

## C20 Working Group 9 Policy Brief

### Philanthropy For Sustainable Development

The G20 governments under the Brazilian presidency have made a firm commitment to transform the multilateral system to make it more fit for purpose to address today's global challenges, with action on the climate crisis and global inequalities and inequities hindering progress on sustainable development and economic prosperity. In this regard, **the G20 must value and strengthen the partnerships with philanthropy networks, corporate and community foundations, advisories, support organisations, academic centres, individual givers, and other funders from around the world (hereafter "philanthropies") to promoting a truly transformative sustainable development and promote effective responses to these complex societal and climate challenges and guarantee the social, economic and environmental rights, while leaving no one behind<sup>i</sup>.**

Philanthropies are addressing systemic issues by supporting transformational change. They are uniquely positioned to do so for numerous reasons:

- Philanthropies provide resources and support **bold and transformative visions of Civil Society Organisations (CSOs)<sup>ii</sup>** and grassroots organisations that are tackling the polycrises of climate<sup>iii</sup>, social and economic inequalities and inequities at the local level<sup>iv</sup>;
- Philanthropies' unique flexibility and **ability to take risks, while remaining compliant to due diligence requirements, enables them to partner with grassroots organisations and communities** more holistically, and support and elevate community philanthropy and community-led solutions that can enhance trust between society and government;
- Philanthropic organisations **contribute to social and environmental change**, by supporting process to identify data and knowledge gaps necessary to inform responses and policies aimed to tackle structural challenges; and
- Philanthropies bring **political capital as trusted intermediaries, enablers or facilitators between governments and civil society organisations** to promote substantial shifts in mindsets and policy directions.

We call on G20 Leaders to commit to the following recommendations:

## 1. Addressing inequalities and preventing exclusion in sustainable development

Philanthropies are key partners<sup>v</sup> for G20 governments and public development banks in influencing the multilateral system to address local needs and systemic transformations. G20 governments should:

**1.1 Leverage the G20 space to address global inequalities and inequities, promote accessible and affordable financing<sup>vi</sup> and increase trust in the multilateral system by establishing an ongoing cross-sector engagement platform at the G20 that is inclusive of philanthropy<sup>vii</sup>, with commitments that reflect the principle of common but differentiated responsibilities, with the aim of ensuring continuity in the transition from a Brazilian to South African G20. This could be a **philanthropy sub-group of the Sustainable Finance Working Group (SF WG)** as a follow-up accountability mechanism to explore commitments of patient philanthropic private capital to sustainable development and climate finance<sup>viii</sup>.**

**1.2 Invest in policies and programs that address the interconnectedness of different environmental, climate, social, ethnic-racial and economic challenges<sup>ix</sup>** by taking an intersectional approach and tackling the inequalities and inequities when responding to climate change and other current crises. Philanthropies are uniquely positioned to bridge the public policy gap in addressing issues related to under-represented, marginalised and socio-economically “invisible” communities historically left out of policy discussions<sup>x</sup>.

**1.3 Ensure green transitions are just and do not leave anyone and any place behind<sup>xi</sup>** by engaging with historically discriminated populations and at risk of further exclusion<sup>xii</sup>.

## 2. Unlocking catalytic finance for sustainable development and just transitions

The G20 countries and other financing actors, including philanthropies, need to cooperate – not just to mobilise greater funds but also to ensure that resources broadly<sup>xiii</sup> are accessible<sup>xiv</sup>, adapted to the needs of local communities, helping to protect their rights, and meaningfully engage implementers including entrepreneurs, civil society, and historically marginalised communities. For this, philanthropies have demonstrated their ability to mobilise funds<sup>xv</sup> and spark an economic multiplier effect<sup>xvi</sup>. The G20 governments should:

- 2.1 Support efforts to reform and develop a fairer international tax system<sup>xvii</sup> that represents a renewed international social contract focused on the collective global mission of addressing the climate crisis and tackling social inequalities, while ensuring international cooperation on wealth redistribution.
- 2.2 G20 governments should strengthen the quality and scale of existing Multi-Stakeholder Platforms (MSPs) networks with the philanthropic sector, and invest in the establishment of new Public-Private-Philanthropic-People<sup>xviii</sup> partnerships (PPPPs), through government authorities at all levels. The G20 should encourage meaningful participation<sup>xix</sup> of diverse philanthropies<sup>xx</sup>, including community and corporate foundations, to improve<sup>xxi</sup> and increase private catalytic capital mobilisation<sup>xxii</sup> for systematic, collective and plurilateral action<sup>xxiii</sup>.
- 2.3 Reform international financial institutions, Multilateral and National Development Banks<sup>xxiv</sup>, and other funders to ensure a continuum of capital is invested while guided by common values<sup>xxv</sup>.
- 2.4 Facilitate tax-effective<sup>xxvi</sup> cross-border<sup>xxvii</sup> funding and “patient philanthropic capital” investments in country-owned, co-designed development projects to close the SDG financing gap<sup>xxviii</sup>. Unhindered civil society access to resources, including international donations, is an inherent part of the human right to freedom of association<sup>xxix</sup>.

### 3. A new global cooperation framework

To deliver effective, inclusive, sustainable and locally led development<sup>xxx</sup> to realise the SDGs<sup>xxxi</sup>, G20 governments and philanthropies should better align goals and activities to enhance partnership. G20 leaders should:

- 3.1 Create a common taxonomy that facilitates cohesion between philanthropy and G20 governments, assesses the contribution of the philanthropic sector and its impact, and establishes benchmarks for the philanthropic sector<sup>xxxii</sup>. A taxonomy or national strategy<sup>xxxiii</sup> can cover the legal forms and governance models in place, tools and funding mechanisms developed to conduct the sector’s philanthropic activities, the wide spectrum of philanthropic capital deployed, and type of impact on national and global sustainable development<sup>xxxiv</sup>.

**3.2 Work to remove barriers to mobilising philanthropic capital and not obstruct the flourishing of a “culture of giving” at country level<sup>xxxv</sup>. This is done by:**

- a. **Addressing bank de-risking policies, anti-money laundering regulations and other regulatory barriers faced by accountable, legalised, transparent and effective CSOs and local philanthropies<sup>xxxvi</sup>. Government should work with financial service providers to ensure that CSOs and local philanthropies can set up accounts, process donations and payments in a transparent way.**
- b. **Reducing regulatory burden, simplify administrative processes, and creating organisational and legal forms that facilitate a wide spectrum of CSO funding and social purpose activity<sup>xxxvii</sup>.**
- c. **Investing in upskilling programs for the national administrations, increasing government capacity in particular on the subnational level needed to apply existing laws and regulation, and feed into regulatory simplification efforts down the line<sup>xxxviii</sup>.**
- d. **Co-developing strategies with philanthropic actors to widen access of funding and investment to small and non-formalised entities<sup>xxxix</sup>, allowing them to benefit from a diversity of options to strengthen their work and experiment with various paths to impact at the beginning for their journey.**

**3.3 Invest in evidence and data to enhance philanthropic involvement in public policy and strengthen evaluation mechanisms<sup>xl</sup>.**

#### **4. The importance of protecting civic space**

G20 countries must commit to just, accessible and equitable finance by proposing new models that are responsive to marginalised communities in need. Philanthropies can support the G20 in this aim<sup>xli</sup>. While philanthropy remains a vital part of civil society, it also stands outside it as a funder and conduit of assistance to civil society, with ties internationally and to the private sector and therefore can serve as conveners of actors across sectors<sup>xlii</sup>.

**4.1 G20 should meaningfully and consistently<sup>xliii</sup> engage with civil society, recognising their role in fostering democratic governance and building fair, more sustainable societies, ensuring input into policymaking<sup>xliv</sup> from diverse civil society, which**

includes youth-led organisations and movements, local communities, grassroots movements and volunteers<sup>xiv</sup>, indigenous peoples<sup>xvi</sup>, traditional communities, afro-descendant peoples, and other racial and ethnic minorities.

**4.2 G20 countries should partner with philanthropic actors, who have a convening role, to strengthen civic engagement, with special regard to historically marginalised populations, notably by simplifying communities’ and grassroots organisations’ access to the necessary networks, resources, mentoring, and capacity building to enhance the impact of their work.** This requires facilitating more long-term, flexible<sup>xlvii</sup> financing — particularly grant-making — and investing in an infrastructure and ecosystem for local giving to grow local resources for locally-led development.

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<sup>i</sup> A call for immediate transformative policy action to address the polycrisis (or meta-crisis) as shared across global platforms, with the [C7](#) (Civil Society at the G7) highlighting that “the compounding impacts of climate change, economic shocks, the consequences of the pandemic and the alarming increase of conflicts and wars, have been exacerbating the already unacceptable social and economic inequalities”.

<sup>ii</sup> For example, OECD netFWD endorsed the Guiding Principles for Financing Climate and Health Solutions at COP 28. The principles establish a shared vision and build coherence for financing between different funders. And at COP 28, [OECD netFWD launched a Call to Action for Gender-Responsive Climate Action](#) that further recognised the need for philanthropic actors to help break silos in gender and climate financing. As of May 2024, a total of 14 organisations have signed the Call to Action.

<sup>iii</sup> The [Global Methane Pledge](#) illustrates philanthropy’s role in supporting climate action. Launched at COP26, the Pledge is a commitment by participating countries to take voluntary actions to contribute to a collective effort to reduce global methane emissions by at least 30% from 2020 levels, by 2030. To deliver this commitment, High Tide and several philanthropies joined efforts to fund the Global Methane Hub, which supports governments to achieve the Global Methane Pledge.

<sup>iv</sup> The philanthropic sector has a shared agenda of social change for good that has the potential to break policy and sectoral silos while simultaneously delivering on multiple global goods.

<sup>v</sup> Philanthropies are already leading on resourcing to target intersectional inequalities and inequities, and have the power to signal political will to engage in structural issues and support governments to catalyse system change. At the New Global Financing Pact Summit (Paris Pact for People and Planet) in June 2023, 19 philanthropies signed

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OECD netFWD-convened [communiqué](#). By signing, these organisations committed to fund and scale climate and development efforts.

<sup>vi</sup> This type of financing to help low- and middle-income countries achieve the transformation towards net-zero, circular, and nature positive economies should be adequate, unconditional, new and additional, public, and non-debt-creating.

<sup>vii</sup> Key development finance documents refer to philanthropy's role in mobilising investments and contributing to G20 discussions. These include the [Addis Ababa Action Agenda on Financing for Development](#), which has an entire section on philanthropy (Para 42): "We recognize philanthropic donors' flexibility and capacity for innovation and taking risks, and their ability to leverage additional funds through multi-stakeholder partnerships." Also see references to philanthropy's role in the [G20 Principles to Scale up Blended Finance](#) and the [G20 Financing for Sustainable Development Framework](#).

<sup>viii</sup> In addition, building on the learnings of WG9 on Philanthropy for Sustainable Development, we advocate for continued formal philanthropic engagement in the G20 process to strengthen a united and collective voice of philanthropy. This can be a continuing C20 working group on philanthropy for sustainable development or a formal engagement group to ensure long-term goals and knowledge transfer between presidencies.

<sup>ix</sup> The synergy between climate action with other planet health/action priorities was mandated by [all three of the Rio Conventions](#).

<sup>x</sup> Philanthropy can play a proactive role in building political coalitions to pass policy reforms, reaching out to traditional and indigenous communities disproportionately impacted by current crises; those living in informal settlements and in localities with poor access to services, infrastructure, and rights to adequate housing; as well as those who have been systematically excluded or discriminated against, due to age, race, gender, religion, sexual orientation, disabilities, and conditions such as autism. The Leave no one behind (LNOB) is set out in the UN [Shared Framework on Leaving No One Behind: Equality and Non-Discrimination at the Heart of Sustainable Development](#).

<sup>xi</sup> This also requires strong accountability mechanisms, including through the protection of civic space, that ensures a whole-of-society approach towards a common goal.

<sup>xii</sup> Such opportunities can be incorporated into national multi-sectoral strategies that include specific roles for philanthropies, leveraging their access to resources, leadership networks, and innovation, as well as their relationships with local actors (including activists, farmers, MSMEs, and communities). This includes designing, developing and implementing employment and livelihood opportunities with those at highest risk of exclusion, such as youth and other groups who may be left behind in a Green Transition economy. Adaptation projects should be implemented to facilitate traditionally excluded communities to prosper in their indigenous lands if they wish to do so.

<sup>xiii</sup> Resources include volunteerism and other unpaid technical assistance, knowledge transfer, and capacity building.

<sup>xiv</sup> The Civil 20 Working Group 3 on Environment, Climate Justice & Energy Transition has urged G20 countries to mobilise financial resources, finance and technical assistance to support this clean energy production while ensuring that energy transition processes do not increase the cost burden for the poorest consumers.

<sup>xv</sup> In 2019, [research](#) showed philanthropic organisations raised \$1.5 billion for climate finance. At COP 26, a \$10 billion investment was announced by a partnership between philanthropic institutions, investors, innovators, energy companies and governments.

<sup>xvi</sup> Philanthropy's social return on investment (SROI) also generates an economic multiplier effect, with a potential of approximately 10% contribution to GDP across economies, according to [research by CITIbank's GPS team](#). [This includes leveraging domestic resource mobilisation]. Research from the [OECD Centre on Philanthropy](#) indicates that domestic foundations in developing countries provide 20% of total philanthropic financing. Philanthropic organisations operating in emerging markets increased from 143 in 2015 to 205 in 2019 and contributed \$42.5bn to development outcomes between 2016-2019.

<sup>xvii</sup> To strengthen trust in the multilateral system and mobilise greater resources for climate and development financing, there should be supporting implementation of the United Nations Framework Convention on International Tax Cooperation (UNFCITC) and new mechanisms of wealth taxation. A group of [Global South and](#)

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[international organisations](#) have called for the creation and implementation of the UNFCITC. The Foundations 20, representing 80+ international foundations, also [urges the G20](#) to implement comprehensive debt relief and tax reforms that incentivise green investments, disincentivize environmentally harmful practices and promote financial transparency and equity in resource allocation.

<sup>xviii</sup> The acronym although long includes a fourth P for 'People' to ensure that wider society and those affected by decisions are involved.

<sup>xix</sup> The G20 must upscale these MSPs, and ensure that philanthropy has a seat at the table in its initiatives, such as the G20 [Task Force for the Mobilization against Climate Change](#) (TF CLIMA). After the [G20 - Finance in Common \(FiCS\) Joint Event](#) in May 2024, FiC Chair Remy Rioux noted: "In terms of regulation, participants noted the role of governments in easing constraints and setting incentives for blended finance transactions to be scaled-up, including via adjusted capital requirements, specific targets for PDBs on the use of catalytic capital, and [incentives for philanthropies to increase their share of de-risking investments](#) (emphasis added)." This would include philanthropy's responsible involvement in blended finance and pooled funding such as Just Energy Transition Partnerships (JETPs).

<sup>xx</sup> Philanthropy has a role in demonstrating the viability of these investments and shape market perceptions because philanthropic organisations are well-equipped to adopt business-unusual financing models and provide flexible, adaptive and long-term funding. Philanthropy doesn't just happen at a global or national level. Due to their flexibility, philanthropies are also well placed to support local communities in catalysing local/community philanthropy efforts with an aim to support communities in elevating their own assets and agency to address their self-defined needs and with a long term view towards sustainability, innovative finance models and philanthropy's role in supporting and elevating philanthropic movements and initiatives at a community level. Evidence shows how transformative multistakeholder finance models can really seed and catalyse local philanthropy initiatives. [Community Alliance of Baja California Sur in Mexico](#) mobilised US\$ 6 Million in a multistakeholder effort to address a medical supply shortage and food crisis caused by the COVID19 pandemic, bringing together 200 organisations including philanthropy, businesses, and several levels of government including the military. Global Giving shares similar examples in its position paper [Transforming Philanthropy & Aid through New Models of Funding and Partnership](#), and its [blog series on risk-sharing in partnerships](#) to support community philanthropy.

<sup>xxi</sup> The G20 countries and multilateral development banks already promote joint, multi-stakeholder mission alignment (with philanthropy sometimes playing a key role). The Brazilian public development bank BNDES pooled philanthropic capital and public capital to [strengthen public health systems](#), and BNDES gave [match-funding](#) to support local action on climate and Amazon protection. The Innovation Lab of the Inter-American Development Bank (IDB Lab) and the regional philanthropic network Latimpacto created a pooled fund, the [Catalytic Green Fund](#), which supports initiatives that promote Net-Zero solutions in the Amazon basin. Philanthropy recognises that private profit should be balanced with public interest so that concessionary philanthropic capital can abate fiscal risks to the public purse while generating appetite for green sustainable development investments, help Small and Medium Enterprises with blended finance, and ensure transparency and accountability in multi-stakeholder partnerships to avoid hidden debts in these arrangements.

<sup>xxii</sup> The [G20 for Impact](#), a coalition of 40+ international and Brazilian foundations, think-tanks, systemic innovators and social entrepreneur networks urges the G20 to use catalytic capital to leverage at least 3 to 4 times the commercial capital by establishing a Global Rotating Blended Catalytic Fund via one time philanthropic and percentage of DFI investment and replenished by successful returns from operations, and to optimise the operations of the International Environmental and Climate Funds to provide large-scale catalytic capital to blended financing structures as recommended by [Go! Blended](#), in order to attract substantial commercial capital.

<sup>xxiii</sup> New partnerships with governments can support the development of tools and methodologies for assessing both financial returns and social outcomes of investments for philanthropies which can then be published with official data on the impact of philanthropy's funding of wider civil society. The World Association of PPP Unit and Professionals emphasises the transformative capacity of public-private philanthropic partnerships. Its [research](#) with The Partnership Initiative (TPI) identifies the six roles of philanthropy in activating PPPs, including initiating partnerships, co-creating solutions, providing funding, building partner capacities, derisking projects, and enabling iterative learning. Please see other publications by [TPI](#) and [WAPPP](#), which has published a [PPPs Library](#).



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xxiv MDBs should enable small non-formalized entities and individuals to obtain different types of funding and finance to allow experiments in various paths to impact.

xxv This means not only increasing the availability of concessional funding and blended finance but also reforms to democratise decision-making governance by guaranteeing more voice and participation of the Global South. The European Union committed itself to a values-driven, transparent [Global Gateway](#) partnership with countries targeted for investment to reduce global inequalities, inequities and narrow the global infrastructure investment gap worldwide in alignment to the UN's Agenda 2030 and the Sustainable Development Goals, as well as the Paris Agreement. And [Article 1](#) of the agreement establishing the European Bank for Reconstruction and Development (EBRD) sets as a guiding aspect that the bank supports reforms that strengthen democracy.

xxvi [Transnational Giving Europe network](#) is a platform for tax-effective cross-border cash donations across 19 European countries to facilitate financial support for CSOs in other countries while benefiting directly from the tax advantages provided for in the legislation of their country of residence.

xxvii The Civil 20 Working Group 10 on SDG 16 and Democratic Governance, Civic Space, Anti-Corruption and Access to Justice discussed the importance of ensuring sustainable funding for CSOs is pivotal, empowering them to sustain their human rights missions and advocacy endeavours. To achieve this, the Working Group discussed, "For civil society to develop relevant agendas and projects, it is crucial to have diverse sources of funding. Therefore, we appeal for global efforts to financially strengthen social organizations, particularly as vulnerable groups are disproportionately affected by shrinking civic space, lack of access to justice, and systemic corruption."

xxviii The G20 can create tax incentives for endowments and local giving in favour of public projects, using peer encouragement, helping pool finance, and creating innovative funds. This can include, for example, a Public-Private Social Fund, bonds and other innovative financial instruments. The philanthropic sector urges the G20 that this is done by providing sustainable, affordable, accessible and predictable development finance and effective means of implementation to developing countries along the lines of the Development Effectiveness Principles promoted at the multistakeholder platform of the Global Partnership for Effective Development Cooperation; while investing in technical assistance, capacity building, and South-South and Triangular Cooperation.

xxix The [UN Human Rights Committee](#) has consistently held that the freedom of association includes "accessing foreign funding and that limitations to it may constitute violations of the right to freedom of association". See also the Report of the UN Special Rapporteur on the rights to freedom of peaceful assembly and of association that sets out [General principles and guidelines on ensuring the right of civil society organizations to have access to resources](#).

xxx The USAID-initiated [Donor Statement on Supporting Locally Led Development](#) aims to shift and share power. It has been endorsed by 21 bi-lateral donors and by more than 20 major international foundations. Most recently, the Funders Forum on International Cooperation Partnerships hosted by the Philanthropy Europe Association - Philea [committed](#) to support locally led development in May 2024.

xxxi Most notably, by strengthening the means of implementation and revitalising the global partnership for sustainable development. i.e. [SDG 17](#).

xxxii For example, the [2022 Global Philanthropy Environment Index](#) (GPEI) evaluates the philanthropic enabling environment across 91 countries and economies. Greater emphasis on data is needed to align more evidence on the impact of charitable giving, while disaggregating comprehensive data can demonstrate which societal groups are systematically underfunded.

xxxiii A [National Philanthropy Policy for Ireland](#) has deepened understanding and knowledge of the sector, created an enabling environment and accelerated engagement with philanthropy in Ireland for social good.

xxxiv The OECD's Centre on Philanthropy's Flagship Report, Private Philanthropy for Development contributes to the growing demand for reliable, comparable data on philanthropy. The [most recent edition](#) shows that the volume of philanthropy for development 2016-2019 reached USD 42.5 billion.

xxxv The T20 engagement group under the Indonesian presidency published a [key policy briefing](#) that urged the G20 to strengthen the enabling environment for philanthropy to participate in blended finance.

xxxvi These are often introduced unintentionally by both government and the financial services sector, and can limit access to banking and other financial services, block cross-border giving and crowdfunding, and impede the ability of organisations and individuals to disperse or obtain national and cross-border funding. Rules, policies and



practices should not impede the use of digital technologies in philanthropy and fundraising efforts. See European Center for Not-for-Profit Law (ECNL) resource publications about [ensuring civil society financial access](#) and the [challenges of bank de-risking](#) due to anti-money laundering (AML) and counter-terrorism financing (CFT) regulations that can have a big impact on CSOs.

<sup>xxxvii</sup> Favourable, flexible, proportional, and purpose-driven sector regulation should align with how CSOs and their funders can operate and grow along their own needs without imposing 'regulatory overkill'. Unlocking capital for local level action means governments must reduce bureaucracy while ensuring compliance, transparency and due diligence, which builds trust in the sector. Philanthropy has a role to play to increase government trust in communities and community philanthropy to manage funds themselves and bring locally appropriate solutions to the table.

<sup>xxxviii</sup> The [2022 GPEI](#) looked at the enabling environment for philanthropy in 91 countries and found that 38% had a restrictive environment, with noticeable disparities between regions when it comes to ease of operating a philanthropic organisation and cross-border philanthropic flows.

<sup>xxxix</sup> An [alliance](#) between Comunalia, Coca-Cola Mexico Foundation, Inter-American Foundation and Mott Foundation supported the work of 15 Mexican community foundations. Philanthropy helped [multiply impact](#) from the articulated work between different actors of the philanthropy ecosystem in Mexico: Some USD \$700,000 in assistance from international donors was matched by USD \$6 million from community foundations and grassroots groups for 80 initiatives to support small businesses, youth and women in humanitarian aid.

<sup>xl</sup> Resources like publicly available databases with examples of successful partnerships between philanthropic foundations and public authorities in the formulation and implementation of public policies could inspire more effective and collaborative partnerships that can promote more inclusive and efficient public policy.

<sup>xli</sup> This involves not only increasing contributions to international climate funds but also removing barriers that prevent funding and support from reaching, and being accessible by, the local level (especially the most vulnerable or overlooked communities). Philanthropies are key partners in the implementation of support structures for these communities through [flexible funding mechanisms that can reach the local level](#), capacity building, and network-building.

<sup>xlii</sup> As the philanthropic sector ([particularly community foundations](#)) can sometimes enjoy greater trust by local authorities and officials in central government, it therefore has a greater responsibility to ensure broad and diverse civil society influence in policy making through convening all stakeholders. Philanthropy therefore provide spaces for exchanges of knowledge and lessons learned, enhance cooperation across sectors, and act as facilitators, enablers or intermediary re-granters to local communities working on priority issues. For example, large international philanthropies like the Bill & Melinda Gates Foundation work through intermediaries and fund organisations such as the African Women's Development Fund, FRIDA, the Global Fund for Women and Mama Cash.

<sup>xliii</sup> Consistent treatment of CSOs, including all social purpose organisations, can create legal certainty on regulatory issues.

<sup>xliv</sup> The policy issues range from sustainable development and locally-led solutions to the protection of civic space itself, ensuring that spaces of influence and policy-making are proactively adapted to incorporate the needs and demands of citizens. This includes building the capacity of public officials for implementing improved legislation on the protection of civic space, strengthening institutions designed to increase transparency and accountability, and the flexibility to respect civil society's potential for self-regulation.

<sup>xlv</sup> In the Mexican state of Jalisco, [community foundations convened](#) more than 400 volunteers and 255 organisations from the public, private and civil sectors to input more than 400,000 views into the [update of the State Development Plan 2013-2033](#).

<sup>xlvi</sup> This engagement should be done in the full respect of indigenous peoples' right to self-determination, as codified by the [UN Declaration on the Rights of Indigenous Peoples](#).

<sup>xlvii</sup> Philanthropies can provide financing that is more flexible and adaptable than other funders and partners, better reflecting the needs of grassroots movements, youth-led and disability organisations and other civil society actors. Groups from marginalised communities, for example, might require more unrestricted funding that allows them to build capacities and leadership. Similarly, the [growing trend of start-up youth-led social benefit enterprises](#) and

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youth organisations can benefit from more flexible financing arrangements that better reflect their needs. Such funding cannot be done in a case-by-case funding strategy. Rather, funding opportunities should be provided through networks and long-term strategic engagement and capacity building to fundraise and engage with donors. Philanthropy’s monitoring and reporting systems can also be simpler and more accessible to CSOs that might lack the resources and capacity to undergo burdensome processes. Findings from the OECD Centre on Philanthropy Report on Flexible Financing in [No strings attached? Making sense of flexible financing in philanthropy](#) demonstrates the importance of this. Flexible funding represents around 16% of all philanthropic donations, or 19% of all philanthropic funding 2016-19. Non-governmental organisations, particularly those headquartered in low-income countries, emerged as the most likely beneficiaries of general support. Furthermore, the report identifies a recent upward trend towards more flexible giving, peaking at 20% of yearly giving in 2021 on average. The trend is driven by a few organisations that have increased the proportion of general support in their annual funding. Flexible financing among large philanthropic donors went from about 5% to 20% between 2000 and 2021.