimism that it would be possible to mobilise that energy for systemic change, not only with respect to migration but also around other issues that are controversial or polarising for the public. The sector has demonstrated that it is possible to mobilise public support and now needs to find ways to capitalise on that. It is also a strategic moment for building relationships with unusual allies. One funder pointed to the example of Archbishop Justin Welby publicly criticising the government’s plan to send asylum seekers to Rwanda. Such figures have the potential to influence very different parts of society than human rights groups may ordinarily reach.

We need to look at how we can engage those allies more, even though we don’t normally think of them as allies. In the UK, you have these plans to build more migration detention centres around the country, but then you have local councils saying, ‘We don’t want that,’ and challenging those plans successfully. We should be looking at how to engage these communities and different allies, not just religious leaders but also businesses and local authorities, especially given the threat the current government is posing to asylum rights and a variety of other human rights.

Programme Officer | Private Foundation | UK

The growing discourse in the UK around workers’ rights, following a series of industrial strikes, could also provide an opening for human rights organisations to influence public dialogue. There is an opportunity to frame labour rights as human rights.

How do you expect your practice as a funder to change in the next twelve months?

More funders are thinking about how to include those with lived experience even further in the design and delivery of their strategies and programmes. Narratives around shifting power continue to gain traction. Practical progress is slow; however, more funders are moving toward participatory grantmaking models or thinking about how to integrate participatory elements into their work.

Funders express a general concern that some of the more flexible grantmaking practices that were put in place during the pandemic—core support, flexibility, less reporting, easier access to funds—are now being abandoned. They note that we are now moving from one crisis into another and that we should be consolidating the lessons of the pandemic experience and making some of those practices permanent. They note that organisations need flexibility in order to be sustainable, particularly in the current environment. In fact, some foundations are trying to find ways to maintain or increase the level of flexible and core funding they offer.
There’s not one grantee that has ever delivered project to the letter, and we understand. We expect that. We try to be responsive, and we expect our communities to be doing that, too. We plan to focus on core costs rather than continuing to say it has to be a project and saying we want innovation and more innovation. It’s saying, actually, we trust you. We trust that you know what the needs are and have the confidence that you’ll be able to meet that need through whichever way you think it is fit to do that. We’re encouraging other funders to come along on that journey.

Programme Director | Community Foundation | UK

Some funders are also questioning how they can and should adapt their processes to help increase partners’ financial sustainability in the rapidly changing external environment, such as building inflation into grants or finding mechanisms to top up grants in response to inflation.

We started to look at and relaxed rules on budget expenditure and reallocation, but it’s nowhere near enough. If we don’t start the conversation as the funder, it’s unlikely grantees will come forward with such proposals. It’s up to us to initiate conversations and be ready to be more flexible in doing the things that we need to do.

Programme Officer | Private Foundation | UK

There is also interest in being more systematic about learning from the work that has been funded and sharing that learning across different grantees. Funders find it challenging to gather and synthesise the experiences of their partners because of the time it requires, but they are starting to think about the potential knowledge base they are sitting on and how that could be used to influence strategy and policy. They are also considering the benefits of foresight and how they might be able to apply it to their own work.

When we talk about being able to operate in the long term, I don’t know that we necessarily emphasize the fact that we can think in the long term, too. There is a real relevance to us trying to think about issues over a longer time horizon and think about the challenges and opportunities that we face and how we can respond to those. Some of that will be how do we link up some of the learning we see in different subsectors, so that they are talking to each other within civil society?

Director | Private Foundation | UK

There is a growing discussion among funders about endowments and investments, looking at how those align with the values and goals of the foundation. A few foundations, though not many, are putting assets into communities and approaching investments through a reparative lens. This approach prioritises benefit for those who have been harmed the most and ensures that returns are for communities rather than for foundations. A couple of UK foundations are looking at spending down all of their assets over a finite period of time.

What issue or field of practice do you think will become more important in 2023?

Poverty is seen to be one the most important and fastest growing challenges facing UK funders in 2023. As of the end of 2022, demand for food banks was outstripping supply, and many families were facing homelessness. Funders need to be thinking about the intersections between poverty and the other issues they support. For example, poverty impacts mental as well as physical health, and it has a disproportionate impact on women with children. Children themselves are likely to fall behind in school because they are hungry and may not be able to access the digital devices that they need to learn at home. Funders in Northern Ireland point to a particular challenge for single mothers in
communities already suffering high levels of disadvantage and poverty, who are being forced into criminal activities with paramilitaries in order to make money.

The current atmosphere of austerity may lead to further industrial action, which will bring labour rights more sharply into focus.

With right-wing movements pushing a ‘culture wars’ agenda, certain polarising issues are likely to be pushed to the fore. Trans rights, for example, will become more important, and foundations will need to decide how they will respond and what position they will take. Small charities are facing backlash and attacks on social media because of their work, and they will need support to weather such attacks. This applies to organisations working on a variety of challenging issues, including migrant rights, racial justice, and climate justice. In this context, it will be difficult for trusts and foundations to remain politically neutral. These groups are working in a politically hostile environment and may need support that extends beyond the financial.

It’s not just about what will be the things next year that pop up; we can’t just treat these issues as a trend. There is an element of prioritisation and hierarchy that still persists rather than doing the deep work in organisations. All the parts need to come together: investments, grantmaking, governance, and operations.

CEO | Philanthropy Consultancy | UK

There is a growing acknowledgement that populism is a challenge that is only growing and will require long-term thinking and planning to address.

It’s clear populist and authoritarian regimes are here to stay, not a blip in the liberal trajectory of world. This is a reality we’re living with.

Programme Officer | Private Foundation | UK

Given the way digital technologies are being instrumentalised to embed divisions, funders need to be thinking about the intersections between technology and the issues they support. They need to be aware of the ways in which new technologies can undermine human rights and develop long-term strategies to address that challenge.

In terms of practice, issues around fiscal hosting/fiscal sponsorship and how funds are distributed to groups that are nonregistered are likely to become more important. Many activist groups and movements are choosing to remain unregistered, and appropriate infrastructure is needed to channel funds to them. However, for the groups themselves, it is important that their fiscal host is in alignment with them.

What we hear a lot of from community groups is that they want a fiscal host that aligns with their vision and politics. They don’t want to be in relationship with someone that can’t be in community with. This is a field that will develop, but the risk is that funders, working in haste, will fund people to play that role who they trust rather than who the community trusts.

CEO | Philanthropy Consultancy | UK

◆ What political event or sequence of events do you predict will have a substantial effect on your work?

Financial recession and the impact of the cost-of-living crisis are political challenges at the forefront of UK funders’ minds. These are issues that will impact the amount of funding available as well as the demand for partners’ work.
The instability of the UK government, following a year in which the country had three Prime Ministers, is also a concern, particularly in devolved nations.

Whether we agreed it should be the United Kingdom or whether it should be every jurisdiction for themselves, that instability is creating further fractures. What is our value-based system as we move forward? How do we want to work and collaborate together?

Programme Director | Community Foundation | UK

In Northern Ireland, the EU Protocol continues to impact community relations, trade, and the economy, at a time when there is still no functioning executive. As long as these issues remain unresolved, there is the risk that they will be exploited by political actors. April 2023 marks 25 years of the signing of the Good Friday Agreement, an important anniversary for Northern Ireland but also a moment which could bring forth the divides in society. A growing number of communities no longer recognise the validity of the agreement and are questioning it. This debate raises particular challenges for funders working in communities in Northern Ireland, especially as the agreement enshrines human rights in the nation.

What those discussions are doing is excluding dissenting voices – only storing up problems. Dissent needs to be part of discussion. If that agreement is not working in some areas, what do we need to do to ensure that people continue to be safe? The voices have to be expressed in a nonviolent way. How do we engage people within that discussion to bring them to the table?

Programme Director | Community Foundation | UK

In this context, there are continued calls for a border poll. However, local funders feel there is many years’ worth of work to be done to prepare the ground for a border poll. Reflecting on the experience of Brexit, they are calling for all of the potential impacts to be considered and laid out for voters so they can make an informed and confident decision on whether to unify Ireland.

Looking ahead, many UK funders fear the political context will become more right-wing, more nationalist, and more polarising. Mis- and disinformation will remain high and continue to shape public beliefs. Government accountability is also expected to remain low, with the media playing a deferential rather than watchdog role. Some funders lament that democratic norms are slowly eroding and that situations, including the behaviour of elected officials, that would once have been considered intolerable are being normalised. Public mobilisation for social change could be crucial in this context, but the space for such campaigning is likely to continue to shrink.

Of all the things that have happened, one thing we have seen is that the powers that be will do anything in power to stop people and movements from converging. The majority of people in this country are going to suffer, and if we don’t get together through mass mobilisation nothing will change. We’re getting caught up in wars that divide us when need to get together. The role that trusts and foundations can play is funding alternatives to the services and systems we have today (such as education and health) and engaging in legitimate movement-building that mobilises the masses. If they are doing those two things, they could create levels of social change. Trying to engage government is not the best use of money.

CEO | Philanthropy Consultancy | UK

The ongoing conflict in Ukraine will also be relevant for UK funders in the coming year, in terms of migration flows, discussions around asylum seekers, and the continuing impact on costs of energy and other goods.
What is your greatest hope for 2023, in relation to your work or philanthropy in general?

I hope we can meet the needs of communities and see the impact that support is having. It’s not about us shouting about it or publicising it. It’s about working hand in hand with communities and making a difference and knowing that funding is going to the right places.
Programme Director | Community Foundation | UK

I wish that someone would do a MacKenzie Scott in the UK. I hope some maverick rich person will come along and give communities the ability to do what they see fit. Some incredible organisations would get tonnes of money and the freedom to build what they need to build.
CEO | Philanthropy Consultancy | UK

I hope that we as a sector will be open to taking more risks and try to be less cautious. That we will not shy away from being more political and taking a stance where it matters. Not partisan but political. Backing actors that care about human rights and due process and about humanity. Being more involved and having more of a voice and not always staying the shadows, so to speak. The stakes are so high, we need to take more risk and be less cautious.
Programme Officer | Private Foundation | UK

I hope we can take decisive steps to stop the UK being one of the top jurisdictions of choice for the world’s kleptocrats and criminals.
Director | Private Foundation | UK

I hope the public wakes up to the lies of politicians and the falsities of populism and demands real change on a range of rights issues and existential issues (e.g., climate change).
Director | Private Foundation | UK
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