

# 2016 Ariadne Forecast

For European Social Change  
and Human Rights Funders

See the big picture

Discover important  
trends for funders

Plan ahead



# 2016 Ariadne Forecast

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*“Nowadays the real world is incomprehensible, that is the nature of its reality. This growing complexity influences the dynamics of funding, where planning and controlling become less important, but through the active involvement in networks, opportunities can arise where funders have to proactively assess what role they can play.”*

**Alex Brenninkmeijer,**  
Chair,  
Democracy and Media Foundation, NL

*“I expect security to trump freedom in more ways than we can yet imagine.”*

**Esther Hughes,**  
Executive Director,  
Global Dialogue, UK

*“There will be a black swan event, who will be ready?”*

**Gerry Salole,**  
Executive Director,  
European Foundation Centre, BE

*“We need to continue being innovative because the problems of tomorrow will not be solved with the solutions of yesterday. We have to keep experimenting”*

**Annemiek Hoogenboom,**  
Founder,  
People’s Postcode Lottery, NL



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## 2016 Ariadne Forecast

# Introduction



In his adventure story, *Around The World in 80 days* – Jules Verne, the French author, tells the tale of Phileas Fogg and his valet, Passepartout. The Ariadne Forecast, now in its second year, is a much less leisurely tour du monde in the company of more than 140 funders of all kinds. This forecast is how they see their world and the world of their partners and grantees playing out in the next 12 months. We hope it will provide you with your own passepartout, or skeleton key, to the year ahead.

**The aim is to help you as a funder lift your head from the desk, see the big picture and discover new trends, both in issues and grant-making practice, so that you can plan ahead.**

The Ariadne Forecast is a community created resource. Ariadne is a flexible network of more than 550 funders in 25 countries. Ariadne participants and other friends of the network, were asked six questions about trends in their field for 2016. More than 140 funders, including, for the first time, members of the Assifero and ACRI networks in Italy, and Admical in France, submitted written answers. In Belgium, France, The Netherlands, Hungary and the UK, 20 grant-makers of differing seniority and interests were interviewed at greater length. In January and early February, we held forecast meetings for funders in Brussels, Paris, London and The Hague to discuss and add to the findings. At each of those meetings 2 senior meteorologists, who have deep experience of the sector, were invited to assess the trends uncovered so far and add their judgment. These meetings and the discussion at them were private, but the final forecast is publicly available for all, as a reflection on the sector.

From this input the Ariadne team has distilled an overall forecast, looking at trends globally, as well as at European and national levels. This year we are delighted to add France and Italy to the UK and The Netherlands in the country analyses. We hope you find this useful.

My favourite thought for the year ahead, and one that Ariadne as a network has tried to live by since it was set up seven years ago, is that having fun is a core value and goes hand in hand with engagement and flexibility.

Have fun reading this forecast! And as ever, we are happy to hear suggestions for improving this work.

Please contact [emilie.dromzee@ariadne-network.eu](mailto:emilie.dromzee@ariadne-network.eu)

A handwritten signature in black ink, which appears to read 'Jo Andrews'.

Jo Andrews  
Ariadne Director

## 2016 Ariadne Forecast:

# Global



Ariadne funders believe the over-arching issue for them in 2016 will be global instability, driving conflict and terrorism, the creation of millions of new refugees, and an ever more restrictive environment in which they work.

The impact of these events is felt in every society and community in a much more fluid and connected world. The days have gone when conflict and terrorism were events seen on the news that happened to other people: now a war in Africa or the Middle East, means “new arrivals in your son’s football team or new pupils in your daughter’s school”

(Secretary General, Funding Network, IT) and a fear that extremism and violence will be exported to your society.

The feeling of many forecasters is that this will be a year in which fear and anxiety compete with vitality and innovation as the dominant trends. Will suspicion and distrust, fear of new migrants and the securitisation of policy and laws gain the upper hand, or will the development of imaginative solutions, the influx of new money to grant-making and an atmosphere of possibility in a fluid and linked world win out?

# How do you expect your practice as a funder to change in the next 12 months?

The central question for 2016 is how will funders respond to the arrival of refugees and migrants in their societies? This is no longer seen by forecasters as a one off crisis or surge but part of a long-term trend, driven by instability and poverty. It is here to stay.

There is evidence that most private philanthropy has a clear idea that the immediate crisis and humanitarian needs of refugees are best handled by governments and international institutions, and that the niche for donors is to address the longer term problems of integration, and the host population's attitudes to new arrivals, when expressed in suspicion, hostility, xenophobia, and violence.

The insecurity and fear driving policy in, and beyond Europe, continues to exert a dramatic impact on cross border funding, not just in the human rights field but also in the development, environmental and humanitarian sectors. This is seriously affecting the day-to-day business of grant-makers.

Separately there is a weather change underway influencing how foundations and other kinds of grant-makers understand their role. This seems to be driven by different causes: on the one hand, the struggle for impact, greater access to reliable information, new digital architecture, which has reduced the time and costs of collaboration, and, on the other, the old compact has broken down across all the countries covered in this forecast where the premise that funders would take risks and catalyse new models which governments would then pick up and roll out through policy, no longer exists.

This is driving fundamental change in many, but not all countries, in the way in which grant-makers and grantees see their role and carry out their work.

## Trend

### Migration

*"It is the most pressing challenge we face. How is civil society responding? Is it able to respond? Does it have the means, the imagination to respond?"*

**Chief Executive,  
Donor Network, BE**

Forced Migration for 2015 is on course to break all previous records with over 60 million thought to have fled their homes, and one in every 122 people on the face of the planet on the move (UN Refugee Agency). Ariadne forecasters see no diminution in this.

Continued conflict and instability in the Middle East, and inequality and poverty in the global south will drive more to risk the journey to Europe. One forecaster feels that philanthropy has a special responsibility in this field, saying that independent funders have a role to enable the voice of refugees to be heard in 2016. Others believe that the chaotic response of European nations in itself will create more problems.

*"In 2016 the crisis will become the new normal for much of Europe with some difficult consequences for local communities, and profound challenges to European identity, as, for example, maintaining the free movement of people across borders now seems to be impossible."*

**Director,  
Collaborative Funds, UK**

*“Europe does indeed have to face a challenge, but when we look at human movements over the past year it concerns 0.2% of Europe’s population...while in Lebanon 1 in every 4 people is a refugee... We see a huge amount of anxiety in the global village, but as independent thinkers and funders we should ask ourselves: is this really a reflection of reality?”*

**Board Member, Independent Foundation, NL**

**Watch for**

**Emergence of new and more complex coalitions of funders and funders working with local governments on migration.**

And there is a reminder that migration is not all about Europe, but that the impact of the conflict in Syria is much greater in the surrounding countries such as Turkey, Lebanon and Jordan.

Funders are seeking to work in different ways and at diverse levels, one prediction for 2016 is that collaboration between funders, and also between funders and local and regional governments will increase and become more complex. Many Ariadne grant-makers will focus their work on efforts to integrate new migrants and change public attitudes towards them.

But there are also warnings for grant-makers from this year’s forecasters: one is to beware the divisions in European society and a plea to balance grant-making so as not to exclude marginalized groups in host countries.

*“If you don’t focus on the things that will benefit all people, but focus on one group, you will make things worse than they already are... It is easy to neglect poor, angry, frustrated people who don’t like you.”*

**Chief Executive, Donor Network, BE**

**Watch for**

**A first data review of private funding in Europe to counter hatred and support tolerance with an analysis – to be published by Ariadne in 2016.**

There is also an observation that for many grant-makers in Europe, particularly southern Europe, migration, seen as a human rights issue is a sensitive and highly political approach and that they expect funders to focus on the ‘easier’ parts of this, such as the plight of unaccompanied migrant children.

Amongst Ariadne forecasters there is direct evidence that the terrorist attacks in the past year have reduced funders’ appetite for risk.

What is expected to make things more difficult for funders in this field in 2016 is the way in which governments and the EU have responded to increasing fear in their societies by the **securitisation of public policy**. Forecasters are preparing to deal with this in the year ahead and expect it to have a marked impact on their work, and on the global trend of the closing space for civil society.

*“The effects of the Paris attacks have been tremendous. A week after the attacks some funders suddenly withdrew support for projects with migrants.”*

**Coordinator, Funders’ Collaborative, BE**

**Thinking ahead**



*How can funders make their programmes inclusive so that they do not increase tensions by excluding marginalised groups in host societies?*

**Thinking ahead**



*Is it appropriate for funders to contest the securitisation of public policy, and if so, how can we do this without inflaming public fear and hostility?*

## Closing space

As predicted, this was a pressing problem for funders in the past 12 months, with unrelenting growth in political and logistical barriers: there is every expectation that this will continue in 2016, with a focus on growing counter-terrorism measures which funders feel will catch many civil society groups, contributing to the health and resilience of their communities in their net. But there are signs that both funders and civil society groups are starting to think about this more strategically and craft a collective response.

The bird's eye view funders often have enables them to see that restrictions on civil society are now in place to varying degrees in most regions.

So far, C.S Mott and MacArthur Foundations have curtailed programmes in Russia, and OSF has been declared an "undesirable organisation" by the Russian Prosecutor-General's office. Ariadne participants expect other countries to copy Russia's moves and to ban or restrict the activities of other funders that they don't like.

In Europe and the US funders expect the focus of this trend in 2016 to focus on narratives around counter-terrorism and the securitisation of public policy. There is recognition that this is a difficult and sensitive area that not all will want to engage with.

*"Russia has in particular has continued to progress this agenda. A year ago we were looking only at laws that affected grantees, now they have introduced legislation that targets the donors (undesirable foreign agents). This starts to criminalise relationships between grantees and their donors."*

**Programme Director,  
Private Foundation, UK**

*"I'll be spending more time and resources on compliance as a way of protecting our grant-making practice in response to 'closing space'. If we are able to be confident that we are complying with all legal requirements in our jurisdiction, we will then have the confidence to make courageous and creative grants."*

**Director,  
Collaborative Funds, UK**

### Thinking ahead



*How can funders collectively support each other in the face of dramatic new attacks on their work?*

Closing space has been exacerbated by restrictions on banks in Europe, often in the name of anti-terrorism, with increasing difficulty in registering a foreign currency account or completing security checks. The net result is that it is taking a long time to get money out to grantees and for grantees it's a struggle to get money in.

Taken together this is making funders more risk averse and less likely to offer flexible funding. They are placing more emphasis on due diligence and post reporting checks, which is imposing a greater burden on grantees and foundation staff.

### Watch for

*"This has been a thoughtful process of coming up with strategies and identifying people to take those strategies forward...the community of donors has really galvanized around this issue."*

**Programme Director,  
Private Foundation, UK**

The new **Funders Initiative for Civil Society** will be set up in 2016 to craft a coordinated response by donors to the closing space. This has developed out of collaborative work carried out by funders who are part of Ariadne, the International Human Rights Funders Group, the European Foundation Centre and the 160 funders and grant-makers who are part of the Donor Working Group on Cross-Border Philanthropy.

The new more informal structures are forcing funders to re-think their formal approaches and sometimes to fund activists directly, rather than traditional human rights groups.



Some other funders are also taking the route of helping groups to raise more of their funds locally, with reports that, particularly in India and South Africa, local and indigenous philanthropy is beginning to flourish.

Trend

## The role of foundations

Forecasters, particularly from northern Europe and the US, report that ideas about the role of philanthropic capital are changing. Some of this was laid out in **A New Funding Ecology** (Kippen and Swinson Reid), which, although UK focused, defined three types of foundation:

- **Reactive or Demand-led:** Funders judge applications on merit and are responsive to demand
- **Compensatory of Deficit-led:** Strategy based on clear 'deficiencies' – which may have received little previous funding
- **Instrumental or Interventionist:** Clear about project intent and impact – funding is aligned with strategy.

We have already seen a number of foundations, including Ford Foundation move towards the instrumental, interventionist model. Ariadne forecasters expect a number of other to follow.

Funders taking this route are changing from being there to build and support movements with core funding over many years, to a role in which they define specific problems and then work in a collaborative way, across sectors to hammer out solutions, which then get funded in a variety of streams: grants, loans, bonds, equity, pro-bono support, community shares or with any of the host of new financial tools.

### Thinking ahead



*Who will get the blame when things go wrong, or the solution doesn't work? Will this model put renewed public and political pressure on the reputations and motives of funders?*

*"Programme officers have to play nursemaid, governess, psycho-therapist, peace negotiator, data analyst, expert in alternative finance, evaluator, and grant-maker!"*

**Staff,  
Philanthropy Network, UK**

This model casts foundation staff as "brokers of cooperation" rather than programme officers, and it demands new skills of both them and their grantees and partners. In this new world there is less emphasis on reviewing applications and recommending grants from a cosy desk and a need for coordinating, persuading, negotiating, steering, listening, and designing successful and workable solutions.

But forecasters say that in some foundations this means that programme officers are obtaining "more power and more training, it is a definite shift", and others says that this makes foundations primed to collaborate, not just to have a conversations about the state of the world but really to focus on aligning strategies. Some grant-makers are adopting elements of this, rather than the whole package.



“Power is still too much with the donors, there will be a revolt very soon. The comfortable situation of doing strategies in five star hotels on beaches is not going to last very long, how can we facilitate (the revolt) without making it totally destructive?”

**Programme Officer,  
Private Foundation, UK**

#### Thinking ahead



*Can funders adopting this model really work collaboratively with the field, when the power to provide the funds, or not, lies with them?*

One funder spoke of changing power between recipients and donors and thought that there would be an uprising of recipients, so that in future it would be necessary to obtain the consent of recipients.

Some forecasters felt that one way to counter power dominance was to ensure that the target community was represented on the grant-making body. Peer led grant-making is gaining in credibility, but it requires extra funds to get the model to the stage of sophisticated mutual accountability. This also feeds into recognition amongst UK funders (see UK forecast) that the senior management and trustee boards of foundations lack diversity to an alarming degree.

#### Trend

### Growth in corporate funders

Much of the growth in European philanthropy is coming from corporate funders. Forecasters say that it is difficult to put all corporate funders in the same box as they vary widely. Broadly they are welcomed by private philanthropy and there is a belief that they will bring new knowledge and processes into the sector. But for a number of forecasters there is a central question that corporate funders need to answer about whether they are there to obtain good publicity for themselves or whether they really want to change society.

## What are the most pressing challenges facing your grantees in 2016?

#### Trend

### Closing space

Last year was a record one for global restrictions on civil society: as a consequence 2016 is likely to see an unprecedented contraction in the number of groups and what they are able to do.

Forecasters predict new political and legislative obstacles for civil society in 2016. A new law is expected in Egypt further restricting ngos, in Kenya funders predict more groups will be ‘de-registered’, and in some countries, such as Azerbaijan, we will see the almost complete elimination of civil society as a life form. The Russian government will also continue to squeeze citizens’ groups.

*“In Russia it has become a cat and mouse game between the government and ngos.”*

**Programme Director, Private  
Foundation, UK**

Restrictions are compounded by ever tightening banking restrictions, which means that even when money can be transferred, it is enormously difficult to receive it. Less funding is now reaching grantees and a number of grant-makers say that this is demonstrably weakening groups in their countries of focus and reducing their financial sustainability. It is also increasing the danger to civil society leaders and journalists – who often pay the price of losing their liberty or, in some cases, lives.

In 2016 funders think NGOs will respond in a number of ways:

- By challenging decisions and loosing – more of this predicted in 2016.
- Registering in different countries, for example some Syrian NGOs have been able to register in Turkey and even in The Netherlands.
- Registering as different entities. None of these restrictions apply to business, NGOs would like an even playing field with enterprise, but until that emerges many are registering as a business.

#### Thinking ahead



*How can funders support civil society in an environment of extreme hostility to both? What plans and procedures can funders adopt to assist their grantees?*

#### Trend

## New ways of doing business

Forecasters report that although some NGOs are successfully making the change to locating new streams of money and developing new skills to enable them to collaborate and address more complex problems, there are costs to this, which are not recognised.

This is also limiting the flexibility of NGOs and their ability to respond to events and opportunities.

In past years many governments have become more prescriptive, and followed the contracting route in international funding: there is a fear amongst forecasters that as this approach is being picked up by independent philanthropy too, this will put grantees in a straitjacket, curtailing their agility and ability to innovate.

There is recognition that the new environment is also hard on grassroots NGOs, as they are in effect in competition with much larger and more bureaucratic organisations. Funders need to make sure that the voice of those closest to the ground continues to be heard and that they get funds to sustain their work.

*“The INGOs that are being successful and able to access funds are those that are highly specialised in planning, monitoring and reporting, so that they can present proposals that align with increasingly bureaucratic funding calls or tenders.”*

**Grant-maker,  
Hybrid Fund, NL**

# What Political Development or Sequence of Events do you predict will have a substantial effect in 2016?

Trend

## Global instability

*"I expect security to trump freedom in more ways than we can yet imagine."*

**Director,  
Collaborative Funds, UK**

Many forecasters picked instability, driving both terrorism and migration as the principal political trend setting the environment in which they will have to work in 2016. They noted the tremendous sense of fear that pervades European and global politics, fear of terrorism, a sense that stability and security are in danger – add to this a prolonged drop in public funding in Europe, and it makes the atmosphere in Germany, France, The Netherlands and the UK combustible.

Other forecasters say that, so far, most people appear happy to pay the price in terms of an erosion of their freedoms and their privacy.

Others expect this climate to drive work to combat radicalisation.

*"The public don't care about digital security and digital issues, widespread infringements of these rights are public knowledge and people don't care."*

**Grant-maker,  
Private Foundation, DE**

*"People are missing the most important thing, which is that in Western Europe mostly, young people are bored, do they think they belong? They are bored at school. 13-year-old girls are stealing their own passports to join ISIS because they think this is more exciting."*

**Chief Executive,  
Funders' Network, BE**

Trend

## The clash of titans?

*"It will be harder for NGOs to advocate with diplomats because countries don't want to jeopardise their economic relationships, regional reputation or links, other interests will prevail. I don't expect a new human rights champion to emerge."*

**Senior Grant-maker,  
Private Foundation, HU**

The other trend picked up by forecasters that will impact their work is a return to super-power politics, with the renewal of a cold war between Russia and the US and the increased power of China.

### COP 21

Signed and sealed in Paris in the last month of 2015, but Ariadne forecasters aren't sure what it amounts to and whether COP 21 will have a lasting impact.

Other forecasters also pointed to the impact climate change will have on human rights and social change issues.

*"I'm not sure yet if it will be a turning point or a soufflé."*

**Philanthropy Academic,  
FR**

*"We are not humanitarian actors, but the drought in southern and eastern Africa is getting more intense, it isn't our direct job to respond to this, but it will have long term ramifications for us. What is our role in building resilience into our work?"*

**Programme Director,  
Public Foundation, UK**

*“These feel different to the MDG’s, inequality and sustainability are up there as central to this effort. For us this increases the imperative to coordinate, can we straddle different parts of the development sector, this is real moment to gather around the goals and join our efforts.”*

**Programme Director,  
Public Foundation, UK**

## Sustainable development goals

These are now in place and have generally been welcomed. Funders feel the goals give more space to hold governments to account (Goal 16) and to promote open tolerant societies, free from discrimination (Goals 5 and 10). They think that in 2016 civil society will begin to align itself to the goals, as bilateral and multi-lateral funders demand this. They expect this to change the aims and ambitions of implementers as they chase the funds. They also see new opportunities for their grantees to access these funds by expressing the scope of their work with reference to the SDGs.

### Watch for

**Brexit?** The referendum on whether or not the UK, or part of it, leaves the EU is expected in the next 12 months. One forecaster described the UK’s attempts to renegotiate its terms as: “The prolonged hostage crisis of the EU.” (Philanthropic Consultant, BE) If it votes to leave this will change fundamentally the environment in which UK funders operate and will make collaboration and cooperation across borders harder. However, if the UK votes to stay in, this should end a period of uncertainty.

### Watch for

**US Presidential Election** in November 2016.

### Watch for

**Russia:** Putin’s role and actions in global politics will impact human rights.

### Watch for

Election of a new **United Nations Secretary-General**

### Watch for

**East Africa:** Several countries are preparing for elections in 2016 and 17, and the conflict in South Sudan continues to filter across borders and create new refugees.

### Thinking ahead



*A combination of the Greek Crisis, a Euro Crisis, populism in EU states and Russian influence could cause serious damage in Europe.*

# What issue or field of practice do you predict will become more important in 2016?

*“There is more organising around anti-black racism, as well as increased visualisation of anti-black violence from state and non state apparatus.”*

**Policy Officer,  
Hybrid Funder NL**

*“An insensitive environment towards gender issues and the increasing dominance of the Orthodox church in all aspects of social lives.”*

**Grant-maker,  
Hybrid Foundation, Georgia**

## Issues

- Work on **counter-terrorism** and narratives around the securitisation of public policy as a response to threats on citizen safety.
- The **escalation of political conflicts** as Russia continues to be more assertive on the political stage.
- **Equality on grounds of ethnicity** is coming back into the spotlight. This is increasingly happening in the US, South Africa, Brazil and parts of Europe. This was also expressed as “*countering white privilege*” (Director Hybrid Fund, NL), or as “*Black Lives Matter will go global*” (Director, Collaborative Funds, UK)
- **Countering violent extremism.**
- The **role of religion**, both in positive terms in helping to tackle radicalisation and extremism, but also in terms of its negative impact, particularly on women’s lives.
- **Peace in Syria.** Any settlement will have to take account of the Kurds and that conversation isn’t happening yet, but it will come back to the table.
- The **influence of corporate actors** and individual people of wealth to set up and shift agendas.

## Grant-making

- More **participatory funding** vehicles will emerge in 2016, with a particular focus on marginalised populations and possibly as a way of hearing childrens’ voices.
- Much **greater scrutiny of Trusts and Foundations’ investment policies** (invest/divest) and their hiring policies both in the staff and boards of grant-making foundations.
- Funders will increase their use of technical and digital tools – “*we will be awash with data, but will we know how to use it?*” (Network Staff, UK). Ariadne is predicting that foundations will be **hiring data analysts** in 2016, to tell them what the data they have paid for means.
- Increased funding for **self-led Muslim women’s groups**, so that their own voice is heard and against those who speak for and about them.

# Which issue or field of practice do you think will diminish in importance in 2016?

## Issues

- **Funding for HIV/Aids** – this is no longer seen as a disease that kills but instead about getting access to preventative medicines – this changes dynamics and many funders are pulling out of HIV funding, and the Global Fund is also shifting its focus of countries and priorities.
- **Abortion rights in Latin America** – unfortunately (will Zika virus change this?).
- **Economic crisis.**

## Grant-making

- Less of an emphasis on human rights language and standard setting in the general discourse, replaced by a **greater emphasis on winning hearts and minds.**
- **Less support of strategic litigation** on its own and not in combination with other approaches.

*“We need to use less elitist, different advocacy methods: building constituencies, local communities, research, policy analysis. My foundation learnt the hard way.”*

**Senior Grant-maker,  
Private Foundation, HU**



# Global: What are your 2016 wildcards?





## 2016 Ariadne Forecast:

# France



France remains a country apart in term of its philanthropy. It has a very marked culture of suspicion of philanthropy as a concept, seeing it often purely as tax dodging. This leaves French foundations anxious of anything that could be seen as “political” in the widest sense of the word. Its laws also require the

wealthy to leave most of their money to their family and prevent them from giving it away which has handicapped the development of the sector. However, philanthropy in France is now expanding and funders see a new role for themselves as public expenditure declines.

# How do you expect your practice as a funder to change in the next 12 months?

*"We should be optimistic. Despite the economic crisis, the trend is positive in France. The philanthropic sector is catching up. More and more people are ready to help to fill the gaps left by the state."*

**Director,  
Philanthropic Network, FR**

*"The maturity of foundations influences their behavior. Young foundations tend to privilege social need with an immediate impact: they focus on effect. Older foundations place more importance on a long term vision and influencing policies: they focus on causes."*

**Director,  
Private Foundation, FR**

*"Foundations must contribute to the public good but their participation in public debate is not considered part of the public good. To sum up, France is a state of republican values but not democratic values."*

**Director,  
Private Foundation, FR**

*"In corporate foundations there is a tension between the common good and the objectives and activities of the company."*

**Programme Officer,  
Corporate Foundation, FR**

## Debate over the foundations' role in austerity

At the Ariadne roundtable in Paris the role of foundations at a time of austerity was passionately debated. On the one hand, Ariadne participants said that decreased public spending is handing a bigger role to philanthropy and philanthropists. The same trend is seen elsewhere, but there is a more positive and forward-looking emphasis in France and a belief that this gives French funders enormous potential.

In the UK and the Netherlands this is seen as a matter of regret, a return to Victorian values and a sense that private giving is unable to answer needs adequately. In France there is a sense of possibility.

However other French funders see this as an expression of a young sector focused too much on the social needs and not enough on the roots causes of difficulties in French society.

*"We should not hold back the positive dynamic. Most foundations have been created since 2000 (in France). But the number of poor are growing faster than philanthropy."*

**Policy Director,  
Philanthropic Network, FR**

## Government control

Some funders would like to see French philanthropy holding the state to account. But they accept that under existing laws this is impossible and that the most comfortable role for foundation is to intervene only as supporters of direct service.

Philanthropy is still perceived as the 'enemy' by part of the state, guilty of tax evasion. The instability and unpredictability of the legal and fiscal framework for funders in France continues to exert a climate of uncertainty, which is hampering the development of philanthropy. One forecaster calls this "a constant Sword of Damocles hanging over the heads of funders in France". (Director, Philanthropic Network, FR)

The impact of this is there for all to see: in 2010-2012, 31% of French corporations made donations, between 2012-2014 that dropped to 21%.

Even though they are not giving so much, corporations are increasingly using a "Mécénat de Compétence" which involves pro-bono work or volunteering by staff. 15% of French firms have this scheme in place, driven by a new generation of employees who want their company to play a more positive role in society. But forecasters are aware of the potential for conflict of interest.

**Trend**

Funders are also talking about **stronger coordination and collaboration** amongst French foundations and more sharing of information, with the aim of being able to gain from each other's experiences such as the setting up of the Fonds du 11 Janvier after the terrorist attacks on Charlie Hebdo and the kosher supermarket.

**Trend**

There are more **initiatives developing at regional level** in France between private funders, local authorities and beneficiaries, in attempt to tackle local economic and social challenges.

Funders also predict that 2016 will see an increased focus by funders on marginalised populations.

*"There is more participative work between all stakeholders based on a bottom up approach. Projects are being developed between grantees, civil society and local authorities. More attention is paid to coordinating with grantees before projects are implemented."*

**Policy Director,  
Foundation Network, FR**

*"Funders are moving away from an individualist approach where at the time they would hide their projects from others seen as rivals. Today funders want to work together to do a better job."*

**Director,  
Philanthropic Network, FR**

## What do you expect to be the most pressing challenges facing your grantees in 2016?

*"We see a new generation of funders developing with different motivations to give and offering different kinds of support. Lines are increasingly blurring between donations and giving that expects something in return."*

**Philanthropy Academic,  
FR**

It is a mixed picture in France, with austerity hitting public funding, although the sounds of pain emerging from the UK and The Netherlands are not (yet?) being heard here. On the one hand funders expect smaller NGOs to do badly this year, as they say that 80% of public support is now directed to the larger NGOs. On the other hand, private giving is growing, and forecasters expect 2016 to be the year in which crowd-funding and other methods of alternative finance take off through online platforms such as [ULULE](#).

An interesting positive development is the progress of the draft law: [Projet de Loi pour un République Numérique](#). This will be voted on in the French Parliament in early 2016. It tackles many sensitive issues such as access to online data and new ways of giving through mobile phones and text messages.

Interestingly, 52% of the public who responded agreed that donations of up to €50 should be allowed via SMS.

*"As part of a ground-breaking process it was put online by the French Government and they asked for comments from civil society and citizens while it was under discussion. There was strong mobilisation of the philanthropic sector with regard to the important issues included in this law."*

**Philanthropy Academic,  
FR**

### Thinking ahead



*Will the new digital channels attract more donations in the future and allow civil society to take a leap forward?*

*“Associations are still against being held accountable and reporting on their activities. This is partly due to a lack of resources but also because it is not part of the ‘tradition’ in France. As funders become more demanding, the charity sector will develop a more entrepreneurial approach.”*

**Director,  
Bank Philanthropic Fund FR**

Funders say that French NGOs are slowly becoming **more professional**.

But there is the sense of a need for generational change in the leadership of the French NGO sector, a number of forecasters believe that the older generation has to work out how it is going to hand over power to a younger generation. At the same time forecasters say that persistent low salaries lead young, well-qualified people to leave the sector after four to five years, handicapping its development.

**Corporate Support:** In common with much of the rest of Europe there is a trend for large civil society organisations to fund more of their work through corporate donations. Forecasters say that NGOs are becoming more pragmatic about finding their funding, and they now rarely refuse corporate support, even though some industries are still black-listed.

## What issue or field of practice do you predict will become more important in 2016?

*“Some educational projects or cultural projects in French suburbs are supported by Gulf foundations. These will attract more media attention.”*

**Philanthropy Academic,  
FR**

### Issues

- Increased **support for social welfare**, a focus on vulnerable populations and those marginalised in society.
- Greater support for **de-radicalisation programmes**, for instance in jails.
- Development of a **structured Muslim giving**. There are currently different foundations linked to Catholicism, Judaism and Protestantism, but there isn't yet a Muslim foundation in the same way, although Secours Islamique France is amongst the top 20 organisations receiving donations in France.
- **Support to women** linked to migration.
- Control of **International financial flows**.

### Grant-making

- More **collectives of funders** tackling sensitive and complex issues such as the plight of refugees.
- “Economie sociale et solidaire”: **impact investing and venture philanthropy** begin to make an impact – this will be a mid to long term revolution.

# Which issue or field of practice do you think will diminish in importance in 2016?

*“Mental health, dementia, dependence in old age, human rights, jails. These topics are still forgotten because they are scary – it should be the role of funders’ networks to raise awareness on the issues that get forgotten.”*

**President,  
Funders’ Network, FR**

*“In France there was a Minister in charge of women’s rights until August 2014. Now women’s issues have been downgraded to a state secretary’s position.”*

**Director,  
Corporate foundation, FR**

## Issues

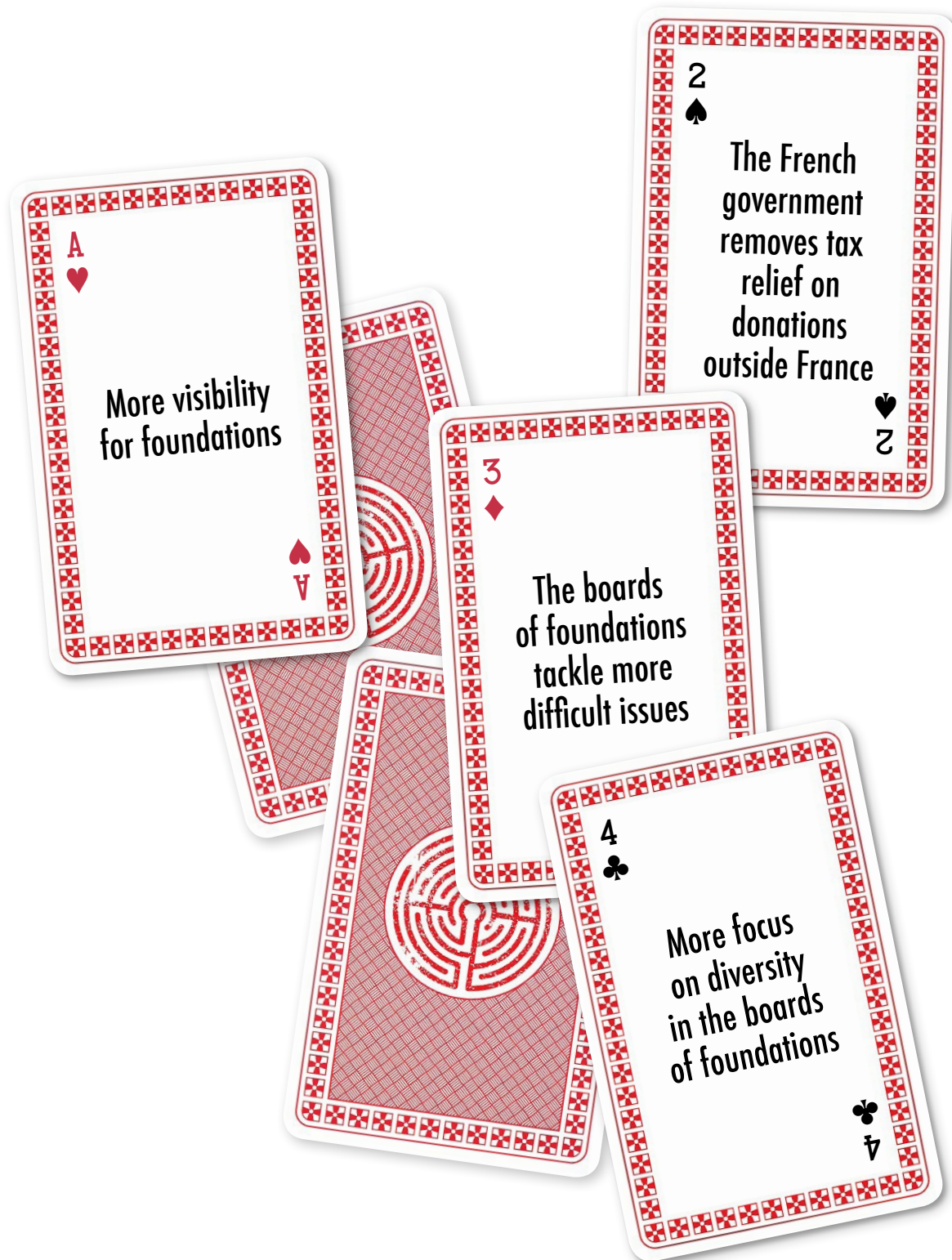
- There will be **less support to cultural projects**, as part of a longer trend. We may instead see more hybrid cultural, social and environmental projects. One forecaster found this worrying:

*“Culture is a symbol of society’s intellectual vitality, but also builds ‘social links’, promotes diversity and works against radicalisation.”*

**Director,  
Philanthropic Network, FR**

- French funders think many **topics that are difficult to fund and complex to address** will suffer from reduced funds.
- **Issues affecting women** are being downgraded in importance and visibility.

## France: What are your 2016 wildcards?



## 2016 Ariadne Forecast:

# Italy



Italy is the arrival point in Europe for thousands of migrants and, along with Greece, in Europe, it sits very much on the frontline of this phenomenon which will dominate philanthropy in 2016. It has led to some thoughtful discussion about what independent foundations can do to help. Independent

funders in Italy are more visible today than they were ten or even five years ago, this, combined with pressure on public finances and the difficult national economic situation has meant greater scrutiny for Italian philanthropy and provided a push towards change in the sector.



# How do you expect your practice as a funder to change in the next 12 months?

*“It is only in the last 15 years that family and community foundations have been established. Foundations moving to an interventionist model is not the case for Italy: many foundations don’t even have programme officers.”*

**Secretary General,  
Funding Network, IT**

There is not the same sense of upheaval in foundation practice as there is in northern Europe, and philanthropy in Italy is still felt, by local forecasters, to be isolated and lacking strong connections of trust across funding sectors. Nearly 60 per cent of Italian grant-making foundations have no professional staff. But even though some of the banking foundations date back to the Renaissance, family foundations, corporate grant-makers and community foundations are much newer, stepping into, in many respects, the function that used to be fulfilled by the Church.

## Trend

### Doing more with less

But reform is underway as many funders, particularly the Foundations of Banking Origin (FOBs) continue to face the problem of how to do more with less, while at the same time the economic crisis and the arrival of new migrants means there is more to do.

The Italian Government, in role as a regulator, and the FOBs signed a new agreement in 2015 aimed at reducing the risks the foundations take in managing their assets and at improving the effectiveness of their grant-making. This was generally well received publicly and the foundations are hoping that 2016 enables them to moving into calmer waters.

#### Thinking ahead



*How can Italian funders, from both family and banking foundations, support better public understanding of the role philanthropy can play in Italian society?*

## Trend

### Collaboration

There is also a growing understanding in Italy that foundations need to collaborate to become more effective.

*“The opportunity for funders today in Italy is to become more effective: from just giving to more strategic philanthropy....becoming more courageous, and going beyond assistance based patterns of dependency.”*

**Secretary General,  
Funding Network, IT**

#### Thinking point



*How can Italian funders practically collaborate with each other to leverage their impact and their role?*

There is also recognition that many Italian funders have focused on traditional charitable giving, but that now is the time for them to extend their thinking.

## What do you expect to be the most pressing challenges facing your grantees in 2016?

*“Funding shortages naturally selects the grantees that have managed to become more effective and “smart” in focus, in partnering and in the use of their resources. Many traditional grantees, such as international cooperation NGOs and organisations of volunteers, won’t survive the current crisis.”*

**Secretary-General,  
Funding Network, IT**

Sustainability is the word used by forecasters to describe the difficulties of the Italian NGO and voluntary sector, both financial and also social sustainability.

There is a sense that only those projects based on a short-term approach now get funding, which, as in other European countries, is curtailing the old role of the voluntary sector in being the test bed for new ideas, which then go on, over the years to be incorporated into public policy. There is a strong feeling that the third sector in Italy stands on the brink of a dramatic shift.

### Thinking ahead



*In a period of change, how can funders help civil society in Italy become better at demonstrating impact and providing evidence to back their work?*

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

**Instability in the Mediterranean and Middle East** is, in common with every other Ariadne forecast community, the top pick here. In contrast to many other European countries, Italy has seen high levels of uncontrolled migration for several years. Consequently the surge of 2015 came as less of a shock here than it did in Germany or The Netherlands. As a result funders seem less galvanized by it, perhaps seeing the problem of having more of a political and humanitarian nature that needs a government or EU response, rather than one that they can engage with.

At a national level there has been little sign of an economic recovery in Italy so far, and funders are focused in 2016 in particular on child poverty and in ensuring that the voices of the younger generation are properly heard and they are not marginalised through unemployment.

On **child poverty** the FOBs are pressing the Government to set aside resources to tackle child poverty, if they agree to this it will create an ambitious private public partnership with the FOBs.

### Thinking point



*Will 2016 see Italian Foundations working in collaboration to tackle child poverty?*

## What issue or field of practice do you predict will become more important in 2016?

### Issues

- Migration and Integration
- A focus on the younger generation
- Unemployment

### Grant-making

- Impact investing
- Social innovation and entrepreneurship
- Funders become more aware of their specific added value

## Which issue or field of practice do you think will diminish in importance in 2016?

### Issues

- Unfocused support to cultural projects

### Grant-making

- Corporate or family funders searching for neutral or easy issues to fund.
- Traditional philanthropy

# Italy: What are your 2016 wildcards?



2016 Ariadne Forecast:

# The Netherlands



Funders in the Netherlands agreed overwhelmingly on the big issue for the year ahead – how best to cope with the arrival of around 54,000 people who applied for asylum in The Netherlands during 2015 and 90,000 expected to arrive in 2016. There is a view that this will sharpen both the work of funders and that of their grantees.

Many forecasters also drew strong attention to the increasing polarisation and fragmentation of Dutch society and the impact it is having on their work and the work of grantees, as well as the way in which their practice as a grant-maker is changing

# How do you expect your practice as a funder to change in the next 12 months?

Two main trends were identified: firstly responding effectively to the arrival of new migrants and refugees and secondly underlying shifts in foundation practice, with a move towards greater collaboration between funders, cooperation with stakeholders and different streams of money.

## Trend

### Migration and integration

*“How can we achieve linkage between these loose initiatives? In doing so we are in need of a framework. When the Berlin Wall came down coherent cooperation emerged then amongst funders, resulting in 15 years of funding, we need that again.”*

**Board member,  
Private Foundation, NL**

*“If we approach it in a smart way, working on integration does not have to break the bank.”*

**Founder,  
Public Foundation, NL**

*“Can we take this up in a commercial way, perhaps with communications and serious advertising agencies or entrepreneurs?”*

**Board Member,  
Private Foundation, NL**

*“Sometimes humanitarian aid promises seem to evaporate faster than companies’ stock values”*

**Founder,  
Public Foundation, NL**

This has been marked in the Netherlands by an almost universal response from funders – they were quickly focused on this and have remained so. At present participants felt that there were too many small initiatives driven by funders’ own missions and that the main work of 2016 would be to connect these up in a more useful way:

There are signs of this beginning in the Netherlands with the creation, in late in 2015, of the Maatschappelijke Alliantie Nederlands (Major Alliance), facilitated by the Dutch government. It includes private donors, corporate donors, businesses, and local authorities and NGOs. This form of collaboration, spanning sectors and interests, is unique to The Netherlands amongst the Ariadne forecast nations. In France and Italy there is evidence of growing cooperation between philanthropy and local government, and in the UK, independent philanthropy is beginning to create new structures to enable efficient collaboration within the sector. But in no other country do these kind of cross-cutting grand coalitions currently emerge.

The integration of the new arrivals into Dutch society will remain a principal challenge for funders in the next 12 months.

Dutch funders believe that they urgently need to tackle narratives and public attitudes in the Netherlands on migration. Some would like to focus part of their work on this in 2016, and are interested in the work on communications and public attitudes that has been supported by private funders in the UK (Migration Exchange – formerly Changing Minds)

One forecaster urged funders to help others look beyond the simplified images and perceptions of reality being presented about refugees and migrants. One way to do this is look for groups that are deeply embedded in society. A good place to find these could be through small local community foundations.

But there was a warning to grant-makers to go on looking outside the Netherlands too, and to deepen their understanding, in the coming year, of issues in Syria and the surrounding countries, such as Lebanon, Jordan and Turkey. Civil society needs to support government and work with it, but it also has a duty to hold the Dutch Government accountable for the promises it has made.

#### Thinking ahead



*Can Dutch funders keep their eyes simultaneously on needs in the Netherlands and also on the wider international picture, recognising that they are connected?*



Trend

## Brokers of cooperation

The second major trend in the Netherlands, in common with a number of global foundations, is a change in the way in which the role of a foundation is visualised and it chooses to use its resources. There is a sense that 2016 will be a year of re-focusing for Dutch funders as they think both about partnership models and different forms of giving, and acquire the skills to enable them to execute changes.

A number of grant-givers are moving from being **reactive** or **demand led** funders and instead becoming **instrumental** or **interventionist** (see Ariadne Global Forecast and [A New Funding Ecology](#), Kippen & Swinson Reid). A desire for greater impact, coupled with more information and better digital architecture drives this, as well as, in Europe, the withdrawal of the state from much funding.

Increasingly funders are trying to understand how a problem came about – how it fits into the fabric of society and then trying, with others, to design smart solutions.

**Changing Skills:** A major impact of this is that the skills needed by programme officers and project-advisers are changing. There are much greater layers of complexity for the 2016 grants officer, who needs to be able to diagnose problems, convene stakeholders, work collectively with them to define solutions, maintain coalitions with other grant-makers or across sectors. In the Netherlands there is also a trend for board members to become much more pro-active in the search for solutions, in effect making them more responsible for the impact of their gift.

*“In 2016 it is about cooperation and different stakeholders, rather than the old split of giver and receiver.”*

Director,  
Private Foundation, NL

### Thinking ahead



*Board members and senior staff need to recognise that this way of working is labour intensive and needs a broader range of skills, this will have to be factored into training and budgets.*

This also means that funders are looking outside their own organisations more, and are also more skilled and more willing to work together. It also means that the evaluation of projects is stepping up in terms of complexity and effectiveness.

*“It is not enough to hand out blankets – you need to find out if people actually got warmer.”*

Director,  
Private Foundation, NL

### Thinking ahead



*Does each funder have a good understanding of their own networks in the Netherlands and across borders, and where these need to be strengthened?*



*“You have to be flexible and brave, not everything can be predicted. Dare to be daring, take chances and make mistakes.”*

**Founder,  
Public Foundation, NL**

*“As private funders, we should let go of the fear and support each other: we should be honest about failure and use mistakes to improve.”*

**Founder,  
Public Foundation, NL**

## Freedom to fail

At the Dutch Forecast meeting in The Hague, this theme sparked off a conversation about the importance of innovation and also about its counter-part – failure.

Nurturing innovation means giving long-term commitments and supporting core costs. Funders should have the courage to do this:

One participant reflected that it was often projects that looked like failures that do in fact set something really great in motion.

### Thinking ahead



*How can board members and managers create more space for constructive failure in their organisations? As a programme officer, how will your most recent failure change your practice in 2016?*

## Family foundations

Philanthropy in The Netherlands is characterised by the comparatively high number of small and family foundations compared to other countries in Europe. These foundations, often with minimal or no staff, find it harder to join these new collaboratives or to embrace this way of thinking and still give away their funds in a “fragmented way”, as one forecaster put it. In the year ahead these donors will come under increased pressure from the government to be more transparent and more professional. They may choose in 2016 to abandon ANBI status (charitable foundation status), either because they can’t make the new criteria being imposed by the government (that they must have a web-site), or because they don’t want to be transparent in the way the government demands.

**Watch for**

**More new regulations governing ANBI (foundation) status in 2016.**

# What do you expect to be the most pressing challenges facing your grantees in 2016?

*“Building new and clever alliances that’s the challenge for grantees, if you don’t do that your competitor gets the grant.”*

**Project Adviser,  
Private Foundation, NL**

*“Those who did not change will leave the stage, there are new markets and new revenue models.”*

**Project Adviser,  
Private Foundation, NL**

The smoke appears to be clearing in the Netherlands’ NGO sector after the barrage of government spending cuts in 2014 and 2015. Forecasters report that the yells of pain have diminished as NGOs have turned their attention and re-tooled their skills to help them find **new streams of funding**. They have also begun to adjust to less of the old kind of money about.

One result of this is that grantees, like funders, are being driven to **multi-layered cooperation**: with other NGOs, with other kinds of groups and stakeholders and also with grant-makers. In 2016 they will need to prove that they can work closely with others to design ‘smart solutions’ to defined problems.

Organisations such as fundraising foundations and social enterprises that have not found a place in this new world are now closing, cutting back or reverting to a model of voluntary work.

But there are warnings that this is imposing new burdens on grantees:

*“We want professionalisation, impact measures and evaluation, but at the same time funders need to be very alert not to build unnecessary thresholds to access funds.”*

**Director,  
Funders’ Network, NL**

## Thinking ahead



*How will grant-makers make sure that they keep access to their funds open to smaller community based groups?*

## Watch for

**Will the Dutch Government open the doors to foreign lotteries? And if they do this will this depress the amount of money going into the social change sector from the Dutch lottery?**

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

*“It is not just black and white, but society is also becoming more divided by those who have higher education and those who don’t, by those who have permanent employment and those who work on a flexible basis, these people have fewer chances to meet each other – this is the new order in Dutch society.”*

**Director,  
Funders’ Network, NL**

*“There also seems to be signs of a wave against individualisation and commercialisation: there are more green initiatives, small companies are established, or sharing and communal ventures, you’d almost say that this is bringing human values a bit to the foreground.”*

**Project Adviser,  
Private Foundation, NL**

Forecasters overwhelmingly identified the **fragmentation and polarisation** of Dutch society, the rise in inequality and the loss of community cohesion, as the major issues for 2016. Some couple this with growing nationalism, xenophobia and fear, which is toxic mix.

Forecasters feel a central impact of this polarisation is minimal investment in public services – because there is no clear public support for more.

At the same time there is resentment that civil society is being told how to carry out its job, especially in the context of the Big Society initiative currently underway in the Netherlands.

*“The Government and the King say that things must be taken up and once again done by society, but then in the same breath they are telling civil society exactly how it should be done... using that logic ignores the essence of civic engagement, a government should not want to manage or to push that, they should withdraw.”*

**Board Member,  
Independent Foundation, NL**

**Changing Ways of Giving:** But there is also evidence that Dutch society – helped by the digital revolution - is, like civil society in the UK, developing new communities and reaching across silos with a growth in the sharing economy.

A number of funders noted that there is a trend to democratise both giving and doing good, through crowd funding and other, similar models and that this are introducing new ways of working to the sector and alternative streams of revenue.

Others remarked on the change in the political climate in the Netherlands towards international cooperation:

*“The political debate is more and more framed in terms of protection and safety of Dutch values, Dutch culture, Dutch identity instead of international solidarity.”*

**Director,  
Hybrid Foundation, NL**

**Watch for**

**The Dutch Presidency of the EU: January – June 2016.**

# What issue or field of practice do you predict will become more important in 2016?

## Issues

- **Countering violent extremism** focusing particularly on the role of women as educators, peacemakers, leaders and actors to prevent radicalisation.

## Field of practice

- **Participatory Grant-making** – with a focus on marginalised populations
- **Trans-gender and inter-sex rights.**
- **Digital security.**
- More **informal organising** an movement, coupled with a need for funders to think about how to support this activism, as it doesn't look like "traditional grant-making"

# Which issue or field of practice do you think will diminish in importance in 2016?

*"Blind Altruism – we can do without this in 2016."*

**Independent Philanthropic Adviser,  
NL**

## Issues

- Funding for culture and nature will decline.

# The Netherlands: What are your 2016 wildcards?



## 2016 Ariadne Forecast:

# United Kingdom



UK funders expressed the dilemmas facing them in the starkest terms of all the Ariadne forecasters. Both the expressions of pain and those of possibility were louder in the UK than in any other jurisdiction. This is understandable when considering the scale of government cuts

facing civil society in the next 12 months and also the advanced state of alternative finance and blended finance mechanisms in the UK, in comparison with other European countries. Most UK funders locate themselves on a scale between pessimism and optimism from day to day.

# How do you expect your practice as a funder to change in the next 12 months?

Trend

## Funding enterprise-based models

A number of private UK grant-makers report that a shift is underway in their own practice, from a traditional model of offering funding to support a particular issue or cause, towards a new one of supporting enterprise-based models, where grant money may be important in the early stages but a sustainable flow of funds is identified for the long run. This casts foundations as start-up funders and reflects a world in which new streams of money and a greater variety of financial instruments are available.

*“Being able to see that they have a business model and a business like approach, greatly influences whether we would want to fund them... because we know that they are likely to be sustainable and that reduces our risk.”*

**Senior Programme Officer,  
Private Foundation, UK**

More emphasis is given to this by UK forecasters than by other European funders. There is interest in seeing how the new Social Enterprises or Charitable Incorporated Organisations (CIOs) and their mixed models change the sector, and more awareness that Blended Finance will become more important to the sector. One UK foundation that merged its grant-making and social investment teams last year is now skilling up grants managers to make basic loan finance decisions as well.

But there are concerns that this shiny new world developed at a time when government was there to provide the safety net, leaving funders to do the interesting stuff. Forecasters are painfully aware this is not the case now.

*“It is a fundamental right of a democratic society to deliver some things equitably and well to all in society, not as a gift that could be taken away.”*

**CEO,  
Private Foundation, UK**

There is also an understanding that the rosy path of alternative finance is only available to some and there are issues where, no matter how they are wrapped up, will always need to be funded with traditional grants. In the current climate of austerity this has led to some thoughtful questioning about the role of philanthropy in the UK: is it moral for funders to try to step in to support universal services previously funded by governments?

*“In the last year foundations have become the biggest grant funder (in the UK) to the social sector. Pure grant-funding from the government was £2.2 billion last year compared to £2.4 billion from foundations. This is the first time in modern memory that this has happened.”*

**CEO,  
Private Foundation UK**

### Thinking ahead



*How can funders come up with a moral balance here?  
How can they make sure that their interventions are not capricious?*



Trend

## Changing role of programme officers

*“We need to be vigilant about the power dynamics. We do work as partners, but we are not unaware of the power of money. It is not OK to forget that, what we say carries more weight than we think.”*

**Chief Executive,  
Independent Foundation, UK**

There is the same sense in the UK, as in the Netherlands, that the role programme officers play is changing and that they are transitioning to being system leaders asked to orchestrate collective leadership, rather than desk-bound assessors of applications.

Although one senior forecaster said funders should not see this trend in absolute terms, arguing that funders can be both instrumental and reactive in their approach.

The same contributor also sounded a warning note about the system leadership model, saying that funders need constantly to watch the power dynamics in these new relationships, as they are more complex than they look.

Trend

## Collaborative funding

*“Collaboration helps us give flexibly and in areas where we might have trouble funding, as well as reducing risk through sharing expertise and knowledge and giving a greater voice to advocacy.”*

**Senior Programme Officer,  
Private Foundation, UK**

Collaborative Funding has come of age amongst UK funders. Every UK funder who submitted a forecast or was interviewed, focused on it. They expect that 2016 will take this to new levels with more and new methods of working together developed. Forecasters believe that the time is right, the technology is there, there are much closer connections between funders and quite a lot can be done cheaply. The New Beginnings Fund – a pooled fund around integration and migration policy will start work in 2016, and another collaborative, Migration Exchange on challenging attitudes to migration is being re-launched shortly.

This is largely welcome by funders with the feeling that ‘a lot of it is going on’, although there are also warnings that collaborations shouldn’t be entered into for the sake of it, that they are there to enable funders to try out new and different things and that they are not always necessarily good.

There was a more nuanced view from funders as to what kinds of other grant-makers make good partners for collaboration. The size of each grant-maker matters, the level of independence, the level of trust and the chances of media scrutiny need to be weighed and judged. There is also an understanding that collaboration can be about aligned funding or sharing information, rather than pooling funds.

*“They can be disastrous, if the risk appetite is very low, then you can end up with organisations working to the lowest common denominator, funding safe organisations and achieving very little.”*

**Director,  
Independent Foundation, UK**

### Thinking ahead



*Can funders develop a useful checklist to use in advance of collaboration to increase the chances of the marriage working?*

# What do you expect to be the most pressing challenges facing your grantees in 2016?

*“Government funding for anything that is not a statutory obligation will completely disappear in 2016.”*

**Director of Grant-making,  
Private Foundation, UK**

## Austerity

Grantees are focusing more on coping with complex needs. Funders report that people are being turned away at a higher threshold of need and that there has been an increase in volunteer hours to replace paid work. In 2016 funders expect to see:

- Downsizing and mergers to reduce back-office costs
- More insolvencies amongst charities (Kids Company – although a special case - may not be alone)
- Increasing charges or payment for services
- Selling specialist skills
- Competitive tendering for renewal contracts
- Bringing in income by reputational trading – (Age Concern and fuel contracts for the elderly).
- Growing recruitment challenge

*“Small and medium sized organisations will likely continue to lose out to big organisations from a commissioning system built for scale, low unit cost and competition, with a resultant loss of expertise and local intelligence.”*

**Head of Grants,  
Private Foundation, UK**

Funding cuts will be hitting Scotland for the first time too with predictions of cuts coming this year of 30-40%. The Scottish government has given a promise of no public sector redundancies, which makes the third sector the most likely victim. Across the UK the robustness of the sector as a whole is being affected, skilled staff are difficult to recruit and hold onto, and it is hard to find and keep trustees, as so much more responsibility has devolved back to them. Funders report that grantees now being considered for funds would not have had a chance 5 years ago, but now their reserves and levels of secured income have diminished to a level where they are being considered. The government’s commissioning system is creating casualties, especially amongst community led organisations providing bread and butter services.

Allied to this is what one funder called ‘the capricious and erratic nature of policy decision-making’. Forecasters feel that in 2016 grantees will experience a particularly negative impact from this. An example given was the sudden removal of tax incentives from community renewable energy, in particular the removal of the Special Investment Tax Relief (SITR).

*“Organisations will start to fail and the development and growth of the sector will grind to a halt, having a knock on impact on vulnerable communities experiencing fuel poverty.”*

**CEO Private Foundation,  
UK**

Trend

## Closing space for civil society

*“There will be more self muzzling by foundations and NGOs following the mood music provided by the Charity Commission and the Home Office, the media campaigns and politicians generally. I am worried that we will stop campaigning and influencing.”*

**Chief Executive,  
Independent Foundation, UK**

This is becoming a significant obstacle for civil society in the UK. Recently the government announced that organisations in receipt of public money can't use those funds for 'political lobbying'. This is not the only move government has made to restrict the sector.

Ariadne members report a culture of quietness: heads are down and policy is not being sufficiently challenged. Public trust in charities is down. The collapse of Kids Company and the revelation that Age Concern has been bringing in income from the fuel contracts it offered elderly consumers are tarnishing views of the sector. The attack by the Charity Commission on the Joseph Rowntree Charitable Foundation and the Roddick Foundation over funding Cage was also closely watched.

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

Most forecasters picked two critical themes, the continuing political crisis over migration and the long-term trend towards greater inequality in the UK.

Trend

## Migration

This remains a critical and combustible issue in the UK. However it is playing out slightly differently from other European countries, as the UK has not seen the arrival of several thousand refugees this year, although the net inflow of all migrants to the UK in 2015 was at a recorded high of over 336,000. In common with grant-makers across Europe, British grant-makers will focus more on this in 2016 and a larger proportion of their funds are likely to flow to this area.

*“What has been understated is the ability of incidents to spark off religious intolerance, on the whole we are good at handling this in London, different communities rub along quite peacefully, but outside London? There is a real role for funders to play more widely in the UK, I'm not sure how we execute this.”*

**Chief Executive,  
Independent Foundation, UK**

We already know that two new or re-focused collaboratives will start work in 2016. There is expected to be increased work around trying to change public opinion and also around integration in sink or destination towns such as Dover and Croydon. We will also see that funders and civil society focus on efforts to change the stalemate at Calais and Dunkirk, where there are signs that the government may have a change of heart around unaccompanied child migrants with families in the UK.

### Thinking ahead



*Can funders focus on issues in this field where there are wins to be had, rather than banging their heads against the brick wall of public opinion?*

*“We don’t hear the kind of opposition to the language and treatment of Muslims that we would have expected ten to fifteen years ago. I think that as a society, something has eroded here.”*

**Programme Officer,  
Family Foundation, UK**

Other forecasters thought that Islamophobia was a frightening problem, with under-reporting of attacks on people and mosques and a constant conflation between Muslim communities and terrorism.

#### Trend

## Focusing on inequality and poverty

UK funders believe that 2016 is the year when the government’s austerity policy will have its most significant impact,

*“The Government has already trimmed off what spare there was and whatever little state funding there is still available will disappear in 2016. This will move an entire sector, particularly the lower income population, into a situation of desperation and uncertainty.”*

**Director of Grant-Making,  
Private Foundation, UK**

There is a sense that UK funders are searching for new ideas in this field, and at present seem to feel that they lack a strategic approach to tackle this. They are looking across the Atlantic to some US funders, in particular the Ford Foundation which, after its recent strategic review, has picked inequality as the over-riding problem of our age, a threat to justice that jeopardises political stability, peace and fairness.

But for the optimists, there is new thinking beginning to emerge around public finances and the nature of providing welfare in a modern digitised society. Does it have to look the same as the ‘cradle to grave’ model of the post war period? Which risks now need to be pooled and which don’t? Some forecasters see opportunities in 2016 to support some of these new ideas.

*“As long as we have huge inequalities between and within nations, we will always have war, strife and the consequences of that, such as refugees and migration that we find difficult to cope with, but it is very difficult for funders to address, it is one of the greatest looming problems.”*

**Chief Executive,  
Independent Foundation, UK**

#### Thinking ahead



*Necessity is the mother of invention – can funders find and support fresh, intelligent approaches to welfare and public funding?*

## Criminal Justice

The new political mood around prisons and rehabilitation from the Justice Secretary, and planned changes to the prison estate, such as the closure of Holloway and Pentonville Prisons in London will create a good deal of change in prison reform work. There is also a wind of change in Scotland where a new Community Justice Bill is being introduced which is expected to make a substantial difference, and where the Scottish Prison Service is committed to reducing the overall prison population from its current level of 7756.

Watch for

**Brexit:** We will see the referendum on UK membership of the EU in June. How will the UK vote? If we stay in then it's business as usual, if we vote to come out, then this will have a dramatic impact on cross border grant-making, environmental funding, human rights funding and advocacy, as well as a host of other impacts that will take years to unravel and understand.

Watch for

Will we see the much promised plans to repeal the Human Rights Act and bring in a **British Bill of Rights, or not?** Funders think the existing Human Rights Act will be much harder to defend in the current climate of fear and cuts.

*"The concern, fueled by leaked reports, is that the government will use a stalking horse, extreme proposals that they can safely retreat from in order to slip through proposals that appear more reasonable but that still weaken human rights law and protections."*

**Coordinator,  
Funders' Collaborative, UK**

Watch for

**Scottish Government Elections in 2016** – will the SNP's manifesto include a commitment to a second referendum, or as one EU wag called it: the 'neverendum'.

## What issue or field of practice do you predict will become more important in 2016?

### Issues

- **Homelessness and housing costs:** resulting in the increased ghettoisation of city centres, especially London. There is both a very visual aspect to this in the numbers of homeless on our streets and a hidden aspect in pricing young people out of any kind of rental or purchase, forcing them to sofa surf or stay in the parental home.
- **Sexual violence against women and girls:** High profile convictions during the past two years is encouraging greater reporting of violence and abuse, leading to overwhelmed services.
- Our ability to look after an increasingly **aging population**, many of whom live with dementia, cared for by a lowly paid, poorly trained workforce will be seriously challenged. The Introduction of the living wage will force this into the limelight.

## Grant-making

- **Diversity:** A report from Trust Women, published late in 2015 sub-titled: Why Are There so Few Women on the Boards of UK Grant-making Trusts? showed that on average there is currently one woman per board, leaving grant-making very much in the hands of white men. This provoked a wider conversation amongst forecasters at the Ariadne UK round-table in London. On a show of hands of those in the room (deeply unscientific), two Ariadne participants worked for, or were part of, all male boards, but around half of those in the room worked for, or were part of, all white boards. There is a desire, amongst Ariadne participants to see this change, although a recognition that it will be more difficult for family foundations to tackle this. For participants this came from a sense of fairness, from the knowledge that diversity improves decision-making and that a more representative board is a way of trying to address the power dynamics of grant-making. Ariadne members overwhelmingly provide grants to support marginalised groups, but, as one forecaster asked, how many of them include the voices of those who have direct experience of these problems they are trying to address?

### Thinking ahead



*Getting your house in order on board diversity in 2016, could avoid some difficult public questions and reputational damage to your organisation later.*

*“There is a rise in a new type of grant-making that will shift the old power dynamics around – moving away from a bunch of middle aged men in a board-room making decisions.”*

**Senior Programme Officer,  
Private Foundation, UK**

- Ariadne participants think that as grant-makers come under more **public scrutiny** with more pressure to be accountable, this will be an issue of increasing importance in 2016. This also fits in with new ideas about Disruptive Philanthropy, a term encompassing experimental ways of grant-making that challenge areas such as decision making (participatory grant-making) and funding mechanisms (investment platforms: crowdcube and ethex.
- **Divest/Invest:** The other trend forecasters point to is increasing scrutiny of how a foundation’s assets are invested. It is predicted that the divest/invest campaign will go mainstream in the UK (not so painful when oil prices are so low), but this scrutiny will also spread to gambling and tobacco and the treatment of women in supply chains.

# Which issue or field of practice do you think will diminish in importance in 2016?

*“Crisis support will overshadow work around disabilities, equalities, and older and younger people.”*

**Director of Grant-making,  
UK Foundation**

*“A triumph of activity over progress...the drumbeat around social investment will diminish and it will join the orchestra.”*

**CEO,  
Family Foundation, UK**

## Issues

- Many funders think that work on specific areas of focus will be in decline as **UK funders firefight** and try to cope with the scale and magnitude of government cuts.

## Grant-making

- **Social investment** will cease to be a shiny new activity and will settle to become part of ordinary activity.



# United Kingdom: What are your 2016 wildcards?



## 2016 Ariadne Forecast:

# At a glance

| Trends  | Global   | France  | Italy  | The Netherlands   | UK  |
|---|--|---|--|---|---|
| How do you expect your practice as a funder to change in the next twelve months?                                      | Migration<br>Closing space<br>New roles for foundations:<br>Interventionist model?   | A new role for donors in austerity?<br>Stronger collaboration<br>More regional initiatives  | How to do more with less<br>More systemic dialogue among funders<br>More strategic philanthropy  | Migration and Integration<br>"Brokers of Cooperation"<br>Freedom to fail  | Funding enterprise-based models<br>Changing role of programme officers<br>Collaborative   |
| What do you expect to be the most pressing challenges facing your grantees in 2016?                                   | Closing space for civil society<br>New ways of doing business  | Austerity<br>Professionalisation  | Financial and social sustainability  | New streams of funding<br>Multi-layered cooperation   | Dealing with austerity<br>Closing space for civil society   |
| What political events or sequence of events do you predict will have a substantial effect on your area of specialism? | Global instability<br>Migration<br>Clash of titans   | Polarisation of French society around migration and religion  | Instability in the Mediterranean and Middle East<br>Economic crisis<br>Child poverty   | Migration<br>Fragmentation of Dutch society<br>Growth in the sharing economy  | Migration<br>Focusing on inequality and poverty<br>Criminal Justice   |
| What issues do you think will become more important in 2016?  | Counter-terrorism and "securitisation" of public policy<br>Equality on grounds of ethnicity<br>Peace in Syria<br>Influence of cooperate actors | Vulnerable populations<br>Development of structured Muslim giving<br>Support to women linked to migration                                   | Migration and Integration<br>A focus on the younger generation<br>Unemployment   | Countering violent extremism  | Homelessness and housing costs<br>Sexual violence against women and girls<br>Aging population   |
| What field of practice do you think will become more important in 2016?   | Participatory funding vehicles<br>Scrutiny of trusts and foundations' investment and hiring policies<br>Technical and digital tools            | More collectives of funders<br>"Economie sociale et solidaire"  | Impact investing<br>Social innovation and entrepreneurship<br>Funders become more aware of their specific added value                                  | Participatory grant-making<br>Trans-gender and inter-sex rights<br>Digital security<br>Informal organizing  | Focusing on diversity<br>Disruptive Philanthropy<br>Divest/Invest   |
| What issues do you think will diminish in importance in 2016?   | Funding for HIV<br>Abortion rights<br>Economic crisis  | Cultural projects<br>Less visibility for women's issues   | Unfocused support to cultural projects   | Blind Altruism<br>Funding for culture and nature  | Work on specific areas as funders focus on crisis support   |
| What field of practice do you think will diminish in importance in 2016?  | Human rights language and standards<br>Strategic litigation  |   | Corporate or family funders searching for easy issues to fund<br>Traditional philanthropy  |   | Social investment becomes part of the orchestra   |
| Your wildcards for 2016   | Obama closes Guantanamo as his final act!<br>Break-up of the EU or creation of a 2-tier union<br>Nations unite against corporate tax dodgers!  | More visibility for foundations<br>Removal of tax relief on donations outside France<br>More focus on diversity in the board of foundations | No wildcard – just hard work!<br>Another Mark Zuckerberg – aligns his fortune with SDGs<br>The public sector becomes efficient in delivering services! | Public money to professionalise philanthropy<br>Data analytics allow us to predict the future better<br>Leap in knowledge arises from interdisciplinary collaboration | A new party – equivalent to Podemos or Syriza<br>Development of disruptive philanthropy<br>A common application form finally arrives! |

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## 2016 Ariadne Forecast:

# About Ariadne

Ariadne is a European peer-to-peer network of more than 550 individuals from 190 grantmaking organisations in 25 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.

For more information, please have a look at our website: [ariadne-network.eu](http://ariadne-network.eu) or contact us: [info@ariadne-network.eu](mailto:info@ariadne-network.eu)

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