



PHILANTHROPY IN TRANSITION

Moving from discourse to action on systems change

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Philanthropy in transition: Moving from discourse to action on systems change

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October, 2026

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Our special thanks go to the six foundations whose experiences are central to this report: BBK Foundation, Co-Impact, the Daniel and Nina Carasso Foundation, IKEA Foundation, Laudes Foundation and Robert Bosch Stiftung. We thank their staff for sharing their time, experiences and challenges with such openness. Their reflections give the report and accompanying case studies their practical depth.

We are equally grateful to the partners and grantees who contributed their perspectives. Their accounts help us understand how foundations' approaches to systems change are experienced in practice, especially in relation to power, partnership and shared learning.

We also thank the experts who shared their knowledge and challenged our thinking, and the members of the Esade Chair for Social Impact Advisory Committee for their guidance and feedback throughout the research. Their contributions helped us place the foundations' experiences within the wider field and sharpen the relevance of the work for practitioners.

We feel privileged to have learned alongside this community. We hope the report gives something back to those working to translate the promise of systemic philanthropy into meaningful practice.

October 2026

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Preface

Philanthropy has an important role to play in addressing the interconnected social and environmental challenges of our time. Social sector organizations have been criticized for working in siloes, focusing on small parts of a problem without connecting the dots. Foundations can bring independence, flexibility and a long-term perspective and funding to systemic change work. Yet a systemic change perspective also requires them to examine their own assumptions, ways of working and relationships, and to consider how they might have contributed to the conditions they seek to change.

At the Esade Chair for Social Impact, we undertook this research to understand how foundations are navigating a transition towards working in systems. It grew out of six years of facilitating the Community of Practice on Impact Measurement and Management for European Foundations, where systems change has been a recurring theme. Drawing on the experiences of six foundations, the perspectives of their partners and the insights of experts in the field, the report explores three connected questions: how systemic ambitions translate into practice; how monitoring, evaluation and learning can support that work; and which organizational conditions enable it.

The report does not offer a single model for systemic philanthropy. Instead, it brings together research, practical experience, case studies and the Systemic Philanthropy Spectrum, a reflection tool designed to help foundations examine their current practice, discuss where they want to go and identify realistic next steps. We hope this combination helps readers engage with complexity without losing sight of what they can change in their own organizations and relationships.

Our ambition is to support a philanthropic and social sector that learns collectively, tests its assumptions and works alongside communities and other actors with humility and purpose. Systemic change demands sustained attention, honest reflection and collaboration over time. We hope this publication contributes to that work and encourages foundations to move from ambition to practice in ways that are thoughtful, grounded and responsive to the systems in which they operate.



Lisa Hehenberger

Dean of Esade Business School

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Executive summary

SYSTEMS CHANGE HAS BECOME ONE OF THE MOST INFLUENTIAL AND ELUSIVE IDEAS SHAPING PHILANTHROPY. It names an ambition to move beyond alleviating symptoms by funding or conducting isolated projects to developing strategies to help shift underlying conditions that hold problems in place. **Yet foundations are still working out what this means on the ground**, what their distinct role might be amongst many other actors, and how their strategies as well as monitoring, evaluation and learning (MEL) processes and practices as well as their organizations need to change in response. Whilst the field already has guides and frameworks to help philanthropy understand and implement systems change, we believe it is necessary to continually check in and revisit the ever-evolving field reality.

This research consists of a qualitative deep dive into the work of six philanthropic foundations with an intention to engage in systemic philanthropy although they are at different stages of this journey: BBK Foundation, Robert Bosch Stiftung, Co-Impact, Daniel and Nina Carasso Foundation, IKEA Foundation and Laudes Foundation. The initial research question was: *How are European philanthropies approaching systems change MEL?* However, it soon became obvious that it was impossible to isolate MEL from the systems change strategy and process itself, as well as the organizational readiness of foundations to shift their operating models and organizational structures. Thus, the research expanded to include a more holistic investigation of how foundations were approaching systems change more broadly. The **six participating foundations offer a sample with different characteristics** (size, type of foundation, geography, systems engaged in, stage of maturity etc.) to provide a richer portrait of the field reality.

During late 2025 and early 2026, we **conducted over 50 qualitative interviews** (36 with foundation staff, 8 with their partners and 8 expert interviews) **as well reviewing internal and published foundation documentation and conducting an academic and practitioner literature review.** After completing a thematic analysis, we validated emerging findings with over 60 foundations as well as with our Esade Chair for Social Impact advisory committee. The research output has been co-designed and created alongside the European philanthropic community. It is worth noting that the field of systemic philanthropy is evolving rapidly, and the practices of individual foundations may have developed since our data were collected. Nevertheless, our findings capture broader patterns and challenges that remain relevant across the field.

We believe this research makes key contributions: it develops a shared language for systemic philanthropy and goes into significant qualitative depth through a **case-based approach** related to how systemic philanthropy is working 'on-the-ground'. Another contribution is the **attention to partners' perspectives** and conclusion that partners are often pioneering and leading in the field of systemic change and systemic MEL and that foundations can learn more actively from and alongside them.

We have created several inter-connected outputs as outlined below which serve different purposes for distinct audiences. **Whilst the primary audience will be those working within the philanthropic sector, we imagine that others involved in systems change may be interested by this work as well.** A caveat to the research is that it does lead with a philanthropic perspective which might unintentionally reinforce a central vision of philanthropy in systems change. This is far from our aim and in talking to foundations partners we hope to rebalance the philanthropic-centric view at least partially, and we aim to conduct future research which includes more and varied voices on systems change beyond philanthropy. The **interconnected outputs of the research** include:

- **Executive summary:** for an overview of key findings
- **Full report:** for those willing to go into more detail or who are interested in specific areas of our research **with short case studies** of the participating foundations
- **Full case studies** (Bosch Stiftung, Co-Impact, Laudes Foundation): for those who would like to get into the nitty-gritty of individual foundation stories and to have greater detail on these
- **Systemic philanthropy spectrum:** a tool designed for reflection on how to embed systemic philanthropy in your foundation and diagnose where you are on this journey

KEY FINDINGS AND FRAMEWORKS

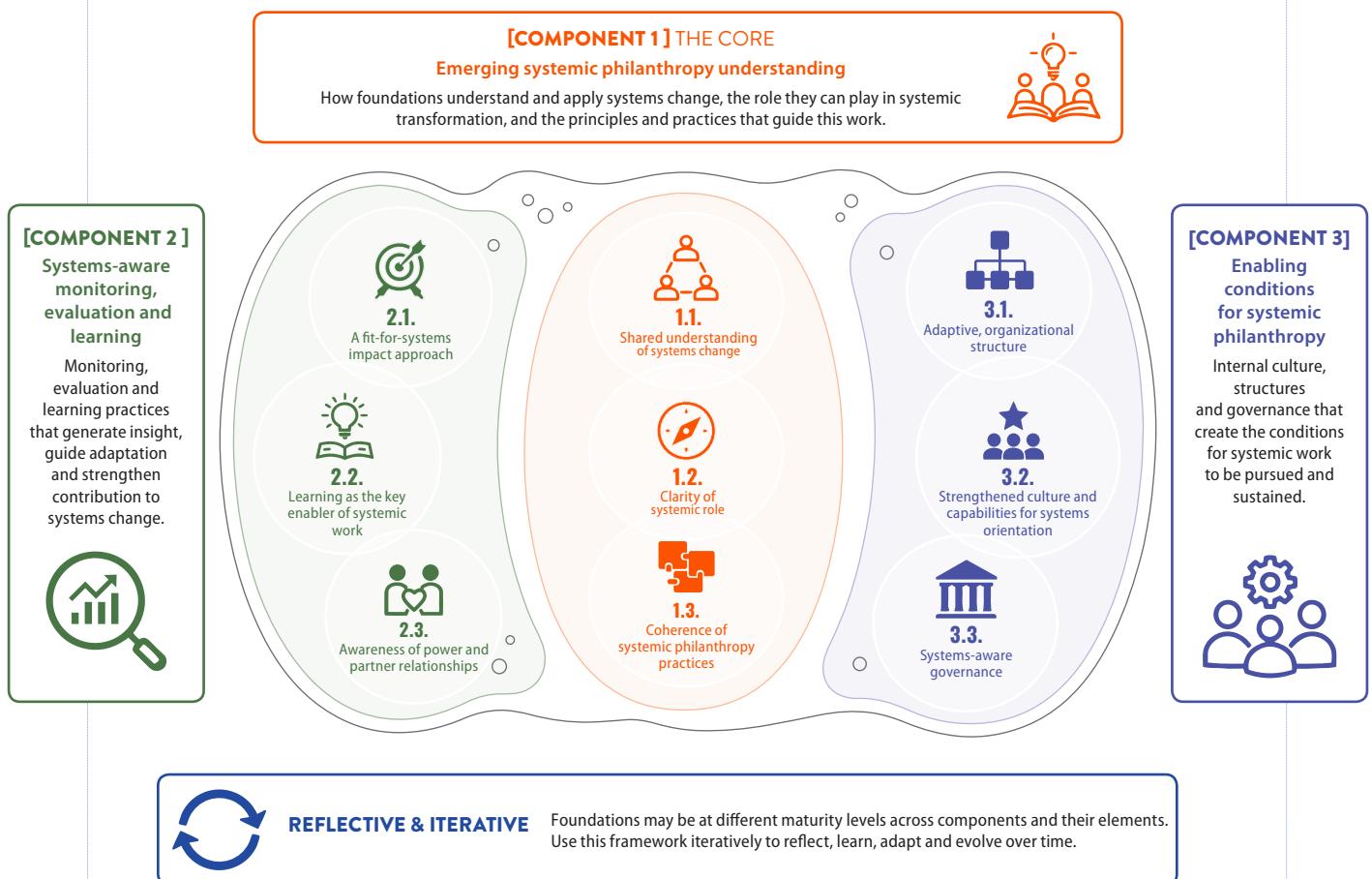
We have developed a key framework which provides the overall architecture of our findings. We propose three core components for engaging in systemic philanthropy.

- **Component One (The Core): Emerging systemic philanthropy understanding.** This explores how foundations understand and apply the concept of systems change, including the principles and practices associated with it. It considers the extent to which foundations make an explicit and formal commitment to systems change, how clearly, they understand the role they can play in systemic transformation, and the degree to which systemic practices are embedded in their ways of funding, operating and collaborating. We consider this the nucleus of systemic philanthropy since like the nucleus of the cell, it holds the master plans (DNA) and is at the heart of decision making,
- **Component Two (The Cell Membrane): Systems-aware monitoring, evaluation and learning.** This investigates how foundations understand, monitor, evaluate and learn about impact and change in systemic contexts. It considers whether change is understood primarily through a lens of attribution or contribution; the purpose of MEL; the approaches and methods used; how learning takes place; and how foundations recognize and respond to power imbalances in their relationships with their partners. We consider this the cell membrane because like the cell membrane, it serves a filtering role, in this case deciding what evidence flows up and down within the organization and more broadly.
- **Component Three (The Cell Fluid): Enabling conditions for systemic philanthropy.** This considers the extent to which the foundations' internal structure, culture, mindsets and capabilities enable systemic practice. It looks at whether the organizational structure supports adaptive, collaborative, and long-term ways of working, whether staff have the confidence and skills to engage with systems change, how HR supports systemic capabilities, and whether the Board and other governance bodies apply a systems lens when making decisions. It is like the cell fluid (cytoplasm) as it holds all parts in place.

We outline a further nine elements related to these components. These are the components and elements that we encourage foundations to consider and take account of in the transition towards embracing systems change. This **framework and tool provides a starting map of the systemic philanthropy terrain as well as trajectory to a desired future** as seen in Figure 1. The tool offers criteria and guidance for beginning a process of reflection and discussion related to where a foundation might be on each of the key elements related to systemic philanthropy.

COMPONENT ONE (THE CORE) – EMERGING SYSTEMIC PHILANTHROPY UNDERSTANDING

FIGURE 1: Core Components and Key Elements of Systemic Philanthropy



SOURCE: authors own elaboration

Element 1.1: shared understanding of systems change

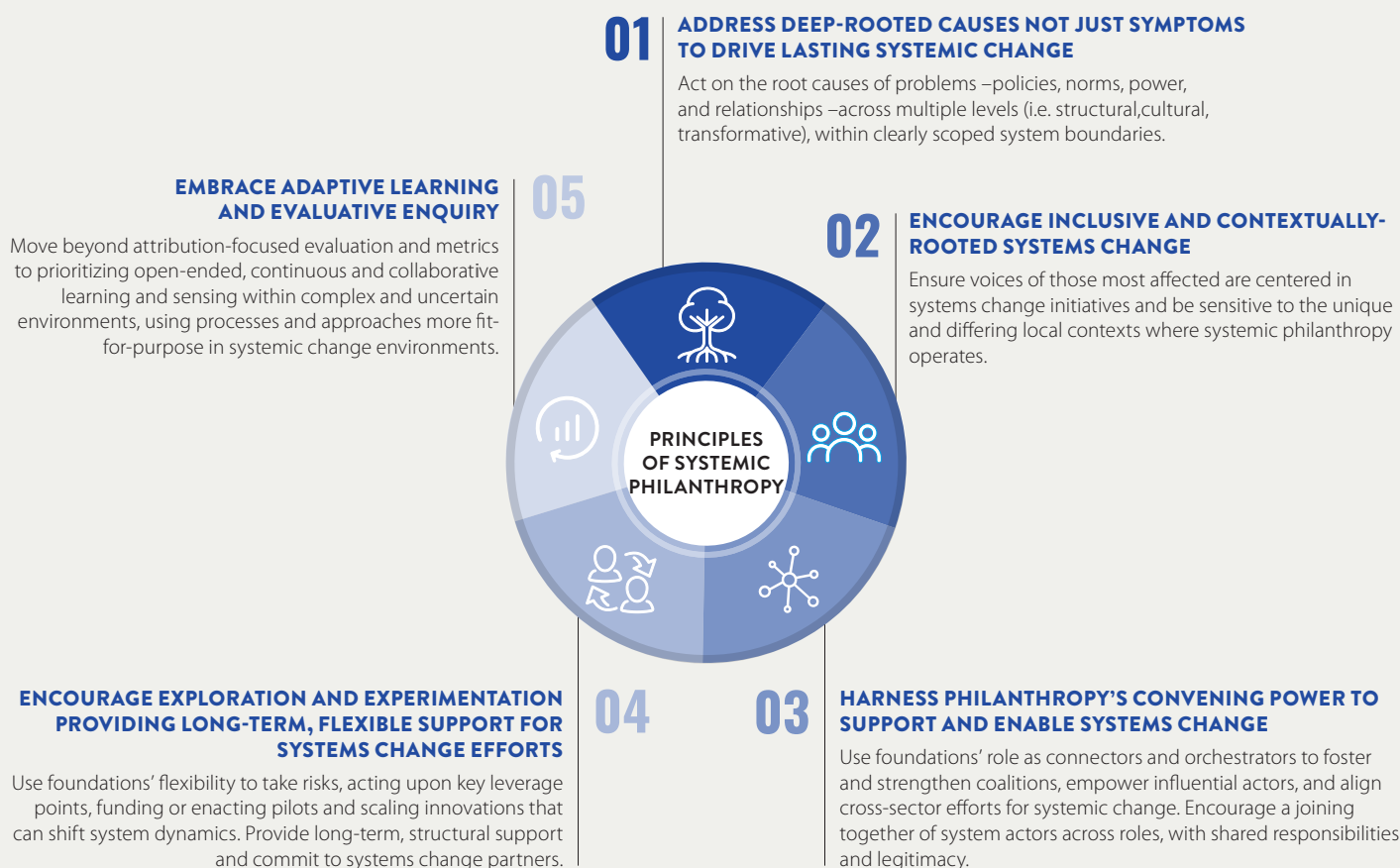
This study defines systems change as ‘the sustainable and long-term transformation of the underlying conditions, relationships and patterns of interaction within a system.’ The systems change field is characterized by overlapping concepts and multiple entry points rather than a single coherent definition. In this context, foundations construct their own bricolage of meanings and tend to be somewhat flexible in how they define systems change. **Systems change may be** a mindset or a lens, an approach to complex problems, a destination in which institutions, policies, markets or norms within a given system have shifted or some combination of these. Alternative language is sometimes used, and meanings may differ within the same foundation. **Partners caution that funder-defined and Global North language can become detached from community realities**, yet they see value in retaining the systems change concept to capture ambitions beyond service delivery.

“For me, systemic change is both what you achieve (what system you are changing) – which would be the impact – and how you approach it (the systemic lens)”

Foundation interviewee, program team

A central finding is **that systemic practice in foundations often develops faster than shared language**. Our hypothesis is that prolonged ambiguity at individual organization and at field level may create confusion. **Whilst not arguing for perfect definitional consensus, we found across our interviews common principles foundations used to describe systemic philanthropy as shown in Figure 2.** These hallmark principles of systemic philanthropy offer an orientation and not a checklist – foundations may relate more strongly to some, the principles may be primarily enacted through partners and none assumes that philanthropy is the leading or dominant actor in a system.

Foundations may find it difficult in practice to ‘walk the talk’ in terms of implementing these shared principles, with perceived reputational risks when they engage in advocacy, practical difficulties remaining close enough to the ground and a long way to go to genuinely embrace divergent voices and change power dynamics. Moreover, foundations can struggle to sustain investments over the time horizons required as governors and staff may lose focus and conviction if they are not seeing systemic change develop. Many of these challenges are associated with continuing doubts over what the role of individual foundation as well as the philanthropic sector could (and should) be within systems change.

FIGURE 2: Hallmark systemic philanthropy principles**[PRINCIPLE 1] ADDRESS DEEP-ROOTED CAUSES NOT JUST SYMPTOMS TO DRIVE LASTING SYSTEMIC CHANGE**

This is the core, foundational principle mentioned by the majority of those involved in the research. The foundations in our study are acting on multiple layers and underlying issues in any given system.

**[PRINCIPLE 2] ENCOURAGE INCLUSIVE AND CONTEXTUALLY-ROOTED SYSTEMS CHANGE**

Foundations are aware that those closest to the ground are the ones with most understanding and agency in addressing the system.

**[PRINCIPLE 3] HARNESS PHILANTHROPY'S CONVENING POWER TO SUPPORT AND ENABLE SYSTEMS CHANGE**

Foundations play an important role as connectors and orchestrators to foster and strengthen coalitions, empower influential actors, and align cross-sector efforts for systems change.

**[PRINCIPLE 4] ENCOURAGE EXPLORATION AND EXPERIMENTATION**

A key feature of systemic philanthropy is the provision of long-term, flexible funds often used for structural support. This is aligned with trust-based philanthropy, where partners are given the space to experiment and grow.

**[PRINCIPLE 5] EMBRACE ADAPTIVE LEARNING AND EVALUATIVE ENQUIRY**

Requires a prioritization of open-ended, continuous and collaborative learning across the system.

SOURCE: authors own elaboration

Element 1.2: clarity of systemic role

“It resonates and at the same time, a lot of us have great doubts as to whether we can do it. Whether it is a task for philanthropy and whether it is feasible. Systems are extremely large, so many powers and different actors: is it possible to make a difference at that level, meanwhile having an ambition to do it? What is it that we can contribute?”

SMT, Foundation interviewee

If systems change requires the collective efforts of multiple actors, the question emerges about what the distinct role of philanthropy is. There is sometimes ambiguity within philanthropy about their role, given the problematic power dynamics as funders within a system. How do they work in the most equitable way, acknowledging the power and history of power imbalances whilst using their unique resources and role? Across foundations, their partners and systems change experts, there was **strong agreement that philanthropy’s contribution extends beyond the provision of financial resources.** While funding remains essential, foundations added value in systemic work also lies in how they use their relationships, legitimacy and flexibility to support systemic impact. In developing their systems strategies, there were **three broad pathways we identified with different foundation roles:**

- **Bottom-up emergence strategy:** partners and those within the system lead on the diagnosis of systemic problems and identify pathways for change. Foundations see themselves primarily as enablers and supporters.
- **Top-down orchestration strategy:** foundations identify key leverage points and actively shape interventions aimed at influencing broader systems.
- **Hybrid strategy:** combining support for system actors with foundation-led initiatives to address system gaps.

Element 1.3: coherence of systemic philanthropy practices

Across the foundations studied, a wide range of systemic practices emerged as outlined in the table below. While approaches differ considerably depending on organizational culture, strategic priorities, and operational models, **a common pattern is evident: systemic philanthropy involves combining multiple interventions and adapting them over time as learning emerges.**

Systemic philanthropy practices in the future need to focus more on the deeper and more hidden parts of systems change (for example, changing narratives and addressing power dynamics). Partners and experts identified that a more ‘social-justice’ oriented systems change lens is needed to engage local communities and co-create solutions with them through more participatory grant-making.

TABLE 1 Systemic practices across foundations

SYSTEMIC LEVER (PRACTICE)		EXPLANATION
	Policy change and regulation reform	Changing laws, rules, standards to shape system behaviour. Philanthropy can support or engage in advocacy, policy design, evidence generation, and policy implementation capacity.
	Solution experimentation / innovation	Help to experiment and test immature solutions that can prevent / address the systemic challenge
	Solution scaling	Help to scale proven solutions that can prevent / address the systemic challenge
	Knowledge and evidence	Foundations can invest in research, learning infrastructures, community knowledge, data systems, and sensemaking processes that inform action and challenge assumptions.
	Human capital development	Build human capital (professionals, leaders) to advance the field
	Orchestration and network	Foster collaboration and bring together actors in the field. This can happen through an orchestrator or an activator role.
	Power dynamics	Change system intervention design and evaluation processes to more equitably include final beneficiaries as co-creators and decision-makers.
	Narrative development	Shift social norms, public awareness and narrative change within the system. Target the problematic mindsets key stakeholders have.

COMPONENT TWO – SYSTEMS-AWARE MONITORING, EVALUATION AND LEARNING (MEL)

Aspects of conventional evaluation can and should be expanded, adapted and tailored for systemic change.

MEL in philanthropy is in a phase of disruption, with partners asking for more participatory and equitable designs and AI re-shaping data collection and evidence generation possibilities. On top of these broader shifts, systemic philanthropy practitioners are having to navigate what it means to do MEL within a systems change context. The conclusion is that systems-aware MEL is difficult, fragmented and still in its relative infancy. **Foundations are in a constant state of negotiation as they move towards MEL approaches more fitting for systemic philanthropy:** between the intuitive, dispersed ways of sensemaking and evidence generation that systems-aware MEL calls for and the quantitative-indicator heavy data that many boards are still requesting; between lightening the reporting load and handing over agency to partners and their desire to be able to aggregate and tell a coherent story of their systemic contribution; between the oversimplicity of log frames and indicators and the perceived over-complexity of some newer systems-aware methodologies.

There is not necessarily a contradiction between these tensions, and they are creatively and inspirationally being managed by participating foundations in our sample as we illustrate, but not

without a form of collective anxiety. We believe that **there is substantial innovation and many green shoots already showing how this transition towards systems MEL is being pioneered.** Many of the partners they fund and work with are illuminating the way, and in their rich discussions with partners, foundations' impact management ideas and approaches are being transformed. **Rather than MEL being perceived as an accountability burden, we see that systems MEL can become a beacon of hope, enabling real-time sensemaking and adaptation among system actors and driving the field further forward.** A systems-aware MEL invites more hopeful and joyful ways of thinking about impact measurement.

Element 2.1: a fit-for-systems impact approach

In complex systems, cause and effect behave non-linearly, outcomes emerge in unpredictable ways across system actors, and then sometimes at a whistlestop pace. In this context, **the more conventional approach to MEL which tries to understand whether projects 'worked' is reframed to understand systemic initiatives as part of a more dynamic ecosystem of actors and influences.** A contribution perspective therefore becomes essential, asking how the foundation, partners, and other actors collectively influence change, each from their respective role. **Systems-aware MEL creates spaces for diverse actors to discuss evidence, interpret progress, and revise strategies collectively.** It means allowing MEL to become more collective and distributed, with the main purpose to learn and collectively make decisions.

Foundations are experimenting with a variety of methods, tools and approaches as they mix the old and familiar with the new and the innovative. They are using methodologies such as: systems mapping; systemic theories of change; developmental evaluation; evaluative rubrics; contribution analysis and outcome harvesting; foresight; and collaborative sensemaking. There are greater use of qualitative evidence, observation and intuition and knowledge of program teams and system actors. Goals and indicators become more provisional – scaffolding for co-ordination and renegotiation within the system.

Efforts to link foundation activities with broad systems change is a complex task with a strong risk of over-claiming and problems aggregating across portfolios. Despite these challenges, foundations such as Laudes Foundation and Co-Impact have developed consistent MEL frameworks to help them to roll up findings from partner to system-level and foundations such as Bosch Stiftung and IKEA Foundation are building greater coherence in their MEL as they transition more to systems strategies. Foundations that are systems-born and have it within their DNA are pioneers and field leaders, whereas foundations which are on the journey of systems change and developing their approach, are in a phase of strong design and development, but may carry legacy ways-of-working, capacities and approaches which can be hard to disentangle and move beyond. They are more in the in-between zone of old and new. However, the process of developing a MEL framework to match their systemic ambitions may enable staff and the Board to get a better understanding of how different initiatives to contribute to broader systemic outcomes.

Element 2.2: learning as the key-enabler of systemic work and Element 2.3: Awareness of power and navigating MEL and partner relationships

“Learning for who is always an interesting question. Are we learning for us as a foundation or are we learning for those who are doing the work? Also, who defines the learning questions? Should we define the learning questions, or should organizations we work with define the learning questions? Or people that are being affected define the learning questions?”

Program Team, Foundation Interviewee

These two elements connect. **A central shift in systems-aware MEL is away from prescriptive reporting and towards joint learning with partners and the system.** This comes back to the key question by who and how impact is defined. In a more traditional approach, the foundation often defines what success looks like, key indicators and reporting formats. This should be flipped in a systems MEL approach: impact and learning questions are shaped by partners, local and system actors and affected communities. Accountability is therefore not only upwards to Boards or funders, but also to communities. Partners are often at the forefront of MEL experimentation, although their capacity and investment is uneven and the legacy of donor-driven reporting remains strong. **The central dance foundations are managing is between structure and flexibility: enough shared architecture to support learning within and outside the foundation walls but enough partner ownership to avoid extractive, burdensome and foundation-centered MEL.** Learning itself must be resourced through time, spaces, incentives, responsibilities and feedback loops; otherwise knowledge remains dispersed in people’s heads and organizational siloes.

COMPONENT THREE – ORGANIZATIONAL CONDITIONS TO ENABLE SYSTEMS WORK

Throughout our research, we have heard that foundations underestimate the structural and cultural change as well as the specific capacity-building that is required for systems work. Assuming they can ‘bolt on’ a systems strategy without changing their operating models and mindsets is a classic flaw of philanthropies navigating this transition.

Element 3.1. Adaptive, non-siloed organizational structure close to work on the ground

An adaptive organizational structure fits collaborative, unpredictable and emergent work better, while proximity to the ground matters for understanding local actors and dynamics. **Foundations are at different stages of organizational readiness in terms of adapting their organizational structure to their systemic ambitions.** Some are still relatively siloed, with little co-ordination or sharing between program teams. Others are facing a certain degree of structural uncertainty that can accompany the transition from more traditional philanthropic programmatic organizational structures towards new teams more fit for systems-change work. The more systems-born funders have shaped and re-shaped their organizations to work at a more cross-program level, investing heavily in coordinating structures and processes.

“It’s quite challenging because the roles are going to change. And it’s one thing to have a vision for the future, but you also need to work through the transition. And you need to deal with the legacy.”

SMT, Foundation interviewee

Element 3.2. Strengthened culture, capabilities and mindset for systems orientation

Across interviews conducted for this research, we heard about qualities associated with systems work: a collaborative culture; thinking and acting collectively; humility; letting go of ego; less control; listening; questioning and curiosity; collective knowledge-building; patience; resilience; trust. These are the footprints of organizations orienting towards systemic work.

Engaging with these qualities, the walls between one foundation and another, and between individuals and the system that is being addressed need to be broken down. In this sense it is important for foundations to develop ways that individuals working in their organizations can reach a place of agency, and collaboration can happen between system actors. A key question is how far a foundation can best enhance its organizational culture and staff capabilities for systems change. HR plays an important role in making it possible to develop right-fit teams for systemic work. However, it is not the case that all those working in systems change need to be trained or natural systems thinkers. **The goal is not to become a systems-thinking organization but to become a systems practice organization.** For inspiration on how to create organizations built for systemic work, **foundations need to look no further than the partners that they work with or fund.** Their innovative, collaborative and equity-based cultures and approaches are deeply embedded: it is not only what they do systemically but how they do it that matters.

‘It’s a huge cultural shift. You need leadership. I think you need people who have the ability to interpret themselves and the organization. It’s more about sense-making.’

Element 3.3. Systems-aware governance

Systems-aware governance means that boards and other governance bodies understand and engage with the systems-change agenda. When foundations are in transition towards more systemic practices, staff and teams may begin to work systemically, but governance bodies may not yet share the same understanding. Systems orientation cannot only remain a staff capability. It needs to reach spaces where strategic oversight and decision-making happen. For this, Boards need to be brought along the journey alongside program teams and staff, immersing themselves in what it may mean to practice systems change and having the space and time to discuss concepts and the foundation’s role. For those working in the field of systems change, it is hard to grasp how intangible, confusing and even radical a step it is to embrace a systems change mindset – it is a significant evolution for philanthropy and Boards need to be supported in their own understanding, with staff open to the challenges, uncertainties and resistance that the approach could trigger.

CONCLUSION

There is a dissonance between systems change language and lofty goals and the messy, disruptive and often deeply uncomfortable work of systems change, which has implications for how foundations reshape and reorient, touching deep cultural issues and sector-wide vulnerabilities. **Philanthropy needs to take stock of where it is and what challenges it is facing in the transition towards embracing a systemic mindset and lens** – to take a reality-check and a hard look in the mirror. It can find its place in the current moment, decentering itself and negotiating power dynamics whilst also recognizing its value and unique potential role within systems change. **The foundations profiled and described in this research have been open and honest, and we celebrate their collective experimentation and intentionality on this journey**, whilst not denying the challenges of their ambitions. Our main message is this: **it can't be business as usual for the philanthropic sector and change from within needs to accelerate**, with appropriate care alongside sector learning to ensure philanthropy can fulfill its systemic change ambitions rather than being seen as a slow-paced sector that likes talking about systems change rather than acting on its possibilities.

We hope to **provide rich stories and useful tools to help many other foundations who are beginning or who are already on this journey towards embracing systems change**. This really is a case of learning together and learning by doing. Throughout this research we aim to be a small piece in unlocking what we see as greater confidence and courage that philanthropy requires – to seize this opportunity, as systems are being disrupted, to engage in this work with humility and seriousness and to continue to learn together and especially from partners and communities with whom they work, who so often are showing the way forward. To dare as a sector to hope that philanthropy can play a role in reshaping systems for future generations.



Introduction and context

OVER THE PAST DECADE, 'SYSTEMS CHANGE' has become one of the most influential ideas shaping philanthropic practice. It offers a big, bold concept to meet the overwhelming and interlocking crises of the current moment, whether that be the climate crisis, ongoing and new conflicts, democratic backsliding and rising inequality amongst other wicked challenges. As many have noted, systems change practices are nothing new, but the widespread and persistent discussion within philanthropy suggests the sector recognizes it as something critical, perhaps a necessary if elusive paradigm shift: from alleviating symptoms to shifting the very conditions that are holding problems in place. Although the term 'systems change' may elicit some resistance, we believe there is something meaningful and important about it that is worth holding on to. As a sector, philanthropy needs to find ways to translate and explain what systems change means to it on the ground (especially to those unfamiliar with the systems discourse) and in practice. It must specifically address what its distinct role might be within the collective systemic change pathways that can be envisaged and pursued by a variety of actors, including communities, other funders, policymakers, public and private organizations and other stakeholders.

The field is already populated with guides and frameworks which aim to help philanthropy understand and implement systems change. But in this fast-moving field, it is important to continually check in and revisit the **field reality**. It is in this spirit, of mutual sense-making and enquiry that this research emerged as the first project for the recently launched Chair in Social Impact at Esade. For some years, ECSI (the Esade Center for Social Impact) has been managing a Community of Practice on impact measurement and management with over 40 foundations in Europe. Systems change has been a recurring topic of interest for members. The initial research question for the project was, *'How are European philanthropies approaching systems change impact measurement and management (IMM)?'* However, it soon became obvious that it was impossible to isolate the measurement, evaluation and learning of systems change from the systems change process and strategy itself, as well as the organizational readiness of philanthropies to shift their operating models and approaches. The research therefore focused on three, inter-connected components of systemic philanthropy which we have overlaid onto the most basic of all living systems, a cell. **The report is structured around these three interconnected components, each sub-divided into further elements.**

[COMPONENT 1] THE NUCLEUS**EMERGING SYSTEMIC PHILANTHROPY UNDERSTANDING:**

Exploring how foundations understand and apply the concept of systems change, including the principles and practices associated with it.

[COMPONENT 2] THE CELL MEMBRANE**SYSTEMIC -AWARE MONITORING, EVALUATION AND LEARNING**

Considering how foundations understand, monitor, evaluate and learn about impact and change in systemic contexts.

[COMPONENT 3] THE CELL FLUID**ENABLING CONDITIONS FOR SYSTEMIC PHILANTHROPY**

The dimension considers the extent to which foundation's internal structure, culture, mindsets and capabilities enable systemic practices.

What is meant by systems change is a question for which significant amount of ink has been penned. At ECSI (the Esade Center for Social Impact) **we use the definition of Donella Meadows** - an influential American environmental scientist - regarding a system as *'a set of things – people, cells, molecules, or whatever – interconnected in such a way that they produce their own pattern of behavior over time.'* Drawing inspiration from both practitioner and academic literature **we define systems change as, 'the sustainable and long-term transformation of the underlying conditions, relationships and patterns of interaction within a system.'** We understand that systems change means engaging with key systems properties such as inter-relatedness, nestedness, non-linearity and emergence (Dentoni et al, 2026). The systems that the philanthropies who play the leading role in this research – BBK Foundation, Co-Impact, Daniel and Nina Carasso Foundation, IKEA Foundation, Laudes Foundation and Robert Bosch Stiftung - are contributing to influencing are sizable and various, including health, education, food, the built environment, fashion, and finance to name a few. Whilst the what and the how of systems change might differ between these philanthropies, there are strong shared principles and practices emerging from this research which we hope can provide orientation and an anchor for the field.

We believe that the core contribution of this research to the field of systems change literature and practice within philanthropy, is in its listening to philanthropic employees and their partners in a range of foundations at different stages of maturity currently navigating this paradigm shift, **which enables us to understand where philanthropy is in this systems change transition versus where it could be and what priorities might guide the next phase.** Bringing this to life through stories and co-creating supporting tools with philanthropies, whilst bridging the academic and practitioner discourse, enables this research to be more participatory and we hope, more powerful. The philanthropies profiled here work across many different systems and in many different geographies. As both grant-making and hybrid grantmaking/operating foundations, with various types of funding and structures, they offer a range of experiences and backgrounds regarding systemic philanthropy and the transition that the philanthropic sector is on. We hope to show the different stages, approaches and features that characterize this philanthropic transition point and to illuminate and capture this particular moment in time. We attempt to draw out the general, whilst being aware of the many specificities and particularities of each foundation and systemic context. Rather than synthesising existing practitioner research, this study contributes new primary evidence to the rich literature on systems change and philanthropy.

Drawing primarily on the experiences and journeys of the foundations in our sample, it builds on existing knowledge while identifying promising directions for future research and practice.

An important caveat is that the research does lead with a philanthropic perspective and a research question emerging from the philanthropic sector. This clearly creates a tension, as systems change involves and engages so many varied and different actors, and this research may unintentionally reinforce a central vision of philanthropy in systems change rather than the communities they serve or other organizations that play a more important role. This is far from our aim and in talking to the foundation's partners with whom they work, we hope to rebalance at least to a certain degree the philanthropic-centric view. We believe that in the future research should incorporate many different voices from across systems to generate a more equitable and rich analysis of the role and practices of different types of actors in addition to the more sector-focused studies such as these.

In order to try to be as practical as possible, we have created tools which we hope will help provide a map of the terrain for those within the philanthropic sector exploring or finding their way. Our own sense as an academic-practitioner center is that ***philanthropy as a sector needs to take stock of where it is and what challenges it is facing in this transition towards embracing a systemic mindset and lens - to take a reality-check and a hard look in the mirror.*** As a field, it needs to come together to move forward – there is a feeling of lostness and uncertainty that permeates our research, but this can be softened by mutual discussion and learning. The dissonance between the systems change language and lofty goals and the messy, disruptive and often deeply uncomfortable work of systems change may engender resistance and overwhelm. Through this research we hope to be a small piece in unlocking philanthropy's greater confidence and courage – to seize this opportunity, as systems are being disrupted and re-designed, to engage in this work with humility, seriousness, and depth, continually searching for clarity and the right next small step.

Without over-stating the role of philanthropy in systems change, it does have a unique position of flexibility and freedom, but it is bound by legacy cultures, risk-aversion and its own demons in the form of unspoken roles in the broken systems we are living with today. There are many examples in the past of philanthropies playing a critical role in reshaping society through broader systems change. We know that systemic philanthropy can be highly impactful, but the ways of the past will not be the ways of the future. ***Philanthropy needs to find its place in this current moment, decentering itself and negotiating power dynamics but recognizing its value and unique role within systemic work as funder, implementer, convenor and catalyst.*** Since systemic challenges are rarely addressed by individual organizations alone but rather distributed across multiple actors, we believe that philanthropy as a sector needs to ***move towards a more hopeful and even joyful agenda***, working within systems to co-develop desirable imagined alternative futures. This means moving towards becoming system stewards rather than imposing any pre-defined agenda. In our parallel academic work alongside this research, we are looking at how the concept of 'hope' might be surfaced and examined within the context of systems change, moving beyond the qualities of 'trust' and 'resilience' that are already embedded and part of the systemic philanthropy discourse.

Many philanthropies find themselves between business-as-usual philanthropy and systemic philanthropy – they are in a transition, ***leaving one shore and not quite arriving at the next shore.*** There is often a period of exploration and investigation, with experiments into the world of systemic philanthropy but without a reframing or reshaping of the foundation and its work. This hybrid point for many foundations is natural. And we are not suggesting that only systemic work is important, that business-as-usual philanthropy ought to be replaced or cast aside or that is necessarily the 'best

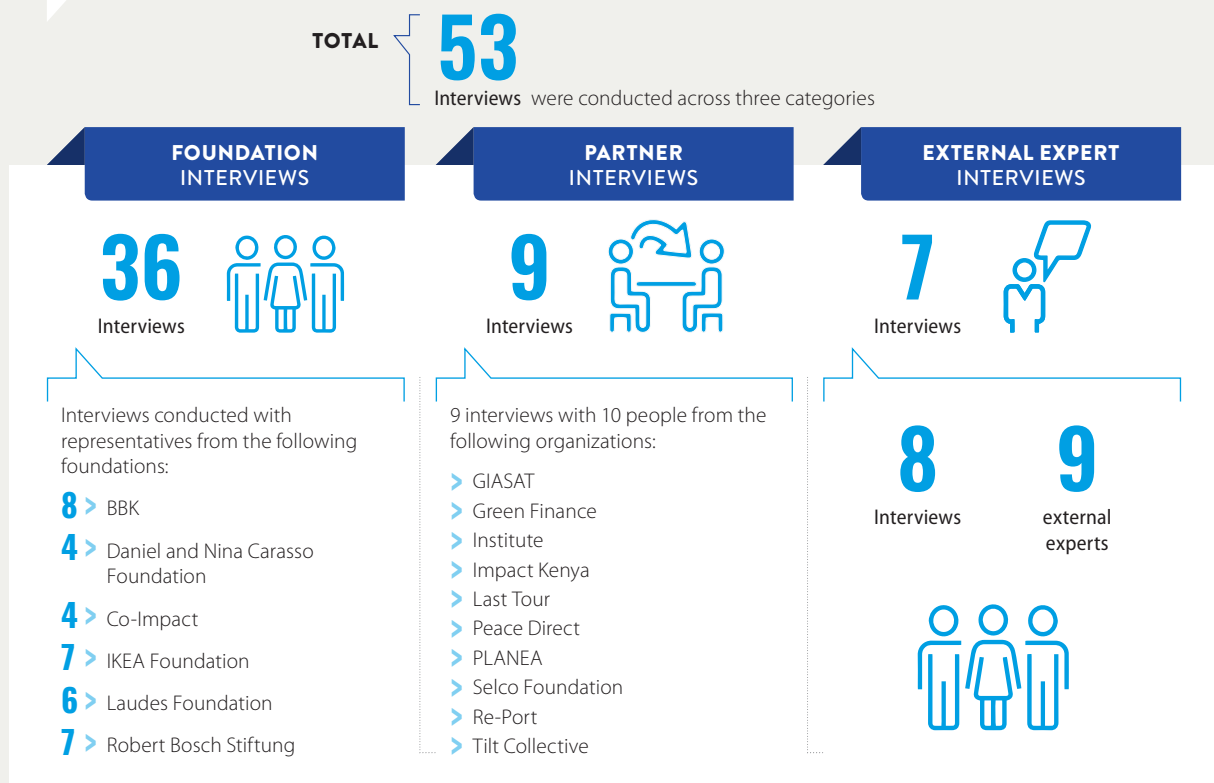
practice'. Rather we recognize that systemic work is important and necessary work for those with the appetite and capabilities to do it and it does offer the potential for outsized impact. But if it is to be done with mast at full tilt, beyond pilots here and there, it will require a reshaping of philanthropic norms and capabilities. ***What will sustain and empower foundations and allow them to make the necessary changes to arrive at the far shore?*** Coming together as communities and engaging with many different stakeholders, most importantly those on the ground whose lives they are designed to affect and the organizations representing and supporting them, is part of this transition process. Much as in systems change itself, ***learning is not the vehicle of change but the essence of change itself.*** We hope to catalyze and offer a container for learning to happen through this research among philanthropies and between philanthropy and other sectors.

METHOD, SAMPLE AND LIMITATIONS

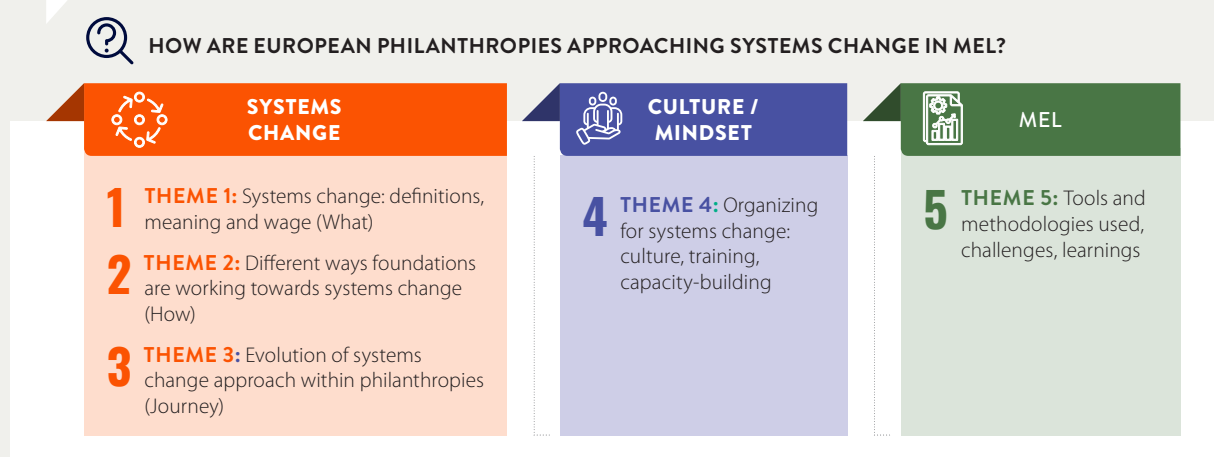
The research consisted of a deep-dive into six foundations which ECSI has worked with over some years, including semi-structured interviews of approximately an hour with a range of senior management team and program team staff, as well as some partners funded by each of the foundations. These interviews were supplemented by discussions with a range of experts¹ on the theme of philanthropy and systems change. The interviews were conducted mainly during the second half of 2025 and the first quarter of 2026. Systemic philanthropy is evolving rapidly, and the practices of individual foundations may have continued to develop since the data were collected. Even so, our findings reveal broader patterns and challenges that extend beyond individual cases and remain relevant across the field.

Figure 3 below illustrates in more detail the number of interviews completed. Some confidential documentation related to systems change and IMM was also shared with the research team.

¹ Adama Sanneh, Co-founder & CEO Moleskine Foundation; Alejandro Alvarez, Vice President Europe Rockefeller Philanthropy Advisors; Alison Whitten, Systems Lab Director; Domenico Dentoni, Full Professor in Business, Resilience & Transformation Montpellier Business School; Jess Daggers, Head of Research at TransCap Initiative; Zazie Tolmer, Evaluation and learning independent consultant; Marta Arranz, Evaluation, Learning and Strategy Facilitation; Otto Scharmer, Founding Chair Presencing Institute & Senior Lecturer at MIT; Simona Maschi, Cofounder at Copenhagen Institute of Interaction Design.

FIGURE 3: Interviews completed for research


The major topics covered during the research emerged from the key themes that were explored underneath the initial overarching research question as shown in Figure 4 below. A thematic analysis was conducted based on the qualitative data and an academic and practitioner literature review completed. The bibliography shows the list of practice-oriented articles which we built on our research. As part of the literature review, we revised all the guidelines, frameworks, tools already developed about systems change. However, although this report builds on existing literature, it is not a literature synthesis.

FIGURE 4: Initial research question and key themes


Early findings were discussed in workshops with peers from the participating philanthropies. The tools developed as part of the research were shared, commented on and validated through an online session with the Esade Community of Practice of over 40 foundations and the Philea Evidence and Learning Community of Practice. The Esade Chair for Social Impact Advisory Committee² also helped to structure and discuss emerging findings. The key tools and output of the research have therefore been co-created throughout the research process.

The six participating foundations had an intention to engage in systemic philanthropy although they are at different stages of this transition / journey. As shown in Table 2 below, the participating foundations offer a sample with different characteristics (size, type of foundation, geography, systems engaged in, stage of maturity with systems change strategies), to provide a richer and fuller portrait of the field reality.

TABLE 2 Participating foundations in this study

NAME OF FOUNDATION	 Robert Bosch Stiftung	 Laudes Foundation	 CoImpact	 IKEA Foundation	 CaRasSo Daniel & Nina Fundación afiliada a la Fundación de France	 bbkE
GEOGRAPHY	Germany (HQ) (operates primarily in Germany and Europe as well as selected global regions).	Netherlands / Switzerland (HQ) (operates primarily in Africa / Asia / Europe / LAC)	USA (registered), regional teams in 3 regions (Africa, Asia, Latin America)	Global (HQ in Amsterdam, supporting projects mainly in Asia and Africa)	France / Spain	Spain (primarily Bizkaia)
SECTORS OF ACTIVITY	- Health - Education - Global issues	- Finance & Capital markets - Fashion - Built environment - Food	- Education - Health - Economic opportunity	- Energy - Land, Food & Forests - Building & Transport - Emergency Response	- Sustainable Food Systems - Citizen Art	Entrepreneurship / People / Culture / Climate
SYSTEMS LENS / EXPERIENCE	- Emerging systemic practice across the foundation - Developing foundation-wide MEL principles/ practices including for systems change	- Considers itself a systems change funder, works by industry. - Developed systemic ToC and evaluative rubrics methodology; strong use of developmental evaluation	- Collaborative systems change funder - Strongly codified and consistent approach to systems change and associated MEL	Aspiration towards increasing systems change strategy/funding, currently in strategic redesign	- Considers itself a systems change funder - Organic and decentralised approach to MEL being currently redesigned	Place-based and ecosystem funder
CHARITABLE SPENDING (2025)	195M € (2025)	64.1M € (2025)	USD 910 M (2025)	404M € (2025)	23,5M € (2025)	12M € (2025)

² The meeting of the Esade Chair for Social Impact Advisory Committee when emerging findings were reviewed consisted of: Gesa Bent (Robert Bosch Stiftung), Henrik Brinkmann (Bertelsmann Stiftung), Arturo Benito (Impact Bridge), Johanna Mair (European University Institute), Francesc Sistach (Specialisterne) and Karen Wilson (GV Partners).

A key limitation of this report is that the research was primarily conducted across foundations and their partners, and in this sense, **it does not cover and include the other multiple actors involved in any systems change work** (including policy makers, communities themselves etc.). The research does therefore have a philanthropic-centric rather than a systems-centric vantage point. ECSI intends to build on this research and in future research projects related to systems change to more pro-actively and intentionally include other key stakeholder voices. In addition, the foundations in our sample may appear rather large and powerful compared to the average European foundation in terms of charitable spend and internal resources – this reflects the reality that those leading with systems change do seem to come more from the larger end of the foundation spectrum. However, we hope that other foundations can still draw important lessons and inspiration from their situation, and many of the systemic principles, practices and challenges are similar irrespective of foundation size.

NAVIGATING THIS REPORT

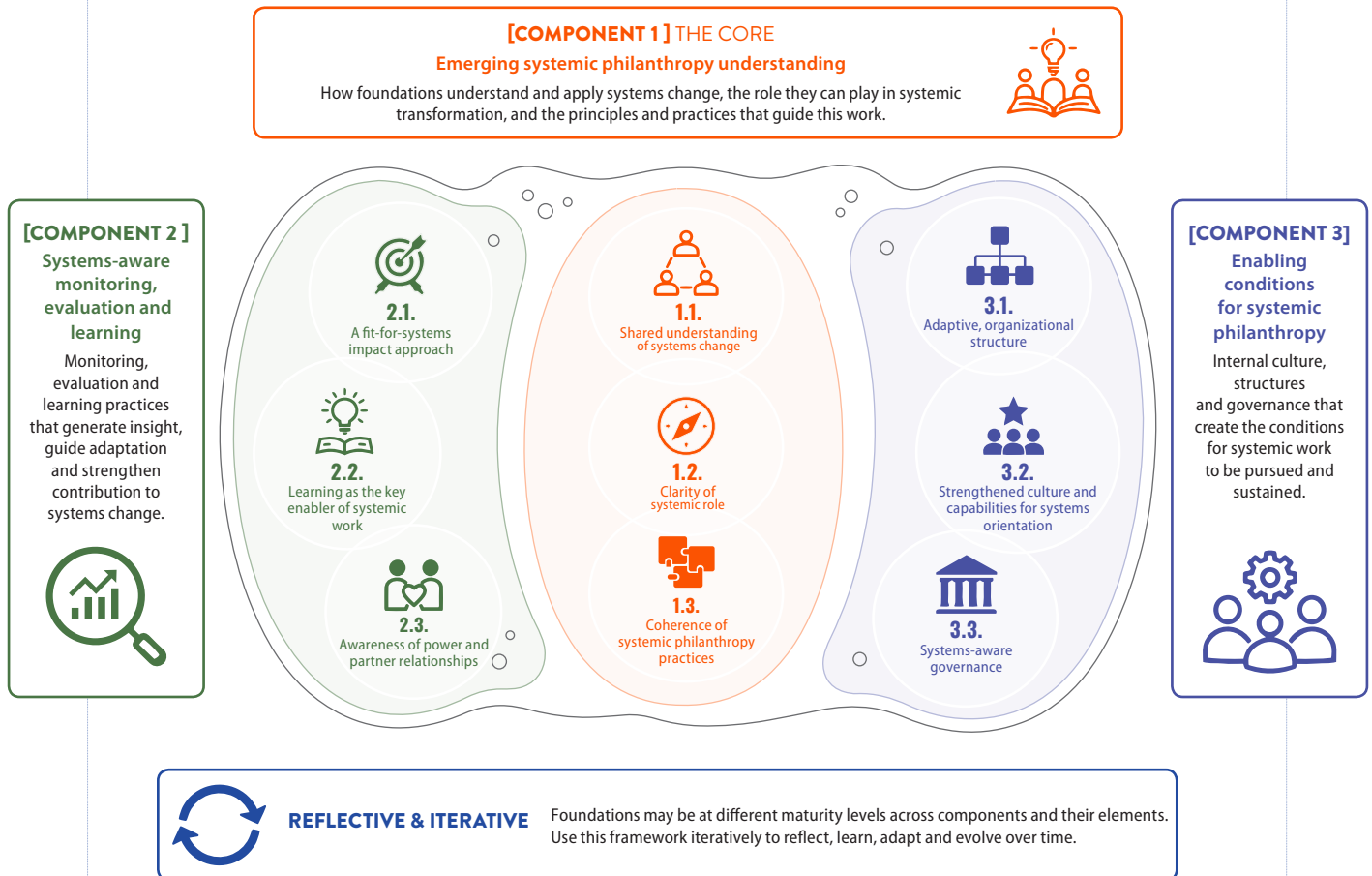
Based on our research, **we have developed a key framework which provides the architecture for this report**. We propose **three core components for engaging in systemic philanthropy and nine elements related to these components**, each of which are explained in more detail using examples from the participating philanthropies. These components emerged out of the thematic analysis conducted as described above and are linked with what emerged related to these five themes.

These are the components that we believe foundations need to consider and take account of in the transition towards embracing systems change strategies and to more clearly identify and articulate both internally and externally their activities, approach and future orientation related to each. **This framework can provide a starting map of the systemic philanthropy terrain, to plot the field reality, field trajectory as well as the desired future.** In the midst of disorientation and overwhelm, creating shared language and references about systemic philanthropy may unlock greater field energy.

This framework is accompanied by a self-diagnostic tool entitled the ‘Systemic Philanthropy Spectrum’ which is inserted after each component is covered in the report. It is intended as a reflective tool to help foundations take stock of their current practice, explore how their approach is evolving, and identify where they want to focus next. **At the end of the report, we include short case studies for each of the participating foundations, linking back to this framework.** And in separate publications, we include these as well as two case studies which go into more detail and depth for Co-Impact and Laudes Foundation.

The research is intended primarily for a philanthropic audience i.e. those working in foundations or in the philanthropic sector. But it will also be of interest to a broader audience engaged in systems change whether they be NGOs, social businesses, policy makers or other actors. We recognize that those reading this study will be at different stages of their journey in terms of their understanding and practice of systems change as well as MEL. The research is relatively dense and does build on studies that have preceded it. It is more for an intermediate or advanced practitioner rather than someone coming new to the field. We have included a resources section at the end which may be helpful, indicating what might be foundational/starting-point literature related to philanthropy, systems change and MEL.

FIGURE 5: Core components and key elements of systemic philanthropy



SOURCE: authors own elaboration

Whilst the foundations participating in this study are large, well-established and mostly relatively sophisticated in terms of their MEL and systemic practices, we feel that readers can take inspiration and guidance from their journey so far and may relate more to one or the other example, perhaps depending on the foundation's size, sophistication in terms of systemic impact approach or systems they engage in. In this sense, **the case studies offer the opportunity for a deeper dive, driven by the relevance of the foundation example for each individual reader.** The table below might orientate readers in terms of what stage foundations are in terms of their systemic philanthropy journey and what the specific cases might be most useful for. We have also tried to make the report accessible by **including after each component a suggestion for first steps for those foundations at the earlier stages of this transition towards systemic philanthropy.**

TABLE 3 Comparative overview of foundation case studies

FOUNDATION	STAGE	WHO MIGHT GET THE MOST FROM THE CASE STUDY
	Early stage in terms of conceptual understanding; already embracing systemic practices.	Short case study available. BBK Foundation is a place-based hybrid operating/grant-making foundation and will be most interesting for those keen to explore: • Foundations who may have systemic practices but do not use the concept or language of systems change • Those interested in place-based systemic strategies • Those who do not have sophisticated systemic MEL systems in place yet but who are looking to develop them
	Pioneer and leader in the systems change arena – a ‘systems-born’ funder with it in its DNA	Short and long case study available. Co-Impact is a grant-making foundation and will be most interesting for those keen to explore: • A pioneer and thought-leader in the space that has codified its approach to systems change and associated MEL. • Implementation of systemic change in the Global South with particular sensibility towards embedding a locally-led and equitable approach.
	Has engaged in systemic philanthropy for some time. Transitioning towards a more consistent and rigorous MEL framework to respond to governors.	Short case study available. The Daniel and Nina Carasso Foundation is a grant-making foundation which will be most interesting for those keen to explore: • Foundations who have a more intuitive and less codified approach to systems change. • Those who are seeking to balance a historically organic approach to MEL focused mostly on field-level learning with governance demands for more rigorous impact reporting.
	Has engaged in systemic philanthropy in some programme areas, now it is a core part of a revised strategy. In transition regarding implementation of systems change and redesigned MEL practices.	Short case study available. IKEA Foundation is a large grant-making foundation and will be most interesting for those keen to explore: • How a large-scale foundation is navigating a major strategic shift putting systems change front and center, with implications for its operating model.
	Pioneer and leader in the systems change arena, particularly related to systemic MEL. A ‘systems-born’ funder with it in its DNA	Short and long case study available. Laudes Foundation is a grant-making foundation and will be most interesting for those keen to explore: • A pioneer and thought-leader in the space that has innovated and led the way in new approaches to systemic MEL (systemic Theory of Change, evaluative rubrics). • How an organisation can be optimised to implement systems change, focused on learning.
	Has engaged in systemic philanthropy for some time, now it is being consolidated and prioritised. In transition regarding systems change and MEL practices.	Short and long case study available. Robert Bosch Stiftung is a large hybrid operating/grant-making foundation and will be most interesting for those keen to explore: • How a large-scale foundation with disparate programming strategies is attempting to create coherence in terms of its systems change agenda and MEL approach. • Those who already have emerging systemic practices and intentionality, but who are moving towards further consolidation.

CORE DEFINITIONS AND CONCEPTUAL FOUNDATIONS

Systems change

Below is a table which illustrates the key definitions we are using in this report regarding systems change.

TABLE 4 Key definitions and systems properties used in the research	
CONCEPT	DEFINITIONS USED IN THIS RESEARCH
 System	"A system is a set of things – people, cells, molecules, or whatever – interconnected in such a way that they produce their own pattern of behaviour over time." Donella Meadows (2008)
 Systems change	We define systems change as, 'the sustainable and long-term transformation of the underlying conditions, relationships, and patterns of interaction within a system.' We also find helpful the following definitions: "Systems change is the emergence of a new pattern of organisation or system structure." (Lynn & Coffman, 2024) and "a change in the policies, processes, relationships, knowledge, power structures, values, or norms of participants within a system that affects a social issue" (Kramer, 2017)
 Systems perspective	"Perspectives that portray social phenomena as dynamic wholes in which emergent outcomes arise from interdependent interactions among varied types of elements that span multiple levels of analysis." (Kimsey et al., 2025)
 Key systems properties	Inter-relatedness; nestedness; non-linearity; emergence. (Based on Dentoni et al., 2026)

We consider 'ecosystem' to be a distinct concept from 'system' and 'systems change' and define it as follows in this report: the network of actors, organizations and relationships connected to a particular issue, field or place. In this report, ecosystem building involves strengthening their capacity to connect, collaborate and act.

Monitoring, evaluation and learning (MEL)

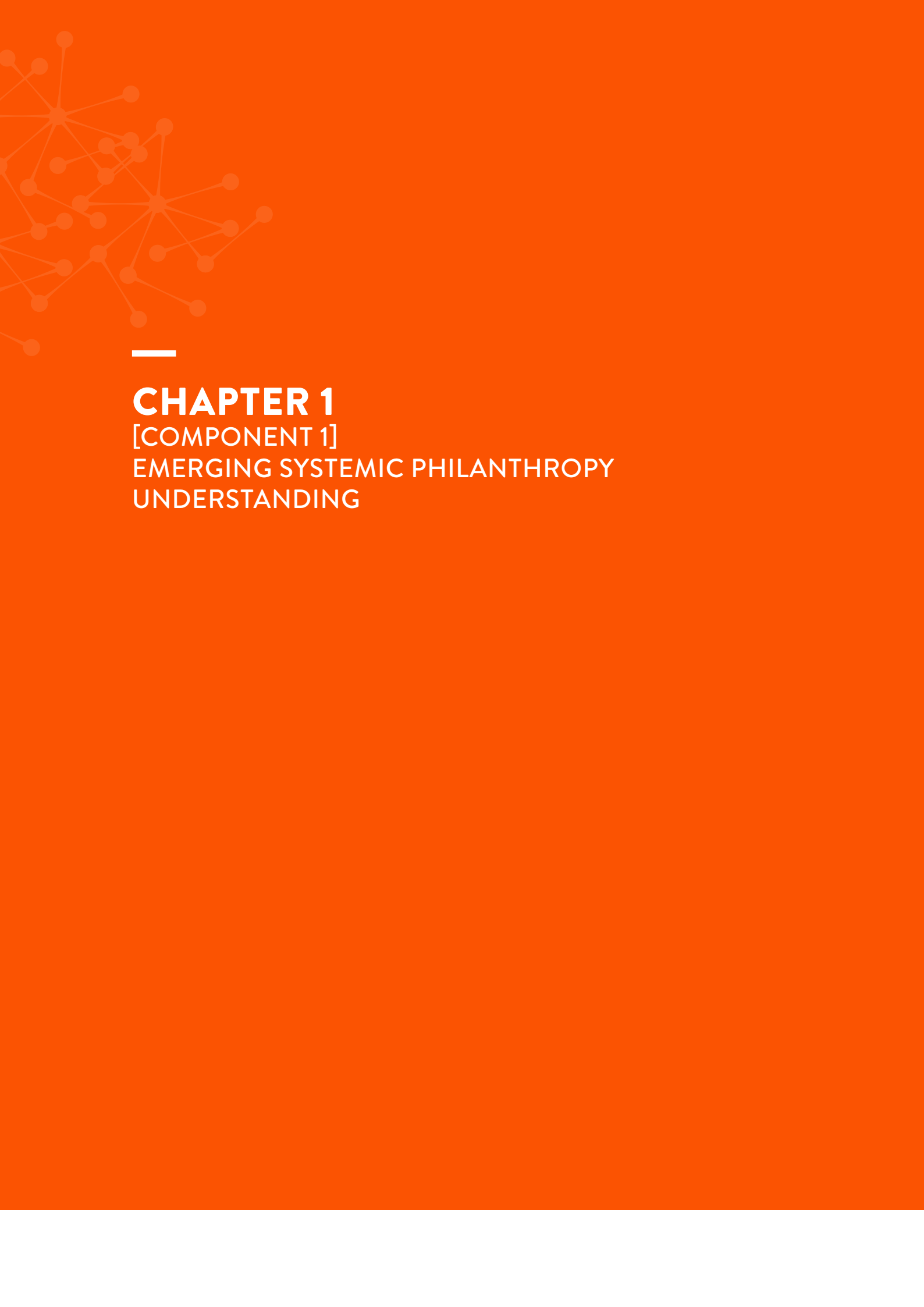
MEL encompasses these three different functions of collecting, managing and making decisions based on impact evidence. This is the language used most frequently within the philanthropic and NGO communities, whereas impact investors tend to use impact measurement and management (IMM) more. Monitoring refers to the process to collect, analyze and use information to actively manage performance. It tends to be more routine and ongoing. Evaluation relates to where a normally more rigorous, and often third-party or independent process is engaged in to judge the impact of a project or program. This is usually framed around specific evaluation questions. It could be more related to

the process or the impact of the project or program and be at the end or during (i.e. developmental evaluation). There are many different evaluation approaches, methodologies and tools. Learning is the active process of reflecting on data from monitoring and evaluation and other areas to gain insights, share knowledge and adapt strategies and practices in real time.

Through this report we discuss 'systems-aware MEL' and we mean by this how monitoring, evaluation and learning practices are adapted to work more in systemic contexts. This relates, for example, to bringing a 'contribution' rather than an 'attribution' perspective; open-ended, continuous and collaborative learning; mixed evidence; attention to power, relationships and diverse perspectives; and adaptation as change emerges. The concept and practices of MEL will be covered more fully in the section - Component 2 of this report.

Usage of AI

Generative AI tools were used during the preparation of this report to improve grammar, clarity, and textual flow. All substantive content, analysis, interpretations, and conclusions were developed and reviewed by the authors, who take full responsibility for the final text.



CHAPTER 1

[COMPONENT 1]

EMERGING SYSTEMIC PHILANTHROPY
UNDERSTANDING

01



[COMPONENT 1] THE CORE

Emerging systemic philanthropy understanding

Exploring how foundations understand and apply the concept of systems change, including the principles and practices associated with it.

Introduction to this component

This component explores how foundations understand and apply the concept of systems change, including the principles and practices associated with it. It considers the extent to which foundations make an explicit and formal commitment to systems change, how clearly, they understand the role they can play in systemic transformation, and the degree to which systemic practices are embedded in their ways of funding, operating and collaborating.

Despite the growing prominence of systems change within philanthropy, there remains surprisingly little consensus about what the term actually means. Foundations use the language extensively, but often in different ways. Some view systems change primarily as a way of understanding and approaching problems. Others see it as the transformation achieved when institutions, policies, markets and social norms shift in a durable manner. Alternative concepts may also be preferred, such as ecosystem building, industry transformation or transformative change. Each foundation creates its own bricolage meaning and understanding, sometimes with differences also *within* foundations. Whilst there is strength and richness in the diversity of understanding regarding systems change and philanthropy's role in it, an absence of shared meaning within foundations and as a field can create confusion. In discussing systems change understanding, **we offer a set of principles and practices which can be used to develop a shared understanding of systemic philanthropy.**

1.1



ELEMENT 1.1

Shared understanding of systems change

Lack of clarity and shifting landscape around the term systems change

The systems change field is characterized by overlapping concepts and multiple entry points rather than a single coherent definition. Systems change can be a mindset, a lens, and/or a way of understanding complex problems. Even within individual foundations, people may describe systems change differently depending on their role, professional background and proximity to implementation. There are those who are also skeptical of the term, as it is so widely used that now it may have become too broad / meaningless. Others remark that systems change language is overly theoretical

and disconnected from day-to-day practice. In particular, the term's use outside of the programmatic world of philanthropies is perceived to be problematic. It may not sit well with trustees and donors, and alternative phrases may need to be found. In one participating foundation, trustees have explicitly discouraged the use of the term. Others have substituted 'systems change' for aligned phrases such as 'change that sticks' or 'change at scale and that lasts'.

In this sense, **the foundations involved in our study tend to be somewhat vague and flexible in how and where they define systems change.** Co-Impact is probably the strongest case of a foundation that has grappled with the term and what it means to them, articulating its approach clearly and carefully on its website and in handbooks (see long Co-Impact case study). **A key insight from the research is that systemic practice often develops faster than shared language.** Foundations may be engaging in systems-oriented work long before reaching consensus on how to describe it. This is not necessarily a problem and is common in activities that are in the earlier stages, but common language can be helpful and enabling, and there is a time when foundations do need to co-create with their teams and potentially beyond more coherence and consistency around this language.

A key important question which is largely unaddressed by philanthropies is whether systems change is an approach or a destination. An unspoken assumption for many is that there is a dual understanding i.e. systems change is a lens but also a goal, but this could be elucidated more clearly. In addition, there is uncertainty regarding the scale of the ambition embedded in systems change – whether the goal to transform an entire system, change selected components, contribute to broader transformation, or help create alternative systems altogether.

“For me, systemic change is both what you achieve (what system you are changing) – which would be the impact – and how you approach it (the systemic lens).

Foundation program team interviewee

There **may also be conflicting mental models regarding systems change operating within foundations**, namely between those relating to 'systems-dynamics' and those relating more to 'systems-emergence' (Coffman & Lynn, 2024). Strategies that use systems-dynamics mental models aim at points of high leverage in a system and predict the kinds of changes that occur. Strategies that use the systems-emergence mental model look for parts of the system that are under-resourced and experiment with ways to disrupt or reinforce them. There is no right or wrong mental model, but the point is that they need to be acknowledged. The challenge for Coffman and Lynn is that *'some foundations are adopting one-size-fits-all approaches to systems change without first understanding the systems in which they are working and without making explicit the mental models they are using.'* This can derail efforts and risk misunderstanding as actors are operating with *'conflicting and unspoken understanding about systems change.'*

Another tension often not properly addressed by foundations is that interpretations of systems change may reflect Global North perspectives and top-down funder narratives rather than the lived realities of communities. Partners warn that systems-change language can become abstract and detached from communities' realities when it is defined by actors with institutional, financial or geographic power. They identified as mechanisms through which this happens as: unequal access to funder spaces, incomplete

knowledge of local histories, inaccessible funding systems and the exclusion of grassroots actors from global narratives.

“There is disconnect between institutional language and how communities describe their own realities”.

Foundation program team interviewee

“Systems change approaches can only work if different voices have a say in what is happening within that space.... it’s a system that allows ideas to flourish inside, and also for communities to challenge how systems work”.

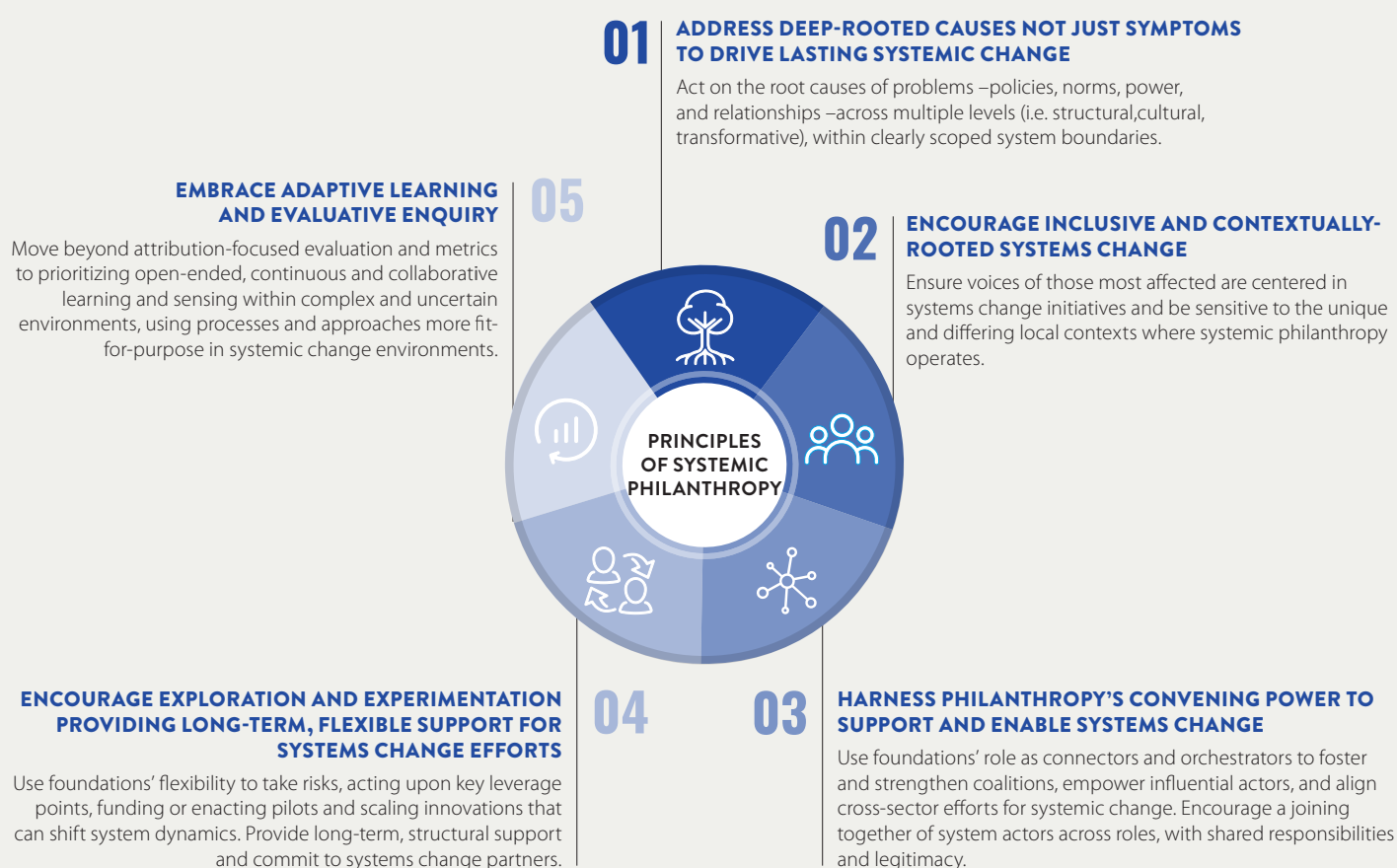
Partner interviewee

These tensions and conflicts point to a core finding of our research that **systems change language, meaning and definitions matter – continually working towards an understanding of what systems change means is an essential part of the work. The unspoken assumptions, tensions and fault lines about the meaning and nature of systems change need to be better surfaced and discussed by foundations rather than brushed under the carpet.** Partners funded by foundations in our sample believe that the term should continue to be used as it captures an essential ambition – moving beyond service delivery and isolated projects to address the deeper conditions that shape outcomes. Partners argue, rightly, that systems change is easier to understand through concrete examples rather than through abstract definitions.

Experts cautioned against pursuing a single definitive interpretation - the goal is not to achieve perfect definitional consensus. Because systems are inherently dynamic, non-linear and constantly evolving, any fixed definition risks becoming reductionist. But **frameworks and shared language within foundations can foster stronger coherence and help organizations align decision-making, strengthen learning, and communicate their approach.** As is described in more detailed in the Co-Impact and Laudes Foundation longer case-studies, the experience is that **codification works best when it provides orientation across different stakeholders (internal and external) without constraining adaptation.**

Finding common ground: a set of shared principles for the field

Foundations consistently refer to a common set of ideas when describing their involvement in systems change. We have grouped these ideas into a set of shared guiding, ‘hallmark’ principles for systemic philanthropy as shown in figure 6 below. Foundations may relate more strongly to one or two principles, and it may not be necessary to work on all principles at the same time. Some principles may be enacted via partners. It is also important to note that philanthropy is one of many different actors within any systems change context, and as such these principles do not suggest that they are a leading or dominant actor. Rather, within the frame of systemic philanthropy, we seek to illuminate shared principles that are animating foundation’s ambitions to provide a sense of direction for the field. We explain each principle in turn using examples.

FIGURE 6: Hallmark systemic philanthropy principles**[PRINCIPLE 1]****ADDRESS DEEP-ROOTED CAUSES NOT JUST SYMPTOMS TO DRIVE LASTING SYSTEMIC CHANGE**

This is the core, foundational principle which was mentioned by the majority of those involved in the research and entails acting on the root causes of problems across multiple levels (i.e. individual, organizational and societal) within clearly scoped system boundaries. A useful framework to accompany this idea is the 'Water of Systems Change Framework' (Kania et al, 2018), articulating different levels of systemic change and illustrating the need to dig below the surface to the deeper root drivers of the system.

There are many examples in the case studies of foundations attempting to identify and shift root causes of problems and acting on multiple layers of a given system. One example is **Laudes Foundation** which works across the fashion, built environment (building), finance and food industries. Their systemic Theory of Change explicitly addresses the different actors and levels of change they are targeting. In Spain, for example, Laudes Foundation combines these multiple levers in a specific context in its work on the built environment. For example, it seed-funded the accelerator Built by Nature, Spain's Mass Madera network launched in Barcelona to champion bio-based timber construction and reduce carbon in the built environment. In Madrid, it collaborated with partners like EIT Climate-KIC, C40 Cities, and

the Carbon Neutral Cities Alliance, to support Madrid's climate team in embedding equity and net-zero targets into large-scale urban project. It funds industry groups focused on difficult topics and surfacing what needs to change; investor groups working out how to finance the transition and shift investor practice; public sector organizations, including the Spanish Cities Mission, which brings together Spain's major cities and civil society organizations, often with capacity-building support through intermediaries such as the European Climate Foundation. This illustrates the portfolio logic in connecting a constellation of actors around a transition challenge (in this case the built environment): industry, finance, public sector, civil society and intermediaries.

“How structures and systems i.e. policies, incentives, etc. how those are build and reinforced in our societies and in our economies and how systems change is an approach to think about those interconnections, to rewire and reroute. I very much view the systems approach as an intersection of political, economic, social, and financial levers.”

Foundation senior management team interviewee

Some specific challenges that emerged in our discussions with foundations related to *working on root cause issues* which can create tensions - some boards fear being perceived as activists or radicals. Addressing the root causes that are grounded in the characteristics of the dominant economic system may question the basis and legitimacy of the highly unequal wealth accumulation which often has provided the basis for philanthropy distribution. In addition, growing scrutiny of philanthropic influence creates reputational risks, particularly when foundations engage in advocacy or seek to influence public systems. Working on root causes also requires moving into narratives, beliefs and mental models underneath a given system which can be difficult and hard to untangle.



[PRINCIPLE 2]

ENCOURAGE INCLUSIVE AND CONTEXTUALLY-ROOTED SYSTEMS CHANGE

Foundations are aware that those closest to the ground are the ones who have most understanding and agency in changing the problems in any specific system. Systems change ultimately requires grappling with power imbalances in philanthropy and moving towards trusting and co-creating with partners. Sometimes, this means explicitly including voices which have been more marginalized in the past. **Co-Impact** is an example of this, with its approach to systemic change built around the premise that systems are transformed by actors who are deeply embedded in them, not by external funders imposing solutions from outside. Rather than funding isolated projects or prescribing predefined pathways, Co-Impact seeks to identify local-rooted organizations that already hold the knowledge, legitimacy and relationships within their ecosystems, and then provides the flexible, long-term support needed to help them move from effective. **IKEA Foundation** is shifting from global thematic portfolios to more regional and country strategies, understanding each local system, testing assumptions with local actors and funding closer to the ground. **BBK Foundation** anchors its work in Bizkaia through local-needs identification, third-sector alliances, relationships with municipalities and a neighborhood advisory council. It pilots' projects locally and seeks their adoption or adaptation by public institutions.

“We believe that partners are the experts in their own context, we don’t want to guide them how to do best what they do best.”

Foundation interviewee

In the desire for greater localization, there is the practical difficulty in remaining close to the ground. Doing systems change locally and with nuance can be difficult without offices in specific geographies and building inclusive systems often relies on going beyond existing networks. Foundations often struggle to identify and engage actors beyond their existing networks, raising concerns about inclusivity and representation. Partners felt that genuinely allowing and embracing divergent voices is still not fully embedded by foundations.



[PRINCIPLE 3]

HARNESS PHILANTHROPY’S CONVENING POWER TO SUPPORT AND ENABLE SYSTEMS CHANGE

Foundations in this research often play an important role as connectors and orchestrators to foster and strengthen coalitions, empower influential actors, and align cross-sector efforts for systemic change. They are often in a position to fund or encourage a joining together of system actors across roles, with shared responsibilities and legitimacy. This principle is about foundations prioritizing the field-level and collective health of systems change efforts, rather than individual projects or initiatives. They are often unique in their ability to fund field-building activity. An example of a funder which plays this field-building role is the **Daniel and Nina Carasso Foundation** in the sustainable food system and the citizen art system in France and Spain. They bring together different system actors in joint projects and have shared learning forums across their partners. They also create or strengthen networks, support long-term model projects, systematize and disseminate knowledge, use external expert committees to identify trends and build partners’ advocacy capacity by exposing public decision-makers to emerging solutions – for example by inviting representatives from government ministries onto project juries. This helps to turn dispersed initiatives into a more visible, capable and policy-relevant field.



[PRINCIPLE 4]

ENCOURAGE EXPLORATION AND EXPERIMENTATION

A key feature of systems change funding, is **the provision of long-term, flexible funds which are often used for structural support rather than project-specific funds. This goes hand-in-hand with the move towards trust-based philanthropy, where partners are given space to experiment and grow,** rather than being confined by traditional funding structures and timelines. Systemic philanthropy can be important to provide this room for system innovation. An example of a foundation implementing this principle is **Robert Bosch Stiftung**. Through its work on the health system in Germany, it aims to foster innovation and build bridges across different actors, creating networks, connections and collaborative structures that ultimately improve public health. The Robert Bosch Institute for Innovation in the Health System combines elements of a health campus, including

a hospital, with the foundation's funding model. An example of an innovative systems-change project funded by Robert Bosch Stiftung within the health system is the PORT (Patient-Oriented Centers for Primary and Long-Term Care) project. This supports the setting up of local, comprehensive health centers in Germany to improve primary healthcare. Robert Bosch Stiftung supported twelve health centers in different places, both urban and rural, and in different parts of Germany to demonstrate that this kind of model improves primary care. They are using this innovative model to lobby and communicate with politicians to demonstrate that the model is working – they hope that it can be scaled up over time at a national level.

“They know (the foundation) that many of the things they fund will not succeed, but that they need to test and gather learning about what happens, why something works and why it does not”

Foundation partner interviewee

Using philanthropy's risk capital and long-term structural engagement with systems and system actors, *philanthropy needs levels of patience, staying power and appetite for risk that are not so common*. Foundations may struggle to sustain investments over the time horizons required and boards can lose focus and conviction if they are not seeing systemic change develop.

“Our timeframes are always longer than what is usually done in the sector because any change, whether small-scale or systemic, takes time”

Foundation program team interviewee



[PRINCIPLE 5]

EMBRACE ADAPTIVE LEARNING AND EVALUATIVE ENQUIRY

A key feature of systemic philanthropy **is a shift in how monitoring, evaluation and learning (MEL) is perceived and implemented by the foundation**. This entails a move beyond attribution-focused evaluation, where MEL is focused on understanding the specific cause and effect of a foundation's activities on a given impact area often using quantitative metrics. Instead, there is a prioritization of open-ended, continuous and collaborative learning and sensing within complex and uncertain environments, using processes and approaches more fit-for-purpose in systemic change environments. The move towards evaluative enquiry entails a shift from a top-down, directed process initiated by funders and implemented by practitioners to a joining together across roles and actors within the system, with shared responsibilities and legitimacy. In this sense, evaluation is no longer an official process led by experts and often funded by foundations but rather an open-ended, collaborative enquiry.

Impact measurement has historically been considered an instrument of power, shaping not only how organizations assess their activities but also how markets and organizational practices evolve. Rather than serving as neutral technical tools, impact measurement frameworks developed and used by public and private actors influence what organizations prioritize (Callon & Muniesa, 2005; Casasnovas et al., 2025). Ensuring that MEL approaches are equitable and do not distort or burden the activities of partners whilst providing real-time evidence is at the forefront of a move towards more adaptive

learning. For example, **Laudes Foundation**, which uses sensemaking as an innovative evolution in their MEL approach. This consists of a collaborative process with many stakeholders, exploring and interpreting evidence of results using stakeholder experience. This is a type of social learning whereby a collective engages in learning together in ways that allow and equip them to generate, apply, and act on knowledge (Collins & Ison, 2006). (See longer case study for more information on Laudes Foundation's MEL approach).

With this principle, where *the key is rapid and fast adaptation and learning*, foundations may still be working with operating and MEL models designed more for linear projects rather than adaptive systems work. This is the principle which is perhaps furthest from implementation amongst foundations in this study, although there is a general focus and prioritization on learning, the MEL process can still feel relatively top-down and scientific. There is a dance within foundations whereby program teams are tending towards a less structured and more sense-making approach to evidence, whilst boards still demand more quantitative indicators. Many of these challenges are associated with continuing doubts over what the role of individual foundation as well as the philanthropic sector could (and should) be within systems change.

“It resonates and at the same time, a lot of us have great doubts as to whether we can do it. Whether it is a task for philanthropy and whether it is feasible. Systems are extremely large, so many powers and different actors: is it possible to make a difference at that level, meanwhile having an ambition to do it? What is it that we can contribute?”

SMT, Foundation interviewee

This brings us to the next element on how clear foundations are about their role in the systems they chose to work in.

1.2



ELEMENT 1.2

Clarity of systemic role

How foundations understand the role they can play in systemic transformation

If systems change requires the collective efforts of multiple actors, **the question emerges about what the distinctive role of philanthropy is.** Across foundations, their partners, and systems change experts, there was strong agreement that philanthropy's contribution extends beyond the provision of financial resources. While funding remains essential, foundations added value in systemic work also lies in how they use their relationships, legitimacy and flexibility to support systemic impact. They are described by partners as co-creators, involving from the earliest stages of identifying problems, bringing actors together, shaping strategies and supporting implementation pathways. They finance as well as deliver interventions on the ground and may be behind the less visible work of co-ordination and relationship-building within the system. Their specific role is often defined by what they can do versus other sectors. In the current uncertain moment where there is significant disruption geopolitically, polarization and declining civic space, their role has been highlighted as even more essential. In order to offer an empirical explanation of how philanthropic organizations support systems change, the Skoll

Centre publication “Unpacking Systems Change Philanthropy: Five Alternative Models” (September 2022), for example explains five different funding models: Empowering change makers; Scaling up; Coordinating actors; Exploring and experimenting; and, Scaling deep. These are archetypes which show how philanthropy can align impact goals and capabilities. Robert Bosch Stiftung made reference to these five alternative models to unpack systems change with the leadership team. They see their work happening across the models of Coordinating Actors, Exploring & Experimenting and Scaling Deep.

“We would still have a lot of different types (and boiling it down to a few also seems to feel limiting to some teams). In practice, there is a lot of confidence in the roles the foundation explores and takes in concert with partners; and we receive positive feedback from partners on being open, and listening to, suggestions and exploration of meaningful roles.”

Foundation interviewee

And yet there is sometimes ambiguity within philanthropy about their role, given the problematic power dynamics as funders within a system - should they sit within or outside of the system they seek to influence? And how do they work in the most equitable way, acknowledging their power and the history of problematic power relations, whilst using their unique resources and role? There is a shift in philanthropic narratives where they were traditionally positioned as drivers of change. Now they are one actor amongst many within a system. **In taking a more background role within the system, they are moving more towards becoming system enablers.** Rather than seeking visibility or ownership, foundations are investing in the relationships, institutions and capacities of others to drive change. Embracing systemic philanthropy may mean becoming less visible.

“If you look at impact created, it’s always that someone who is hidden, who is in the background, but ultimately, without that person, things would not have happened.”

External expert interviewee

Defining system boundaries and getting clear on strategies and roles to guide action

This role clarity within the system is linked to the challenge of defining the boundaries of systems - a struggle for foundations since systems are highly interconnected and fluid (for example climate, inequality and migration are cross-cutting issues). What most foundations seek to do is to describe the systems in a strategic and practical way to drive their focus and make them more manageable and actionable. Some choose a particular part of the system where they aspire to create a sustainable change, whereas others define their systems more thematically (i.e. impact areas, industries) and geographically. Foundations acknowledge that systems need to be envisioned in a multi-layered way and that intersections between sectors should be taken into account. The way a system is defined shapes the role a foundation ultimately adopts within it and its systemic practices. For example, a foundation working within a specific industry may focus on changing market incentives and regulatory frameworks. A territorial foundation may prioritize ecosystem development and relationship building.

“I think it is quite a fuzzy understanding, what I observe is that in some of the topics we have an unclear understanding of the system and its boundaries. We find it quite difficult to say what is the system we are trying to affect here. It varies less by hierarchy, but more by how long people have been around, how much they have been exposed to systems thinking. One thing that strikes me is that we are not always good at defining the system.”

Program team Foundation interviewee

Once the boundaries of the system have been defined, foundations tend to develop systems-aware strategies that they continuously revise and reshape. Three broad strategies to developing systems strategies were present in our research with examples as shown in the table below:

TABLE 5 Different strategic pathways to systems change

BOTTOM-UP EMERGENCE STRATEGY	TOP-DOWN ORCHESTRATION STRATEGY	HYBRID STRATEGY
Partners led on the diagnosis of systemic problems and identify pathways for change. Foundations adopting this approach see themselves primarily as enablers and supporters. Co-Impact’s approach falls mostly into this category, as they leave partners to define the specific issues to address and work with them to scaffold and build their systems strategies, always considering them as the experts. Robert Bosch Stiftung also has elements of this strategy in how it backs select partners in an open way across health, education and global issues programs. Program teams do not necessarily conduct detailed systems mapping or develop a portfolio systems intervention approach.	Foundations identify key leverage points and actively shape interventions aimed at influencing broader systems. Foundations such as Laudes Foundation and IKEA Foundation illustrate this strategy. For example, Laudes Foundation works across industries such as fashion, finance, and the built environment, identifying key actors – including policymakers, businesses, investors, workers and communities – and strengthening collaboration among them. Its strategy focuses heavily on policy influence and coalition building to change the rules that govern industry systems. IKEA Foundation centrally defines priority geographies, impact areas and five broad levers: capital flows, enterprise development, policy, narratives and system orchestration. Country teams then map barriers and interdependencies, test hypotheses with local stakeholders, assemble complementary “packages of partnerships” and fund coordinators or “weavers” to connect specialist actors. It is therefore centrally framed but intended to be locally adapted and continually revised.	This strategy combines support for system actors and the system as a whole with foundation-led initiatives to address strategic gaps. The Daniel and Nina Carasso Foundation illustrates this more hybrid role. They support grassroots ecosystem development, fund small-scale initiatives, create strategic long-term projects and generate knowledge for broader influence. Rather than choosing between bottom-up and top-down approaches, it combines both. BBK Foundation represents a place-based ecosystem builder, strengthening connections across actors within the Biscay region (in Spain).

In developing their programmatic and whole-foundation strategies within a systems change context, **foundations should in theory develop clarity about which role, or combination of roles, best align with their mission, capabilities and context.** Bertelsmann Foundation, for example, has developed a useful map of different possible roles within a system to guide strategic discussions within its project teams, ranging from fact-finder, agenda setter, bridge-builder, tester, motivator, disseminator and institution builder. Whilst we found that there were examples of foundations continuously working towards defining and redefining the strategies and their role in their systems work (see Laudes Foundation long case study), many foundations may not properly answer internally and externally the key question: what is your role within this system? This chimes with Julia Coffman and Jewla Llynn's recent article which describes the two different models relating to systems change and how rarely foundations discern which of the two models they are adopting and why (Lynn & Coffman, 2024). Within a systems dynamics model, foundations will tend to conduct systems mapping to develop their strategies and use the concept of leverage points to intervene in systems. This approach relates more to the top-down orchestration strategy outlined above. The second model defined in their article is the systems-emergence model which rather than trying to simplify and predict systems, they embrace complexity and allow solutions to emerge from the system in a decentralized way. This relates more to the bottom-up emergence strategy outlined above. And of course there are points between the two where foundations are operating in a hybrid space between these models and strategies – a hybrid strategy. In practice, foundations approaches may differ across program teams. **The issue is not that these models exist or that one is right or wrong, but rather that they are not named or acknowledged,** leading to confusion about how the foundation is showing up for its systems work.

The general lack of engagement with the foundation's role and contribution creates ambivalence and confusion about exactly what foundations wanted from their involvement in systems work. And in relationship to systemic MEL, **clarity about the foundation's role becomes a prerequisite for clarity about its contribution.**

1.3

**ELEMENT 1.3****Coherence of systemic philanthropy practices**

The extent to which principles and practices are embedded in funding, operating and collaborating

Foundations are translating systems strategies into actions through a multi-layered range of practices

Across the foundations studied, a wide range of systemic practices emerged. While approaches differ considerably depending on organizational culture, strategic priorities, and operational models, a common pattern is evident: **systemic philanthropy involves combining multiple interventions and adapting them over time as learning emerges.** It also means operating at multiple levels. At the *systemic level*, foundations support advocacy, coalition building, narrative change, policy reform, and ecosystem development. At the *organizational level*, they strengthen and scale institutions that play important roles within systems. At the *individual level*, they identify and support leaders, champions, and influencers capable of catalyzing change. Different foundations combine these levels and practices in different ways. Some focus primarily on field level transformation. Others complement systemic intervention with organizational capacity building or leadership development. **The result is a more**

holistic approach that recognizes the interdependence as well as the need for coherence between individual, organization and field/system and recognition of how to fit in with the complex web of other system actors.

“The Foundation has to position its contributions within a landscape characterized by a great diversity in players and relationships, changemakers and obstructionists, opportunities and challenges. Many investment modalities can be found among the continuum of charities, foundations, development agencies, multilateral funds and banks, impact investors and commercial businesses – as well as among government to non-government, civil society and private sector ambitions, with new entrants from the Global South bringing new ways of thinking and working.”

Review of the MEL Strategy of IKEA Foundation, 2021-2025.

It is important to note that foundations do not need to work at all levels and across all different types of systemic practices. One of the fundamental problems in the philanthropic sector is that foundations may be duplicating and not collaborating enough with each other in systems change efforts. The research unearthed a disappointing amount of funder collaboration regarding systems change, although **Laudes Foundation** has prioritized the development and contribution to combined funder collaborations and **Co-Impact** is in itself a type of funder collaborative, pooling money from donors towards systems change.

“But I think that the most impactful thing is if there is an ecosystemic understanding of where we need to go, and everybody is able to articulate, making sense of their own positionality and then contributing.”

External expert interviewee

Systems change is achieved through a mix of financial and non-financial support. In terms of financial support, grant-making foundations use financial instruments of grants and impact investments, whilst hybrid foundations which are operating and grant-making deliver some services and interventions themselves. **The key in funding systems change is the importance of multi-year core funding for partners.** In terms of non-financial support, foundations have a range of tools at their disposal, using their influence, convening power and ability to fund and/or create and develop networks and alliances of system actors, as well as funding or creating themselves knowledge, evidence and learning.

Below is a table with the key systemic practices identified across participating foundations, and how they manifest in grant-making versus operating foundations as well as which foundations prioritize different practices. These systemic practices are the ‘how’ of foundations engagement with systems change and primarily relate to key systems change levers.

TABLE 6 Systemic practices across participating foundations³

SYSTEMIC LEVER	LEVEL (WATER OF SYSTEMS CHANGE FRAMEWORK)	EXPLANATION	PRACTICES FOR GRANT-MAKERS	PRACTICES FOR OPERATING FOUNDATIONS	CASE STUDY EXAMPLE
Policy change and regulation reform	Structural	Changing laws, rules, standards to shape system behavior. Philanthropy can support or engage in advocacy, policy design, evidence generation, and policy implementation capacity.	- Funding of advocacy work and platforms. - Funding of evidence generation related supporting policy change. - Convening of policy makers.	- Policy design. - Direct advocacy/ influencing. - Convening of policy makers and shaping the policy debate.	Laudes Foundation (grant-maker) considers accelerating advocacy / advancing informed policies as one of the key pathways in its Theory of Change. As an example, it funded partner work around the European Green Deal and the Corporate Sustainability Due Diligence Directive. Partners supported coalitions of civil society organizations, companies and investors to sustain policy support and protect key provisions during turbulent negotiations.
Solution experimentation / innovation	Structural	Help to experiment and test immature solutions that can prevent/ address the systemic challenge	- Funding of experimental solutions - Impact investment allocation to support impact businesses addressing challenge	Develop pilots to test new solutions	Robert Bosch Stiftung (hybrid): in its health work, the foundation pilots' projects within its hospital which it intends to later scale/spread to the broader German healthcare system if successful. Daniel and Nina Carasso Foundation (grant-maker): This foundation runs exploratory calls and projects (three-year pilots). It also tests intersections such as art-food, art-science and art-health and uses expert committees to trend-scan and validate ideas.
Solution scaling	Structural	Help to scale proven solutions that can prevent/address the systemic challenge	Large-scale funding to replicate/scale the superstar solution / organization	Scaling successful pilot through advocacy to embed in public systems	Co-Impact's grantmaking strategy focuses on organizations that have moved beyond early-stage experimentation and are ready to pursue systemic change. They have a proven, evidence-based model, a strong understanding of the system, and where relevant real relationships with and demand from government.
Knowledge and evidence	Structural	Foundations can invest in research, learning infrastructures, community knowledge, data systems, and sensemaking processes that inform action and challenge assumptions.	- Commission relevant research; - Invest in system-wide data systems; - Funding learning formats across the system; - Disseminate evidence.	- Conduct research of value for the system; - Support and catalyze shared learning across the system.	Robert Bosch Stiftung and Laudes Foundation fund organizations such as ECSI to deliver research on important topics for the philanthropic field.

³ Inspiration taken from our own research; the water of systems change framework as well as MIT Sloan Sustainability Initiative: The Owning Impact Project, Investing for systems change

TABLE 6 Systemic practices across participating foundations

SYSTEMIC LEVER	LEVEL (WATER OF SYSTEMS CHANGE FRAMEWORK)	EXPLANATION	PRACTICES FOR GRANT-MAKERS	PRACTICES FOR OPERATING FOUNDATIONS	CASE STUDY EXAMPLE
Human capital development	Relational	Build human capital (professionals / leaders) to advance the field	- Fund training programs for key individuals within the system; - Support individual system influencers and entrepreneurs.	Conduct training programs for key individuals within the system.	Robert Bosch Stiftung trains Members of Parliament, providing them with the tools / methods / inputs on foresight and futures thinking - an education programs for parliamentarians. In addition, through the Robert Bosch Academy it admits global fellows to provide a forum for constructive exchange and interdisciplinary work on issues of global significance.
Orchestration and network	Relational	Foster collaboration and bring together actors in the field. This can happen through an orchestrator role or an activator role. Orchestrator role: creating the relationship among actors who were not in contact before through a visible, high-level coordinators (the "director of the orchestra"): public, recognized, often policy-level actors who steer overall strategy across systems. Activator role: less visible, behind-the-scenes enablers who unlock potential locally and relationally; they work by enabling others rather than centrally directing them.	Fund alliances, networks or coalitions of system actors	Seed networks or coalitions of system actors	Laudes Foundation is an example of an orchestrator. There are many examples of how it performs this orchestration role (see longer case study). Daniel and Nina Carasso Foundation is an example of an activator. The foundation seeks to create fertile ecosystems in which multiple innovations can emerge, connect and reinforce one another. It first funds numerous small initiatives to create critical mass, then strengthens and connects them thematically and territorially, creating local proto-systems. Alongside that, it activates several nodes – networks, supply and demand, narratives, advocacy – so alternatives can gain legitimacy and scale.
Power dynamics	Relational	Change system intervention design and evaluation process to more equitably include final beneficiaries as co-creators and decision-makers.	Encourage and fund beneficiary participation processes in work with partners	Embed beneficiary participation process	BBK Foundation (hybrid foundation) encourages citizen participation processes. BBK uses neighborhood advisory structures, citizen laboratories and survey-led, intergenerational processes. Citizens help define and co-create practical outputs such as guides, podcasts, films and proposed technology uses.
Narratives	Transformational	Shift social norms, public awareness and narrative change within the system. Target the problematic mindsets key stakeholders have.	Fund large-scale public awareness campaigns.	Develop narrative change campaigns	Laudes Foundation explicitly treats narratives as a lever for just transitions. Partners such as the Thomson Reuters Foundation and the Pulitzer Center disseminate stories at large scale.

Systemic philanthropy practices need to focus more on deeper or more hidden parts of systems change

“We always stay very much just, I believe, below the surface. And that’s been a realization for us. And in fact, we’re starting to work more, which is difficult for us and the field in general, to try to tackle – how do you do the interchange, the beliefs, and how do you influence those?”

External expert interviewee

As we can see from Table 7 below listing the different systemic practices identified and which foundations use them, the most used interventions are advocacy and orchestration / networks. In the future, **there is a need for foundations to address the more hidden, relational and potentially transformative parts of systems change, which revolve around power, relationships and mindsets.** In addition, partners call for a more social-justice oriented and community-led approach to systems change, involving local agenda-setting, participatory diagnosis, co-design, rights, funding transparency and redistribution of power and resources.

“One of the responses to those structural imbalances was decolonization. And so decolonization was the systems work.”

Partner interviewee

TABLE 7 Systemic practices across the sample

SYSTEMIC LEVER / PRACTICE	bbk	Co Impact	Carasso Daniel & Nina Fundación para el desarrollo de la persona	IKEA IKEA Foundation	Laudes Foundation	Robert Bosch Stiftung
 Policy change and regulation reform	medium	high	high	medium	high	medium
 Solution experimentation	high		high		medium	high
 Solution scaling		high	high	medium	high	medium
 Knowledge and evidence	medium		high		high	high
 Human capital development (individual)		high				high
 Orchestration and network	high	high	high	medium	high	medium
 Power dynamics		high				
 Narratives				medium	high	



KEY TAKE AWAYS

[COMPONENT 1]

on Emerging Systemic Philanthropy Understanding



There is a lack of clarity and a shifting landscape around the term systems change

- The systems change field is characterized by overlapping concepts and multiple entry points rather than a single coherent definition.
- A key insight from the research is that systemic practice often develops faster than shared language.
- There can be conflicting mental models regarding systems change operating within foundations, namely between those relating to 'systems-dynamics' and those relating more to 'systems-emergence'.
- The unspoken assumptions, tensions and fault lines about the meaning and nature of systems change need to be better surfaced and discussed rather than brushed under the carpet.



We have developed a set of shared principles relating to systemic philanthropy for the field to enable better orientation and anchoring of systemic work across foundations

- These hallmark systemic philanthropy principles that emerged from the research include:
 - **Principle 1:** Address deep-rooted causes to drive lasting systemic change
 - **Principle 2:** Encourage inclusive and contextually rooted systems change
 - **Principle 3:** Harness philanthropy's convening power to support and enable systems change
 - **Principle 4:** Encourage exploration and experimentation providing long-term, flexible support for systems change efforts
 - **Principle 5:** Embrace adaptive learning and evaluative enquiry
- Foundations might find it difficult in practice to 'walk the talk' in terms of implementing these shared principles and are candid that engaging in systemic work can be messy, disruptive and uncomfortable, challenging philanthropic organizational and field level ways of working and hard-to-address power dynamics.



There is a shifting role for philanthropy within systemic change – as enablers rather than drivers of change

- There is sometimes ambiguity within philanthropy about their role, given the problematic power dynamics as funders within a system. It is also a struggle for foundations to define the boundaries of systems with many highly interconnected and fluid.
- We have identified three different high-level strategies that foundations are adopting to action systemic change: a bottom-up emergence strategy; a top-down orchestration strategy; and a hybrid approach between these two.
- The general lack of engagement with the foundation's role and contribution within systemic change creates ambivalence and confusion about exactly what foundations want from their involvement. Clarity about the foundation's role is a prerequisite for clarity about its contribution and the possibility of developing strong MEL.



Foundations are translating systems strategies into actions through a multi-layered range of practices / actions:

- Systemic philanthropy involves combining multiple interventions across different levels of a system and adapting them over time as learning emerges
- We identified key systemic practices across the foundations in our sample:
 - **Policy change and regulation reform:** changing laws, rules, standards to shape system behavior.
 - **Solution experimentation / innovation:** experiment and test immature solutions that can prevent/address the systemic challenge.
 - **Solution scaling:** help to scale proven solutions that can prevent/address the systemic challenge.
 - **Knowledge and evidence:** invest in research, learning infrastructures, community knowledge, data systems, and sensemaking processes that inform action and challenge assumptions.
 - **Human capital development:** Build human capital (professionals / leaders) to advance the field
 - **Orchestration and network:** Foster collaboration and bring together actors in the field.
 - **Power dynamics:** Change system intervention design and evaluation process to more equitably include final beneficiaries as co-creators and decision-makers.
 - **Narratives:** Shift social norms, public awareness and catalyze narrative change within the system.

In the future, there is a need for foundations to address the more hidden, relational and potentially transformative parts of systems.

WHAT DOES THIS MEAN FOR YOU?

Self-reflection tool: where is my organization on the systemic philanthropy spectrum for component 1?

We have developed the following self-reflection tool so that you can diagnose where your organization is on the systemic philanthropy spectrum related to Component One's main elements. We encourage you to use this to generate discussion and dialogue – it is less about a numeric assessment and more about considering the different elements of what it takes to truly embrace and embed systemic philanthropy.

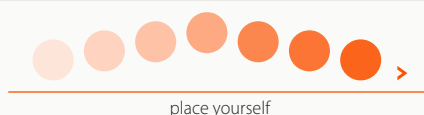
[COMPONENT 1] Understanding systemic philanthropy

This component explores how the foundation understands and applies the concept of systems change, including the principles and practices associated with it. Across its three elements, it considers the extent to which the foundation has made an explicit and formal commitment to systems change, how clearly it understands the role it can play in systemic transformation, and the degree to which systemic practices are embedded in its ways of funding, operating and collaborating.

Score your organization based on its current situation. If useful, complete the worksheet again to reflect where you would like your organization to be in the future

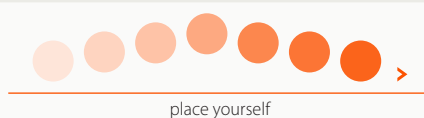
[ELEMENT 1.1] SHARED UNDERSTANDING OF SYSTEMS CHANGE

Working on a definition of systemic change and a set of principles to guide practice



Sharing a codified definition of systemic change externally and transparent principles to guide practice

Multiple and different understandings of systems change goals and work in different teams, programs or levels of organization



Openly discussed and coherent, although continually evolving understanding of systems change

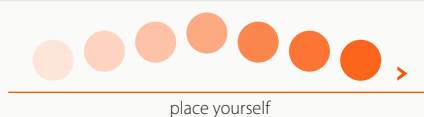
[ELEMENT 1.2] CLARITY OF SYSTEMIC ROLE

There is an informal intention to engage in systemic change



Systemic change is integral to the whole foundation and individual programmatic strategies

The foundation is starting to explore where and how to engage in systemic change



The role of the foundation within systemic transformation is established and negotiated internally and externally with system actors

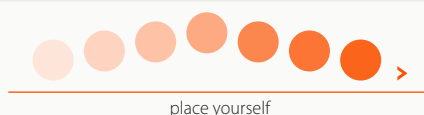
The foundation is starting to define the systems, boundaries of those systems and geographies for its contribution



The systems, boundaries of those systems and geographies where the foundation contributes are clear (subject to responding to the system as it evolves)

[ELEMENT 1.3] SYSTEMIC PHILANTHROPY PRACTICES ("WALKING THE TALK")

The foundation is exploring changes to existing funding practices and activities in certain projects or programs



Systemic practices are fully integrated in programs/portfolios and across them



RECOMMENDATIONS FOR

[COMPONENT 1]

Emerging Systemic Philanthropy Understanding

For a foundation beginning its journey into systemic philanthropy, the three most useful entry points are best approached as a sequence: build shared understanding, clarify the foundation's role, and translate that role into a coherent set of practices.

1



Develop a provisional shared understanding of systemic philanthropy

Discuss what systems change means in the foundation's own context, with the aim of surfacing assumptions rather than establishing a perfect or universal definition. Clarify whether systems change is understood as an approach, a desired outcome, or both; the scale of ambition involved; and whether the foundation is more oriented towards deliberately targeting leverage points or enabling solutions to emerge through experimentation. Use language that is accessible to trustees, staff, partners and communities, and explore it through concrete examples rather than abstract theory. Produce a short, adaptable working statement of what systemic philanthropy means for the foundation, supported by a small number of guiding principles.

2



Define a bounded system and the foundation's role within it

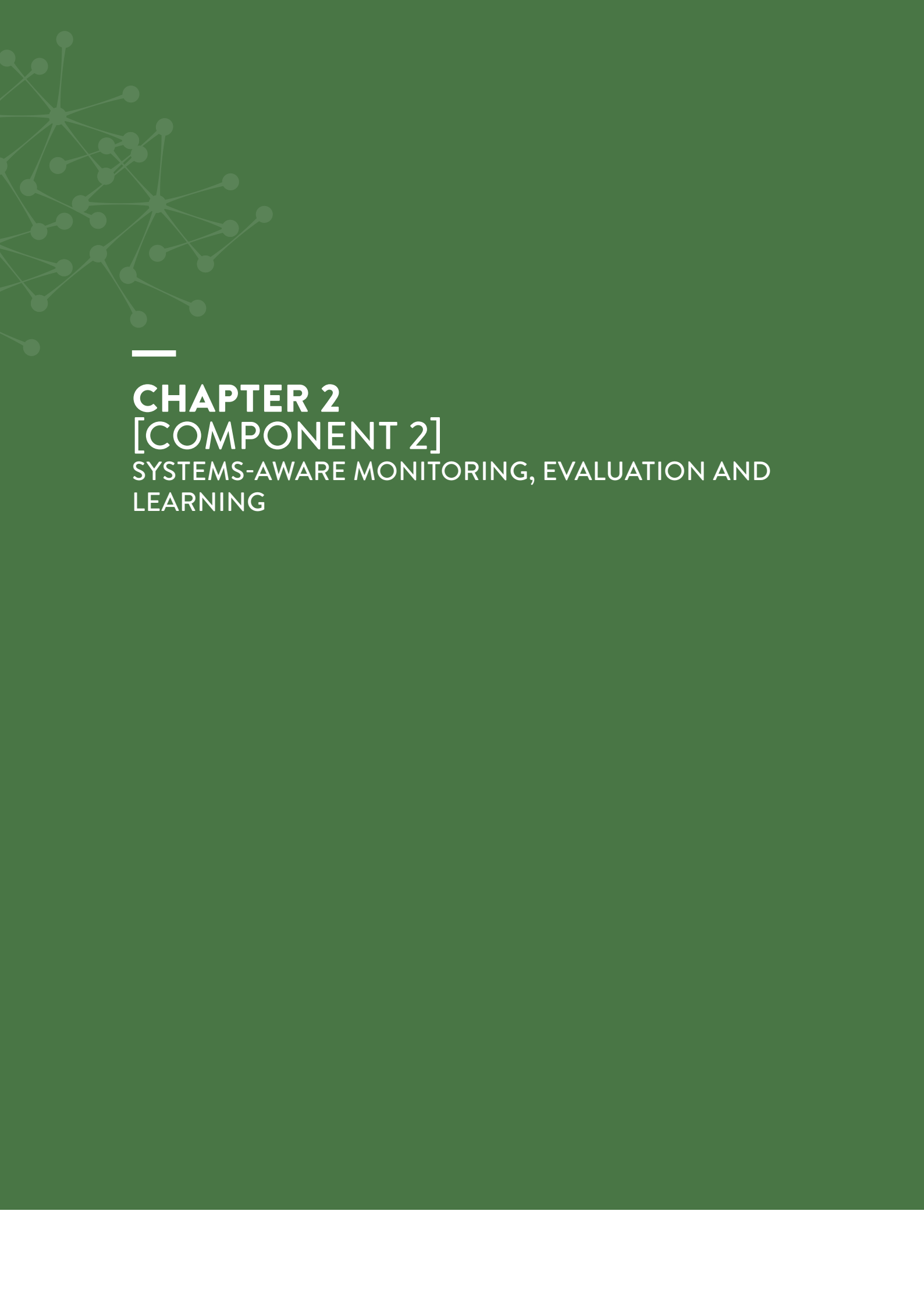
Choose a sufficiently focused area in which to begin, defined by a societal challenge, geography, sector, community, or a combination of these. Examine the deeper causes, actors, relationships, policies, incentives, power structures and narratives shaping current outcomes, and use that diagnosis to clarify the foundation's contribution relative to communities, civil society, government, business and other funders. The research suggests positioning philanthropy primarily as an enabler rather than a driver. The foundation might adopt a bottom-up emergence strategy, a top-down orchestration strategy, or a hybrid approach, while stating clearly what it will not lead or attempt to control.

3



Begin with a focused, learning-oriented portfolio of practices

Avoid trying to implement every systemic principle at once. Select a small number of mutually reinforcing practices aligned with the foundation's diagnosis and role. The material identifies flexible multi-year funding, support for locally-rooted organizations, coalition or network building, experimentation, evidence generation, policy influence and narrative change as possible practices. The portfolio should address root causes, be inclusive and contextually grounded, and allow adaptation over time. Treat learning and evaluation as collaborative enquiry rather than an attempt to attribute system-level change solely to the foundation.



CHAPTER 2

[COMPONENT 2]

SYSTEMS-AWARE MONITORING, EVALUATION AND LEARNING



[COMPONENT 2]

Systems-aware monitoring, evaluation and learning

Considering how foundations understand, monitor, evaluate and learn about impact and change in systemic contexts

Introduction to this component

This component explores how foundations understand, monitor and learn about impact and change in systemic contexts. It considers: whether change is understood primarily through a lens of attribution or contribution; the purpose of MEL for the foundation, including accountability, learning and decision-making; the approaches and methods used; how learning takes place; and how foundations recognize and respond to the power in their relationships with partners.

MEL in philanthropy is in a phase of disruption, with partners and grantees asking for more participatory and equitable designs and AI re-shaping data collection and evidence generation possibilities. On top of this transition, systemic philanthropy practitioners are having to navigate what it means to do MEL within a systemic change context and what their specific role in generating and funding MEL should be. **It is no surprise that the field is in a state of what could politely be called experimentation, but in reality is fragmented chaos.** Systems MEL is widely seen by foundations and partners as difficult, complex and still evolving without having found field-level consensus or equilibrium. Foundations are nervously looking around at each other asking: how are you doing it? Does someone *really* know what they are doing? **It is still an open question as to how far the tried-and-tested existing MEL toolbox, of for example theories of change and mixed method indicators need to be tweaked and reoriented or fundamentally reshaped and reimaged.**

In probing and responding to these questions and uncertainties, there are no leaders or followers – instead, foundations must gather as peers with other stakeholders in the systems they are working to collectively push forward systems MEL within the philanthropic context. It is an exciting time with many opportunities, but foundations often feel they are rustling around in the dark as they try to pinpoint the systemic change that they have been contributing to within a context of strong external forces disrupting and sometimes regressing systems. **There may not be convincing and neat stories of wins that philanthropy may have become falsely addicted to.**

As we illustrate, **foundations are in a constant state of negotiation as they move towards MEL approaches more fitting for systemic philanthropy:** between the intuitive, dispersed ways of sensemaking and evidence generation that systems MEL calls for and the quantitative-indicator heavy data that many boards are still requesting; between lightening the reporting load and handing over

agency over and control of MEL to partners with their desire to be able to aggregate and tell a coherent story of their systemic contribution; between the oversimplicity of log frames and indicators and the perceived over-complexity of some newer systems-aware methodologies. There is not necessarily a contradiction between these tensions, and they are creatively and inspirationally being managed by participating foundations in our sample as we illustrate, but not without a form of collective anxiety. We believe that there is substantial innovation and many green shoots already showing how this transition towards systems MEL is being pioneered. Many of their partners are illuminating the way, and in their rich discussions with partners, foundations' impact management ideas and approaches are being transformed. Rather than MEL being perceived as an accountability burden and a form of pseudo-scientific control, we see that systems-aware MEL can become a beacon of hope, enabling real-time sensemaking and adaptation among system actors and driving the field further forward. A systems-aware MEL invites more hopeful and joyful ways of thinking about impact measurement.

When organizations work toward systemic transformation, impact is often difficult to attribute, slow to materialize, and distributed across many actors (Gautier, 2025). Long-term goals may be too distant or complex to measure directly, while causal pathways may remain uncertain or emergent. Under these conditions, MEL does not only function as a tool for proving impact. It may also shape how actors interpret progress, sustain motivation, coordinate action, and imagine the relationship between present activities and future transformation (Lynn & Coffman, 2024). This argument connects closely to Augustine et al.'s (2019) concept of "as-if reality." For distant futures to orient present action, they must be treated as real enough to motivate effort, even while remaining hypothetical. MEL practices operationalize visions of change by translating them into goals, indicators, outcomes, and learning frameworks. As a result, MEL does not simply measure a pre-existing reality; it participates in shaping which future becomes actionable and whose agency is made visible within that future.

In this sense, and as an essential part of any systemic philanthropy approach, **systems MEL deserves the substantial resources in money, space, time and incentives that it needs.** When MEL creates spaces for diverse actors to discuss evidence, interpret progress, and revise strategies collectively, it can strengthen the pathways-agency cycle central to hope. Such spaces allow actors to identify emerging routes toward change, understand their own role within those routes, and maintain motivation despite uncertainty. MEL therefore, may sustain hope not only through what it measures, but through how measurement is collectively practiced. MEL is no longer a nice-to-have add-on for foundations within an individual project or program philanthropic context (as per traditional MEL), but an essential part of philanthropy adapting to how it can most fully contribute to systems change. The story that emerges is one of change: from attribution to contribution; from quantitative outputs to richer mixed evidence of transformation; from reporting to learning conversations; from foundation-defined impact to more plural, partner- and community-informed learning; and from isolated project accountability to organizational, system-wide and field-level collective intelligence.

The next phase calls for control by philanthropy to be further released in the building of systems, to focus on enabling conditions— capabilities, infrastructures, and institutional architectures and a more distributed sense-making and responsiveness (Dark Matter Labs). **This means MEL capacities and resources becoming more collective.** Foundation's role then moves to a focus on capacity-building of the system that they are involved in to create **a shared ownership of evidence related to how the system is evolving, what the desirable and possible futures are, and how different actors might need to act next.** Foundations can lean on their role as orchestrators, activators, convenors and bridgebuilders to shape this more collective field-level systems awareness.

2.1

**ELEMENT 2.1****A fit-for-systems impact approach**

How foundations develop and apply approaches to understanding impact in complex, systemic contexts.

Foundations' impact management systems have a different purpose in systemic philanthropy

In complex systems, cause and effect behave non-linearly, outcomes emerge in unpredictable ways across system actors, systems continually change at a slow and then sometimes at a whistlestop pace. In this context, the more conventional approach to MEL which tries to understand whether projects 'worked' is reframed to understand systemic initiatives as part of a more dynamic ecosystem of actors and influences. A contribution perspective therefore becomes essential, asking how the foundation, partners, and other actors collectively influence change, each from their respective role. It is focused less on proving isolated causality and more on understanding the wider system, the pathways through which change happens, and the foundation's contribution to these pathways.

The UNDP Sandbox MEL 360 practical guide on how to integrate systems MEL into projects, programs and portfolio invites us to ask:

- How can our initiative learn from what emerges, not just track what was planned?
- How can our initiative adapt based on real-time feedback, rather than follow a fixed blueprint?
- How can our initiative account for power, relationships, and behavior – not just outputs?
- How can our initiative bring in diverse systems perspectives and lived experiences to shape what we learn?
- How can our initiative better contribute to the deeper, longer-term changes these systems need?

These questions continuously ask for more work to identify patterns, relationships, leverage points, feedback loops, including diverse perspectives and questioning assumptions. These are new skills for many MEL practitioners and require an adapted mindset and approach.

The main purpose of systems MEL becomes more about learning, sharing and adapting as well as collective decision-making, rather than proving impact. In this sense it is a continuous process not only happening at the beginning and end of interventions or strategies, but helping organizations continuously incorporate lessons, refine interventions and processes and anticipate what may happen in the future. Learning is shared with partners, local actors and affected communities to be part of the change process.

Foundations are reshaping their MEL toolbox to fit more with their systemic strategies

As described in the table below, foundations are experimenting with a variety of methods, tools and approaches as they experiment with systems-aware MEL, constituting their own bricolage systemic impact management system. They are mixing the old or familiar with the new and the innovative. There is a need for strong capacity-building within foundation teams and sharing of learning as foundations are experimenting with different and often new approaches, moving away from end-of-project evaluations towards more agile, adaptive and ongoing evaluation and learning practices. As noted by Emily Gates

and Pablo Vidueira in their book, 'Evaluative Inquiry for Systemic Change – A Guide to Shift Beyond Fixes to Lasting Value', *'aspects of conventional evaluation can and should be expanded, adapted and tailored for systemic change.'*

In all of these approaches, mixed methods tend to be used, with quantitative indicators used less and qualitative information more than in conventional MEL.

“Ultimately, everything we do has certain numbers, but what’s important is the qualitative change (...) it frustrates me because my governance doesn’t understand it. We are working with things that are a little ethereal, but that doesn’t mean they aren’t mega important.”

Program team foundation interviewee

There is also **more space given to intuition within a systems MEL environment**, with program teams considered ‘information transmitters’ from one place, communicating with projects, the field, others in the team and governors in a constant informal flow of information and learning.

“Sometimes we perceive the impact – not so much in a technical, rigorous, or academic way – but rather through our bodies. We see it and we feel it. The word is intuition: it’s incredibly important and completely reliable. In the end, it’s the body speaking to you from a place other than the mind. But it’s also information that’s being processed in a different way. We have a great deal of intuition because we’re constantly processing all the information we gather.”

Program team foundation interviewee

TABLE 8 Examples of systems-aware MEL methodologies and approaches

SYSTEMIC MEL METHODOLOGY / APPROACH	DESCRIPTION	EXAMPLE FROM PARTICIPATING FOUNDATIONS
Systems mapping	Systems mapping broadly refers to the process of constructing a visual model of a system. At a minimum, these models include the system's elements, the causal relationships between them, and an implicit or explicit system boundary.	Daniel and Nina Carasso Foundation has used systems mapping to analyze, design and scale sustainable food and agricultural networks. This work is largely driven through participatory action research, involving local communities, smallholder farmers, and policymakers to map complex food system flows, dependencies and impact pathways.
Context analysis; power and political economy analysis	Context analysis in evaluation is the examination of the external, environmental and social factors that influence how an intervention operates. Political economy analysis is concerned with the interaction of political and economic processes in a society: the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time.	Co-Impact engages in power and political analysis as part of their systems change assessment. For them, system change requires a deep analysis of who has power, who doesn't, who sets the agenda, and who makes the decisions.
Systemic Theory of Changes	Applying systems thinking to Theory of Change methodology.	Laudes Foundation connects strategies and programs by identifying common change patterns across sectors. Its systemic Theory of Change is distinctive because it operates at the level of industry change rather than only organizational change. It connects strategies and programs by identifying common change patterns, or archetypes, across sectors. It is connected to its rubrics.
Developmental evaluation	Developmental evaluation involves long-term relationships between evaluators and project or program staff. Evaluation is ongoing, which means that feedback can be provided on a continuous basis.	Laudes Foundation uses developmental evaluation as a mirror and compass to adapt its strategies. It creates published learning packs and evidence boards based on evidence assessed through the evaluation.
Evaluative rubrics	A framework that sets a standard for what good looks like and creates a shared language for describing and assessing it using both quantitative and qualitative evidence.	Laudes Foundation uses evaluative rubrics to help them, their partners and the wider field of philanthropy, understand their contribution to systems change. As described further in the long case study, they have 6 evaluative rubrics which are divided into categories: Are the processes in place working? How are our partners contributing to systems change? Is the system changing?"
Contribution analysis, outcome harvesting and process tracing	• Contribution analysis focuses on assessing the extent to which an intervention plausibly contributed to an observed outcome, while considering other influencing factors. • Outcome harvesting starts from the outcomes that have occurred and identifies the role the intervention played in bringing about those changes. • Process tracing examines the evidence for the causal pathway linking an intervention to a specific outcome, testing whether the intervention was responsible for the observed change.	Co-Impact commissioned an external learning partner to follow 15 program partners over a two-year learning journey. The process: 1. Harvests and maps significant changes associated with each partner. 2. Revisits the partner's theory of change. 3. Examines how the partner's strategy contributed to wider system changes. 4. Feeds the findings into Co-Impact's learning questions. This is referred to as a "contribution mapping assessment (outcome harvesting)."

TABLE 8 Examples of systems-aware MEL methodologies and approaches

SYSTEMIC MEL METHODOLOGY / APPROACH	DESCRIPTION	EXAMPLE FROM PARTICIPATING FOUNDATIONS
Foresight and data modelling	Foresight tools can support both the development and evaluation of initiatives, including the design and refinement of theories of change. Those tools help explore a range of plausible future scenarios and test the assumptions on which a theory of change is based (Ruedy & Clark, 2024)	Robert Bosch Stiftung has a dedicated Foresight, Impact & Strategy team that helps the organization anticipate long-term societal challenges and make strategic decisions. For instance, they focus on strategic foresight and horizon scanning; trend and scenario development; integrating impact measurement and foresight into MEAL practice to continuously improve programs and strategies.
Sense-making	The process through which people work to understand issues or events that are novel, ambiguous, confusing or in some ways violate expectations. Sensemaking as an innovative evolution of monitoring and evaluation. It emphasizes the value of a collaborative process.	Laudes Foundation measurement model is closely connected to real-time learning. The process is designed not to be extractive. It aims to ensure that the effort stakeholders put into results reporting is useful to those same stakeholders. MEL becomes a social process that supports collective interpretation and adaptive decision-making.

Managing impact by foundations can happen at the grant/partner, project, program, ecosystem and broader system level

Foundations try to build impact management systems that reflect their systemic strategies and approaches. There is sometimes uncertainty about what the foundation's specific contribution is (when they are a funder rather than a direct operating foundation) and how this can be measured. Beyond funding the specific partner and identifying that partner's impact, what is the foundation's additional contribution? This is an important question for foundations working in systemic context to grapple with, as they seek to understand their contribution at the level of the individual partner (both through financial support and non-financial support), program and entire system.

“We have a number of open questions of how to understand impact, how to monitor it. To me, we are only at the start of grappling with it. Sometimes we say, it is our partners who create impact. But probably we miss out on what our specific contribution is. Our partner's impact is not ours. But there must be an impact of an organization that funds and brings different grantees together and does a lot of things besides giving money. Sometimes I think we are a bit lazy on that point, to define the specific impact of a funder. It is a general statement of philanthropy.”

Executive team foundation interviewee

Foundations need to link their own activities with broad systems changes which is a complex task and carries the risk of over-claiming since they are often aiming to affect large system. Aggregating the impact of their initiatives and interventions at a whole program and especially at a whole-foundation level is a critical challenge that many foundations are grappling with, particularly if they are engaged

in different systems. Some staff wonder whether it is possible to develop a more common approach because of the difference across impact areas/systems.

“Because we work across many geographies and domains, we face a complex ‘apples and oranges’ challenge.”

Program team foundation interviewee

Systems-born foundations such as **Co-Impact** and **Laudes Foundation**, who have systems thinking and systems change strategies in their core DNA, have worked hard to create consistent overarching MEL frameworks and methodologies across the systems they are working in, to be able to roll up findings from partner to system-level. For example, Laudes Foundation has a common approach to MEL across its industry programmes, using a systemic theory of change, evaluative rubrics, developmental evaluation (with most significant change and outcome harvesting) to synthesise and make sense of partner contributions and the shifting context of industries. Co-Impact has a clear approach to measuring change at different levels explained further in the longer case study. It works with partners to define outcomes at three levels: 1) Organizational-level outcomes related to the capabilities and strength of the partner organization; 2) People-level outcomes related to changes experienced by the broad population; and 3) systems-level outcomes including changes in the underlying system, such as budgets, laws, policies, regulations, institutional practices, norms, narratives etc. Co-Impact is also taking a more creative approach to looking across a portfolio of work across partners: whether partners are on track against their own goals, identifying patterns across the portfolio and using grounded examples to tell a richer story of how change happens. This requires synthesis, sense-making, thematic analysis, systems mapping, political economy analysis and evidence of institutionalization.

On the other hand, **Robert Stiftung** and **IKEA Foundation** are working hard as part of their transition to becoming more involved in systemic philanthropy to create more clarity and consistency across their different program teams, building MEL principles and practices more fit-for-purpose for systemic philanthropy.

Foundations’ systemic impact approaches are related to the type of systemic practices they engage in

As described in Element 1.3, there are a range of systemic practices that foundations are using and their impact approach is somewhat defined by the combination of practices they are adopting. Below is a table of key systemic practices/levers within systemic philanthropy and how foundations are seeking to understand impact related to these levers.

Goals and indicators continue to be used, but in a distinct way, by both foundations and their partners

Success in complex systems is no longer measured by hitting a pre-set target. However, goal setting can still be part of good practice within systemic philanthropy, especially if it is multi-stakeholder led goal, understood by partners and participants. It is an integral part of systems mapping, where a North Star is generated for the systems map – these can be considered more like scaffolding for multi-actor co-ordination. However, goals and indicators within systemic philanthropy need to be more provisional and

TABLE 9 Examples of MEL indicators related to systemic levers

SYSTEMIC LEVER	EXPLANATION	MEL INDICATORS / MARKERS
 Policy change and regulation reform	Changing laws, rules and standards to shape system behaviour. Philanthropy can support or engage in advocacy, policy design, evidence generation, and policy implementation capacity.	Contributions to public policy processes, changes in institutional dynamics, government interest, procurement changes, regulatory changes, adoption of approaches by government or other organisations.
 Solution experimentation / innovation	Help to experiment and test immature solutions that can prevent/address the systemic challenge	Interest in replication, including adoption of demonstrative projects by the market or government, growth in markets, growing demand to learn from a model, invitations to forums, requests for partnerships, and trust.
 Solution scaling	Help to scale proven solutions that can prevent/address the systemic challenge	Resource flows (e.g. capital mobilised), market share (if appropriate)
 Knowledge and evidence	Foundations can invest in research, learning infrastructures, community knowledge, data systems, and sensemaking processes that inform action and challenge assumptions.	Production and dissemination of new knowledge
 Human capital development	Build human capital (professionals / leaders) to advance the field	Shifts in mindsets, attitudes and behaviours, such as increased awareness, increased engagement, changes in professional practices.
 Orchestration and network	Foster collaboration and bring together actors in the field. This can happen through an orchestrator role or an activator role.	Health of the ecosystem being supported, including stronger collaboration, stronger networks, new partnerships, actors who did not previously speak to one another becoming connected, quality of relationships, ecosystem dynamics and trust etc.
 Power dynamics	Change system intervention design and evaluation process to more equitably include final beneficiaries as co-creators and decision-makers.	Local capacity and ownership, including stakeholder engagement, emerging champions, how partners see themselves and their role in the ecosystem, ecosystem actors taking the work forward themselves.
 Narratives	Shift social norms, public awareness and narrative change within the system. Target the problematic mindsets key stakeholders have.	How often words or ideas appear at institutional or societal levels; narrative shifts; cultural and attitudinal changes.

subject to continual renegotiation as the system evolves. It is a step away from an impact KPI dashboard approach common in philanthropy and favored in particular by boards of foundations.

Some foundations are experimenting with systems signals, progress markers and proxy indicators to understand whether they are helping to move a system. These indicators include technical aspects, such as changes in norms, policies or institutional dynamics, as well as softer aspects such as the quality of relationships, the level of trust and shifts in mindsets. These system signals allow for foundations to operate at different horizons: to hold a short-term orientation which is important for accountability whilst not being in contradiction to a long-term more emergent and responsive MEL approach as the systems evolve. For many foundations playing a convening, network-building and orchestration role, it is the overall system health that they are interested in understanding.

“From the measurement standpoint, we think of long-term outcomes, population-level changes that we would like to see in the future. But when we think backwards, we talk a lot about signals of change or insights that can help us suggest that things are happening differently. But we are much less focused, at least currently, on those really strict quantitative measures. But more about how narrative and story and more qualitative approaches can help us to describe directional change, because we find that’s more useful.”

Expert interviewee

Another use of indicators within systemic philanthropy is the idea of cornerstone indicators which are composite indicators to reveal several things through a single measure. The concept was originally developed by Katherine Trebek and Dark Matter Labs. For example, the number of girls who ride bikes at school can reveal whether a family can afford bikes, whether streets are safe, whether it is socially acceptable for girls to ride bikes, and whether girls are going to school. Another example of cornerstone indicator might be the number of street parties that occur and this might reflect community relationships, local-government flexibility, public-space quality and safety.

Systems MEL is becoming more participatory and the process is changing, but still has a long way to go to address power imbalances

In systemic philanthropy, evidence should be gathered and interpreted through participatory approaches. This means embracing different perspectives, diverse ways of knowing, and multiple sources of evidence. Philanthropies in our sample are expanding the range and way they are collecting information, beyond using partners data as they have always done (particularly partner reports) to also include partner feedback, continuous interactions, and ongoing conversations. Learning communities are being set up amongst system actors or partners, which also provide the opportunity for ongoing sense-making of evidence. Broader reflection is also happening with external stakeholders beyond staff, board members and partners as well as more open governance mechanisms. This data collection from a wide range of constituents and voices is an essential part of the move towards systems-aware MEL. There is also more openness to an evidence base that values intuitive knowledge as well as the informal knowledge that often lies in the heads of program team staff and other system actors.

Partners are at the forefront of developing cutting-edge systems MEL but may need support and capacity-building

Partners funded by grant-making foundations are themselves experimenting and investing in how to approach systems MEL. Below are some examples from foundation’s partners related to how they are conducting MEL. There is a mutual learning and exchange between funders and partners that is broadly enriching and enabling this shared experimentation, especially when partners are choosing their own indicators, approaches and methodologies.

“Conversations with partners help us to get an idea of contribution towards outcomes and it also allows us to recalibrate. We have conversations throughout the contract period to say, do all the activities that you had planned still fit for what’s going on in the system, or generally in the context? Do we need to change/adapt anything? Where is the system changing?”

Program team, Foundation interviewee

Some partners may need more support and capacity-building, and foundations are aware of the time and energy that conducting systems MEL requires. Partner investment in MEL capacity is uneven, and reorienting partners to think about MEL for themselves, rather than to please the funder is difficult since the legacy of donor-driven reporting remains strong.

“We always have the alarm of: who do we ask, what? Because in the end, we can afford to measure and stop and think. But those projects that are changing the world have to do it only if it is useful. They are not here to measure themselves, but to change the world. So we are always aware that the weight of measurement does not go to the detriment of action.”

Program team, Foundation interviewee

T/It Collective



Tilt Collective, IKEA Foundation Partner – Approach to Systems Evaluation

Tilt Collective works to strengthen food resilience through practical partnerships with farmers, researchers, and local organizations. It supports efforts that improve access to nutritious, affordable food and builds on local agricultural knowledge. To evaluate its work, it looks at both movement-building and food system transformation.

Movement level indicators including funding flows, collaboration, knowledge-sharing and capacity-building. Systems-level indicators focus on private-sector commitments, policy-developments, procurement changes, and narrative shifts around plant-rich diets and food systems.

It collects data from its partners through reporting, informal check-ins and uses methodologies such as outcome harvesting as well as quantitative indicators including for example meals affected by procurement changes.



IMPACT KENYA

Robert Bosch Stiftung

Impact Kenya, Robert Bosch Stiftung Partner – Approach to Systems Evaluation

Impact Kenya, champions indigenous resilience by securing land rights, fostering sustainable livelihoods, and nurturing ecosystems. Impact Kenya rejects traditional end-of-project evaluation approaches and views evaluations as a continuous process embedded in meetings, community engagement, partner reflection and day-to-day learning.

It collects quantitative data through dashboards, such as water access, boreholes, land registration, and other activities. However, it emphasizes the importance of the social contract with communities and practical evidence of whether something is working.

Signs of success include government interest, other organizations visiting to learn from them, invitations to forums and requests for partnership...



Foundations are at different stages of sophistication in the transition related to systemic MEL

The table below is a summary of how foundations are approaching systems-aware evaluation and designing impact management systems that explicitly incorporate a systems lens. Foundations that are systems-born and have it within their DNA (Co-Impact and Laudes Foundation) are pioneers and field leaders, whereas foundations which are on the journey of systems change and developing their approach, are in a phase of strong design and development, but carry legacy ways-of-working, capacities and approaches which can be hard to disentangle and move beyond. They are more in the in-between zone of old and new. However, the process of developing a MEL framework to match their systemic ambitions enables staff and the Board to get a better understanding of how different initiatives to contribute to broader systemic outcomes. Creating new MEL principles, guidelines or approaches is a mechanism for strengthening a shared understanding across the foundation about its systemic understanding and role, and leads to new forms of dialogue between staff and members.

TABLE 10

Summary of how participating foundations are adapting their MEL to the systemic context

FOUNDATION	FOUNDATION-WIDE APPROACH ACROSS TEAMS	CORE TOOLS AND METHODOLOGIES	DIRECTION OF TRAVEL / MAIN TENSION
BBK Foundation	A central social-impact team is developing common tools, while program teams collect data across people, culture, employment/ entrepreneurship and environment. Current MEL is mainly grant-based and compliance-oriented, though it increasingly informs funding decisions.	Grant-level Theories of Change, output indicators and KPIs; a light-touch impact sheet combining BBK-defined and partner-defined indicators; written reporting at the start and end of grants; emerging cross-program objectives and KPIs.	Seeks to strengthen program-level evaluation and learning. Progress could be done by increasing staff and partner capacity, fostering more co-ordination and aggregation across programs/ teams, and taking better advantage of the spaces dedicated to learning and reflection.
Co-Impact	Uses a shared, codified, right-fit and partner-led MEL approach across its funds and systems. MEL is primarily a management, adaptation and learning tool for locally rooted partners, with accountability through dialogue, annual narratives and dashboards.	Partner-defined Theories of Change; systems mapping and political-economy analysis; three-level outcomes (people, system and organization); dashboards and narrative reports; portfolio synthesis and sense-making; feminist evaluation, participatory action research and voice-and-agency feedback loops.	Maintains coherence without standardizing away context. Portfolio learning emphasizes patterns, grounded examples, institutionalization and contribution rather than claiming direct attribution.
Daniel and Nina Carasso Foundation	An emerging common framework is formalizing a strong qualitative, relationship-based learning culture across France and Spain. MEL is intended to understand contribution, improve decisions and support collective learning for partners, the Foundation and wider ecosystems, rather than control.	Theories of Change; output and outcome indicators; qualitative evidence from partners, staff and networks; participatory systems mapping; emerging system signals; light-touch partner-defined indicators and funded evaluations for larger or strategic initiatives.	Moving from grant-level evidence towards systemic and foundation-level learning. Open issues include portfolio aggregation, balancing Board demand for simple quantitative dashboards with nuance, uneven partner capability and insufficient data infrastructure.
IKEA Foundation	Current MEL combines three co-designed KPIs per grant, portfolio Theories of Change, grant-level evaluations and traffic-light Board reporting. A review found the model had become compliance-heavy and generated limited learning across grants, portfolios and systems.	Current: three KPIs, Theories of Change, independent evaluations and quarterly Grant Performance Reports. New direction: learning agendas, participatory and partner-led evaluation, narrative storytelling, sense-making, system signals, multiple evidence sources and ecosystem learning communities.	Program managers and partners will increasingly own grant monitoring; the MEL team will focus on guidance, capacity-building and systems learning. Reporting will shift towards a multi-level dashboard and reduced burden, with learning for action and adaptation.

TABLE 10

Summary of how participating foundations are adapting their MEL to the systemic context

FOUNDATION	FOUNDATION-WIDE APPROACH ACROSS TEAMS	CORE TOOLS AND METHODOLOGIES	DIRECTION OF TRAVEL / MAIN TENSION
Laudes Foundation	Uses a common, portfolio-level MEL approach across industry programs. Developmental evaluation and rubric-based assessment support judgement, strategic and tactical adaptation, contested systems change; evidence is interpreted through collaborative sense-making rather than externally by independent evaluators.	System-wide <u>Theory of Change</u> five-point evaluative rubrics to assess changes across the Theory of Change; drawing on qualitative and quantitative evidence from partners learning briefs and industry context (context monitoring) and used in annual sense-making answering learning questions.	Assesses how conducive industry systems are becoming across policy, finance, business, coalitions, workers and communities. Partner-facing requirements have been lightened, with more rubric work retained in-house to reduce burden.
Robert Bosch Stiftung	An emerging foundation-wide MEL architecture is being embedded across health, education and global issues, but practices and maturity still differ by team. MEL is intended to support steering, partner learning, adaptation and accountability at project, thematic, funding-area and foundation levels.	IOOI; topic-level Theory of Change and Theory of Action; system/ context analysis and leverage points; MEL frameworks, indicators, learning questions and cycles; partner dialogue, data collection, narrative reports and annual impact reporting.	Moving from project-level attribution towards systemic contribution and broader evidence on relationships, institutions, discourse and capabilities. Developmental evaluation, contribution analysis, outcome harvesting and annual sense-making are identified as useful next-stage methods.

Even for field leaders, systems MEL remains an ongoing and constantly evolving challenge. It remains hard to articulate in a meaningful and incisive way the contribution of foundations to changing the systems that they are working in. **For all foundations, ‘what is your impact’ within a systems context is extremely difficult to answer**, showing how far the field needs to move in terms of sophistication and clarity.

“For me, one of the big takeaways of this whole process is how little we actually know about what we have been doing.”

Program team, Foundation interviewee

Currently there is limited use of AI in systems-aware MEL by some of the participating foundations, although this is likely to change dramatically in the next few years

AI is seen as potentially very useful in systems-aware MEL, but foundations, with a few exceptions such as Laudes Foundation, are currently using it in relatively limited ways. Potential functions within systems-aware MEL that were mentioned throughout our research include:

- Enriching the external contextual knowledge of foundations and their partners to inform the development of their systems strategies (e.g.. through generative and / or agentic development);
- Reviewing partner evaluation and learning reports and improving the richness and quality of insights whilst increasing efficiency;
- Supporting inter-foundation and cross-system learning by sharing information across areas and actors;



IKEA Foundation

Selco Foundation, IKEA Foundation Partner - AI for learning

Selco Foundation has started experimenting with AI primarily to support qualitative analysis. AI tools are being used to record and analyze interviews, identify patterns in qualitative data, build an internal knowledge repository that integrates expertise from different domains, and allows users to query information across verified knowledge sources in multiple Indian languages and formats.

Selco sees AI less as a learning and knowledge management tool that can support better program design and help uncover insights that may be missed through quantitative analysis alone.



- Enabling better MEL data collection in the field (e.g. through AI data collection tools such as Apurva, designed for NGOs), reducing the cost of end-beneficiary data collection, expanding sample size and improving representativeness of data.

Some foundations may have been reluctant to fully embrace AI within MEL because of mistrust of data origin and data quality. There could also be a concern with outsourcing too much to AI, resulting in those in the MEL function not being able to understand or defend their own position.

2.2



ELEMENT 2.2

Learning as the key enabler of systemic work

The extent to which learnings is used to adapt, refine and strengthen systemic strategies and approaches

Foundations are clear that at the heart and the priority of systems MEL is learning

“A really honest conversation around why it’s hard, and how we’re collectively making ourselves a bit smarter each year is key.”

Program Team, Foundation interviewee

The main purpose of systems MEL is for learning, driving action and continuous adaptation. Foundations point to the importance of documenting and codifying knowledge at the foundation level so it can be shared with the wider sector and across the relevant system. This is particularly important since systemic change work often generates insights that are dispersed and informal: in staff heads, in conversations with partners, in observations and intuitions.

Systems MEL can support learning at several levels:

- At **project or grant level**, organizations learn whether specific activities are working, whether partners are progressing, and whether implementation needs to adapt;
- At **program or portfolio level**, foundations learn across related initiatives and begin to see patterns, connections, and gaps;
- At **organizational level**, the foundation learns about its own contribution, its role as a funder, capacity-builder, and convener and how its strategies should evolve;
- At **field or ecosystem level**, MEL can help build shared knowledge, collective wisdom, and multiplier effects beyond the foundation itself.

For an organization to effectively learn, there need to be feedback loops among program teams, MEL employees, the SMT/leadership, the Board, partners, and others in the field including other funders.

“MEL’s responsibility will be to guide us in the process of developing and integrating our learning. But everybody needs to be on that journey, and particularly programs, operations, the MEL team, the leadership team.”

SMT, Foundation Interviewee

Partners also understand MEL within a system context not only as a way to account for or tell the story of impact to their funders, but also to learn, adapt and collectively reflect about whether systems change efforts are moving in the right direction.

When designing learning efforts, ideally foundations and partners can develop mutually beneficial and insightful learning questions, processes and formats.

“Learning for who is always an interesting question. Are we learning for us as a foundation or are we learning for those who are doing the work? Also, who defines the learning questions? Should we define the learning questions, or should organizations we work with define the learning questions? Or people that are being affected define the learning questions?”

Program Team, Foundation Interviewee

How foundations learn in systemic contexts is hampered by organizational siloes and blind spots as well as a lack of resources

Learning, especially organizational learning, does not happen magically. It requires intentional resources, formats and spaces. For learning to permeate the whole organization, foundations and partners stress the importance of resourcing learning properly. This includes allocating specific times and spaces for reflection, making learning part of staff responsibilities, and sometimes bringing in external consultants

to guide the process. Incentives also matter. Staff need to experience learning as a core part of their role, not as an optional add-on.

“What is crucial is that at least the incentives are not set in a way that we will keep on working in pillars – but at least to make sure that learning across the foundation is shared.”

Program Team, Foundation Interviewee

As is shown in Table 11 below, foundations are engaging in learning to various degrees, at different levels and through many different formats.

TABLE 11

How learning related to systems is currently happening within participating philanthropies

FOUNDATION	HOW SYSTEMS-RELEVANT LEARNING CURRENTLY HAPPENS
BBK Foundation	Should reinforce and take better advantage of the existing learning spaces and formats in order to systematize them and be able to aggregate knowledge between programs. (Examples of learning spaces and formats: annual gatherings to review learnings, design new projects and define new priorities and trainings).
Co-Impact	Co-Impact has a strong learning culture supported by innovative mechanisms such as learning champions and Communities of Practice. It also learns from evaluations it commissions or which its partners commission, a partner feedback survey on funding practices, and context monitoring.
Daniel and Nina Carasso Foundation	The Daniel and Nina Carasso Foundation mainly learns at grant and program level. Learning at foundation level remains a challenge, even though there is a strong culture of learning and sharing within the ecosystem through program staff knowledge and intuition, and through publication of learning reports for key strategic projects and programs.
IKEA Foundation	Is moving from grant-based MEL towards systemic impact evaluation and learning. It has used Theories of Change and KPIs at grant level and hopes to use tools such as ecosystem mapping and system signals in the future.
Laudes Foundation	A strong learning culture supported by learning champions, learning sessions, learning events, and trainings. It also uses to learn its own evaluations and partner evaluations. An innovative format for learning is the Systems Awareness Lab from Laudes Foundation, run by the Presencing Institute. The Lab focuses on experiential learning, coaching, and reflective practice, helping staff and partners better understand complex systems and their own role within them. The intention is to integrate these approaches into partner retreats, so that these spaces support not only coordination and learning, but also deeper reflection on assumptions, relationships, leverage points, and opportunities for systems change.
Robert Stiftung	Mainly learns at the level of program teams / areas. The Foundation recognizes the need to strengthen cross-thematic collaboration. Workshops and internal learning formats are being used to improve collaboration, as part of how systemic change is designed, monitored, and adapted.

2.3

**ELEMENT 2.3****Awareness of power and navigating MEL and partner relationships**

The extent to which power dynamics are understood and partner relationships are equitable and enabling.

Power is central to negotiate surrounding MEL – in a systemic context it needs to be more plural, distributed and shared

A central shift in systems MEL is away from prescriptive reporting and towards joint learning with partners and the system. This comes back to the key question of who and how impact is defined. In a more traditional approach, the foundation often defines what success looks like, key indicators and reporting formats. This is flipped in a systemic and power-aware MEL approach: impact and learning questions are shaped by partners, local and system actors and affected communities. Accountability is therefore not only upwards to Boards or funders, but also to communities. Partners we spoke to emphasized that they have a social contract with the communities they serve and need to provide practical evidence about whether something is working. Foundations are reducing the burden on partners regarding reporting, using lighter formats and learning conversations. Learning conversations can increase the number and specificity of questions whilst still being lower effort than formal written reports. They often revolve around learning agendas co-created between the foundation and their partners.

For some partners, MEL still needs to be more rooted in communities and systems stakeholders and more power over evaluation still remains to be shifted. As an example, **Peace Direct**, a partner of Robert Bosch Stiftung which empowers local peacebuilders to resolve conflicts and build lasting peace for communities, developed a decolonial approach to MEL because of concerns about power imbalances in traditional donor reporting.

Robert Bosch Stiftung has learned from its partnership with Peace Direct about reporting, MEL and ways to develop a more transparent, honest and mutually learning orientation. Such partnerships can anchor foundations in new ways of working as they transition their overall MEL principles and practices more broadly across the foundation.



**Robert Bosch
Stiftung**

Locally led Monitoring, Evaluation and Learning: a decolonial approach

Peace Direct empowers local peacebuilders to resolve conflicts and build lasting peace for communities. They developed a decolonial approach to MEL because of concerns about power imbalances in traditional donor reporting. Peace Direct's approach shifts power, leadership and control over knowledge from donors and external evaluators to local peacebuilders and communities.

Co-developed with partners through deep listening, experimentation and reflection. It is guided by diversity, inclusion, co-production, local leadership, accessibility and flexibility. In practice, partners define their own learning questions and context-specific indicators – including community understandings of peace – use continuous reflection, storytelling. Everyday Peace Indicators and outcome harvesting, and exercise greater control over how data is collected, interpreted, stored and shared. The purpose is therefore local learning, adaptation and community accountability rather than compliance with donor-imposed frameworks.



The partner relationship regarding MEL in a systemic context is a dance between structure and flexibility

Systems-born foundations support partners to conduct systemic MEL: to understand their impact within a systemic change context, to learn from it and adapt their interventions. They often support them to define and track outcomes or indicators and have specific frameworks or tools that are used by the foundation.

Partners often find this useful, although some still experience this reporting as a burden. A balance is needed: common guidelines, tools and training can give partners comfort that they do not need to design everything from scratch. At the same time, partners need freedom and ownership to decide which outcomes and KPIs to track, rather than having all indicators dictated by a funder. Partners confirm that systemic philanthropy funders can play an important role in shaping and supporting their systems MEL approaches. Over time, they increasingly recognize the value of these efforts for learning, demonstrating and communicating their value and fundraising.

“I would say the combination of important information for us, like the visits, like the network meetings, like the space they created to exchange ideas, to grow, to get new ideas....but also giving us the freedom and flexibility to work it out in our way.”

Partner Foundation interviewee

The challenge is to hold both structure and flexibility and to find the right balance: enough shared MEL architecture to support learning and aggregation and take guesswork out of the equation, but enough partner ownership to avoid extractive, burdensome or foundation-centered MEL.



KEY TAKE AWAYS

[COMPONENT 2]

on Systems-aware Monitoring, Evaluation and Learning



Systems MEL remains difficult, fragmented and still evolving, without a settled field-level model

- Systems MEL is widely seen by participating foundations and partners as complex. It remains an open question whether familiar tools, including theories of change and mixed-method indicators, should be adapted or more fundamentally reshaped.
- Foundations are negotiating several tensions: intuitive and dispersed sensemaking versus some Boards continue demand for quantitative indicators; lighter, partner-led reporting versus the need to aggregate and tell a coherent story of contribution; and the simplicity of log frames versus the perceived complexity of newer methods.
- Foundations are at different stages of sophistication. Systems-born foundations have developed more consistent overarching approaches, while foundations in transition continue to work through legacy systems, capabilities, practices and organizational siloes.



The purpose of MEL shifts from proving attribution towards understanding contribution, learning, adaptation and collective decision-making

- In complex systems, change is non-linear, emergent and influenced by many actors. A contribution perspective asks how foundations, partners and other system actors collectively influence change from their respective roles, rather than seeking to prove isolated causality.
- Systems MEL is becoming a continuous process rather than an exercise undertaken only at the beginning and end of an intervention. Its purpose is seen as to support learning, sharing, adaptation and collective decision-making as the system changes.



Foundations are reshaping rather than discarding the MEL toolbox to make it fit for systems change contexts

- Participating foundations are assembling a 'bricolage' of familiar and newer approaches, including systems mapping, context and political economy analysis, systemic theories of change, developmental evaluation, evaluative rubrics, contribution analysis, outcome harvesting, process tracing, foresight and collaborative sensemaking.
- Mixed methods continue to be used, but qualitative evidence, stories, relationships, contextual knowledge, staff observations and intuition have greater prominence. Quantitative evidence is interpreted alongside these other forms of knowledge.

- Goals and indicators can still support co-ordination when they are provisional, multi-stakeholder informed and open to renegotiation. System signals, progress markers and proxy indicators can connect short-term accountability with longer-term, emergent change.
- Impact management may operate at grant, program, portfolio, ecosystem and broader system levels. Linking and aggregating evidence across these levels remains a critical challenge, particularly across different geographies, domains and systems.



Learning is the key enabler of systemic work, but it requires deliberate infrastructure, resources and incentives

- Systems MEL can support learning at project or grant, program or portfolio, organizational, and field or ecosystem levels, from adapting activities to identifying broader patterns and building collective knowledge.
- Effective learning requires feedback loops among program teams, MEL staff, senior leadership, the Board, partners and other field actors, as well as clarity about who the learning is for and who defines the questions.
- Learning does not happen automatically. It requires dedicated time, spaces, responsibilities, incentives, formats, budgets and, in some cases, external facilitation.
- Organizational siloes, blind spots, uneven capacity and insufficient resources constrain learning. Knowledge also needs to be documented so that it does not remain dispersed in staff members' heads, partner conversations, observations and intuition.



Power-aware MEL changes who defines impact and requires a balance between partner ownership and shared structure

- A systems approach shifts towards joint learning in which partners, local actors, affected communities and other system actors help define success, learning questions, indicators and evidence needs.
- Accountability is therefore not only upwards to Boards and funders, but also to communities. Evidence should reflect diverse perspectives, ways of knowing and sources of knowledge.
- Partners are at the forefront of developing systems MEL, but their capacity and resources are uneven, and reporting can still be burdensome or detract from action.
- Common guidance, tools and shared architecture can support learning and synthesis, but partners also need ownership of outcomes, indicators and methods.

WHAT DOES THIS MEAN FOR YOU?

The Systemic Philanthropy Spectrum Tool – Component Two

We have developed the following self-reflection tool so that you can diagnose where your organization is on the systemic philanthropy spectrum related to Component One's main elements. We encourage you to use this to generate discussion and dialogue – it is less about a numeric assessment and more about considering the different elements of what it takes to truly embrace and embed systemic philanthropy.

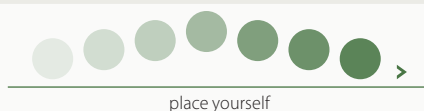
[COMPONENT 2] Systemic monitoring, evaluation and learning (MEL)

This component explores how the foundation understands, monitors, evaluates and learns about impact and change in systemic contexts. It considers whether change is understood primarily through a lens of attribution or contribution; the purpose of MEL for the foundation, including accountability, learning and decision-making; the approaches and evaluation methods used; how learning takes place; and how the foundation recognizes and responds to the power it holds in relationships with partners.

Score your organization based on its current situation. If useful, complete the worksheet again to reflect where you would like your organization to be in the future

[ELEMENT 2.1] IMPACT APPROACH AND THE PURPOSE OF ITS MONITORING AND EVALUATION

Change/impact is perceived more in terms of attribution



Change/impact is perceived more in terms of contribution

MEL is used mainly for accountability at project level, with impact assessed retrospectively



MEL is used for accountability, learning and decision-making at foundation level, with impact assessed retrospectively as well as prospectively through foresight tools

The foundation has a fragmented variety of MEL approaches, more or less suited to systems change work



The foundation has a common MEL approach across programs/portfolios within a systems change context, flexible enough to adapt to domains, geographies partners and systems needs

Primarily linear evaluation methods are used and mainly output data are collected, with a focus on quantitative data



Systems-aware evaluation methods investigate complexity and multiple causal pathways through adapted MEL tools and practices. Foundation works within/engages in whole system sense-making, moving away from top-down analysis

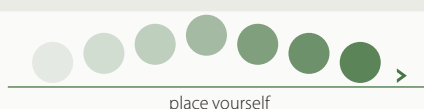
[ELEMENT 2.2] HOW LEARNING HAPPENS

Limited learning mechanisms in place



Multiple concrete learning mechanisms in place within foundation and within the system with attached budget

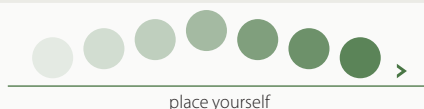
Learning happens internally at project and program/portfolio level and may not be synthesized upwards or outwards



Learning happens at program/portfolio level and across systems, enabling field-level conversations and collective wisdom

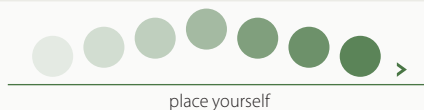
[ELEMENT 2.3] POWER AWARENESS AND PARTNER RELATIONSHIPS

The foundation is aware of the power it holds



The foundation has strong mitigating mechanisms in place to address power imbalances and embed plural perspectives in its systems work

Impact is mostly predefined by the foundation, which requests standardised data from partners



Impact is mostly defined by partners; the foundation supports them to understand, learn from and adapt their work

Significant reporting is requested, mainly to understand the foundation's aggregate impact



Reporting is fit-for-purpose and learning conversations are prioritized



RECOMMENDATIONS

[COMPONENT 2]

Systems-aware Monitoring, Evaluation and Learning

For a foundation beginning or strengthening its approach to systems MEL, the material supports three practical entry points: reframe MEL around contribution, establish regular and resourced spaces for collective sensemaking, and address power imbalances through partner-led design. Their scope should reflect the foundation's maturity, context and role; the evidence does not support a single standardized model.

1



Reframe MEL around contribution, learning and adaptation for a specific area of your work and experiment with core tools such as systems mapping

Begin with one program or portfolio and develop a systems or context map that identifies relevant actors, relationships, power dynamics, external forces, possible leverage points and the foundation's role. Use the map to establish a provisional 'North Star' and a small number of signals or progress markers. Revisit them as the system evolves, combine quantitative and qualitative evidence, and use the findings to understand contribution without over-claiming attribution.

2



Experiment with the concept of collective sensemaking

Create an experiment in collective sensemaking involving program staff, MEL colleagues, leadership, partners and, where relevant, other system actors. Use these conversations to examine what is changing, what is unexpected, which assumptions may no longer hold and what should be adapted in one area of work. Draw on mixed evidence, allocate specific staff time, budget, responsibilities and incentives, and use external facilitation where helpful.

3



Start to engage differently with partners – involving them more in the MEL process

Try to shape learning questions, definitions of success and evidence needs jointly with partners and, where possible, affected communities and other system actors. Explore replacing extensive standardized reports with lighter, fit-for-purpose reporting and learning conversations, and allow partners to select evidence and methods useful to their own work. Start to build the case internally for the capacity and time required for systems MEL.



CHAPTER 3

[COMPONENT 3]

ORGANIZATIONAL CONDITIONS FOR SYSTEMIC WORK



[COMPONENT 3]

Enabling conditions for systemic philanthropy

This dimension considers the extent to which foundations' internal structure, culture, mindsets and capabilities enable systemic practices.

This component considers the extent to which foundations' internal structure, culture, mindsets and capabilities enable systemic practice. It looks at whether the organizational structure supports adaptive, collaborative and long-term ways of working, whether staff have the confidence and skills to engage with systems change, how HR supports systemic capabilities, and whether the board and other governance bodies apply a systems lens when making decisions.

Introduction to this component

Engaging in systems work is not only a matter of strategy, method and approach. It requires a reflection and potential rethink of internal structures, cultures, capabilities, incentives and governance arrangements, to ensure that they are fit for working with complexity. In implementing systems change, foundations appear to encounter cognitive barriers with individuals finding systems change overwhelming and difficult to comprehend, and institutional barriers including competition from funding direct impact, risk aversion and overhead aversion which are perceived as strong grooves that are difficult to reshape within philanthropic practices (Gautier, 2025).

Meeting such barriers and becoming more ready for systemic work requires foundations to explore key elements outlined in this section. Firstly, foundations need adaptive and less siloed structures that allow learning to cut across teams and remain close to the realities on the ground. Secondly, staff need a systemic sensibility and capabilities that support collaboration, learning and the development of long-term relationships. Systemic work often requires staff to reflect on and identify their own patterns and beliefs, meaning it is personal and potentially uncomfortable. And finally, foundations' governance bodies need to understand and engage in the systems-change agenda. This has been identified by many experts as the core, ongoing challenge that has not been fully addressed, with a 'fudge' in play while foundations may pursue systems change strategies to a certain degree whilst continuing to feed their governance bodies with more traditional MEL information in order not to alarm or overwhelm them. There is an unhealthy organizational schizophrenia that emerges and a division between staff and governance bodies.

Throughout our research, we have heard that foundations underestimate the structural and cultural change as well as the specific capacity-building that is required for systems work. Assuming they can

'bolt on' a systems strategy without changing their operating models and mindsets is a classic flaw of philanthropies navigating this transition.

3.1

**ELEMENT 3.1****Adaptive, non-siloed organizational structure**

The extent to which foundations' structures support flexibility, collaboration and long-term, systems-oriented work.

Foundations struggle to break free of legacy programmatic cultures and ways of working and adopt a more porous, cross-programmatic structure important for systemic work

A first organizational condition for systemic work is the **ability to organize internally in ways that help teams learn, co-ordinate and collaborate both within the foundation and with other organizations across the system(s) that the foundation is working within.**

There are key choices to be made about how to organize programmatic teams, whether by sectors / industries and or countries / regions. In addition, how the MEL team is organized is another important decision with a more systemic lens. MEL teams are generally responsible for setting the impact strategy, framework, processes and tools; supporting operational teams to implement MEL; and making sure that learning permeates the whole organization. However, the degree to which program or project staff are involved in MEL differs by foundation.

It is also common to have global teams or staff responsible for transversal matters, such as identifying global interventions that support regional or sectoral strategies, communication, or co-ordination between teams. These transversal roles matter because systems work requires more than parallel programmatic portfolios. It requires connections and co-ordination across different parts of the organization and a fluidity to be able to work with multiple different outside organizations.

Organizational structure becomes extremely important within the context of engaging in systemic work. Whilst each foundation creates its own organizational delivery model as outlined for the foundations in this study in Table 14 below, a key lesson emerges - **learning needs to cut across teams and nimble, adaptive organizational structures fit better with the ongoing, unpredictable and emergent systemic work.**

We can see that the foundations in our sample are at different stages of organizational readiness in terms of adapting their organizational structure to their systemic ambitions. **Some foundations, such as BBK Foundation, are still working in relatively siloed ways which is probably relatively representative of the foundation sector.** There is currently little co-ordination or sharing between areas of work and different subcultures, processes and ways of work across programmatic teams. However, there is a willingness to work more collaboratively, which would require significant structural and cultural change. BBK Foundation considers its first step to become more transversal in terms of serving specific groups, such as families, as a priority stakeholder for its work across its issue areas. A second step is to make inclusion a transversal topic across the different program teams – an opportunity to develop more cross-programmatic thematic and ways of working.

TABLE 12 Organizational structural choices of participating foundations

	BBK FOUNDATION	CO-IMPACT	DANIEL AND NINA CARASSO FOUNDATION	IKEA FOUNDATION	LAUDES FOUNDATION	ROBERT BOSCH STIFTUNG
Program team structure	Organized by sectors: people, culture, environment and entrepreneurship / employment.	Organized in regional teams	Organized by countries (France, Spain) and sector (citizen art and sustainable food)	Changing to be organized by region and theme. Operating model is evolving.	Organized by industry: Food; Finance and Capital Markets; Build Environment and Fashion. Has a cross-industry programmatic team.	Organized by portfolio: Health, Education and Global Issues.
MEL team structure	Social Impact Department is in charge of MEL.	Decentralized MEL team.	One MEL in charge of MEL for Spain.	MEL responsibilities more embedded in programmatic teams. Small central MEL team.	Effective Philanthropy team is responsible for measurement and evidence assessments through evaluation. The team also sets the conditions and supports the foundation organizational learning and nurturing a learning culture.	Team responsible for MEL sits within 'Foresight, Impact and Strategy' team. MEL champions embedded in each program team. Responsibility for MEL sits with the program teams and the MEL champions in these teams. Small central MEL team for methodological support and conceptual work on the foundation level.
Other						Robert Bosch Stiftung works closely with International Alumni Center (iac Berlin), one of its partner organizations, embedded within the foundation.

Others are negotiating issues and conflicts inherent in organizational decisions and budget limitations when making the transition towards more systemic philanthropy. **While proximity to the ground is considered to be a structural condition for systemic work** and during our research, some foundations raised concerns about not having enough staff on the ground. This creates challenges because systems practice requires a deep understanding of local contexts, actors, dynamics and regulations, as well as engagement with system actors on the ground. Foundations without local offices tend to outsource this work to external or local partners.

Beyond proximity, there is also **a certain degree of structural uncertainty that can accompany the transition from more traditional philanthropic programmatic organizational structures** and new teams more fit for systems-change work. IKEA Foundation is currently negotiating such a shift – some staff are excited by the shift but there is also anxiety around the future operating model and what roles may look like. Existing thematic areas might disappear, and resistance may come less from the strategy itself than from its practical implications: new roles, changed responsibilities, less defined portfolios, and more collective grant-making.

As an inspiration, **Laudes Foundation, a 'systems-born' funder with the systems lens embedded in its DNA, shows thoughtfulness in reflecting the cross-systemic nature of its work** with a

specific cross-program team beyond its individual program teams, as well as a team that works on developing shared learning. It is a pioneer in adapting its organizational structure to more properly meet the task and scale of its systemic ambitions.

But philanthropies perhaps have most to learn from partners, who provide inspiration and forward-thinking organizational strategies less hampered by philanthropic tried-and-tested ways of working. An example is the Selco Foundation, one of IKEA Foundation's partners headquartered in India which works to alleviate poverty and fight climate change through decentralized renewable energy-driven solutions, primarily in India. Selco's organizational structure includes innovation, scale, knowledge/amplify and support teams. Innovation teams work with end users and sector experts and are organized around sectors such as agriculture, animal husbandry, textiles and crafts, and micro-businesses. Scale teams are more regional and stakeholder-focused, working with actors such as governments, banks, and enterprise-level ecosystems. Knowledge or amplify teams focus on learning, narrative-building, convenings and influencing decision-makers. Although the teams are focused, there are bridges between them.

3.2

**ELEMENT 3.2****Strengthened culture, capabilities and mindset for systems orientation**

The extent to which culture, mindsets and capabilities support systemic approaches

Engaging in systems change requires a variety of qualities and capabilities – it doesn't look the same across philanthropies and their partners but there are commonalities

Across interviews conducted for this research, we heard about qualities associated with systems work: a collaborative culture; thinking and acting collectively; humility; letting go of ego; less control; listening; questioning and curiosity; collective knowledge-building; patience; resilience; trust. These are the footprints of organizations orienting towards systemic work. These can be overlaid onto the useful schema of seven systems change capabilities devised by the School for Systems Change: seeing systems dynamics; strategizing and making choices; learning from within; experimenting and innovating, engaging and facilitating; constellating for change; and learning and weaving narratives.

Each foundation will have their own specific culture framing and reinforcing capabilities – we heard from some foundations that felt their culture was more conservative and considered whilst others feel more entrepreneurial and dynamic. There is no right or wrong. But there is a cultural shift implicit in moving more towards a systemic mindset and ambition, and a strong sense that creative leadership is required to navigate the transition.

“It's a huge cultural shift. You need leadership. I think you need people who have the ability to interpret themselves and the organization. It's more about sense-making. You need creative leadership.”

Foundation interviewee

As an example of a foundation in transition, **IKEA Foundation's** move towards a more explicit and intentional systemic strategy at the foundation level will inevitably be accompanied by cultural and structural changes which could be challenging. In this shift towards greater systemic philanthropy, its grant-making approach will shift from individual portfolio ownership and fixed budgets towards more joint and collaborative approaches. Some staff may struggle with collaborative responsibility because they prefer individual responsibilities. A positive culture that IKEA Foundation employees point to, such as humility, respect and decency are key elements in navigating this shift.

“It’s quite challenging because the roles are going to change. And it’s one thing to have a vision for the future, but you also need to work through the transition. And you need to deal with the legacy.”

Foundation SMT interviewee

Connections between individual, organization and field are at the heart of systems change work, with implications for philanthropies

Systemic work involves all people as influencers of systems – influence that extends beyond the boundaries of any one identity, organization or industry. In this sense, there is always a fluid interchange between individual, organization and field and foundation employees must look within and develop their own agency, to develop the ‘power within’ which is the ‘capacity to imagine and have hope, it affirms the common human search for dignity and fulfilment.’ (Williams et al). The walls between one foundation and another, and between individuals and the system that is being addressed need to be broken down and in this sense it is important for philanthropies to develop ways that individuals working in their organization can reach a place of agency, and collaboration can happen between system actors. One guide on collective leadership describes it like this: ‘A systemic enquiry begins with asking yourself questions about how you can develop your agency in the situation you seek to change. Agency is a sense of having the capacity to take action. It is not something that others can bestow upon us: it is an inside-out job, and it involves developing your reflexive muscles, that is, your capacity to reflect on your reflections and use those insights to inform action’ (O'Donnell, 2023).

It is the bringing together of people from diverse roles and viewpoints to develop shared understandings that is the essential work of systems change. But philanthropies may not be set up for such open exchanges and power dynamics inevitably come into play – funders must see themselves as partners and collaborators rather than as sponsors. This may require a fundamental mindset shift, and a willingness to look within and examine internal assumptions and blind spots.

With systems change being an inherently collective process, foundations need to be skilled at working in this highly collaborative way at field level. **The Daniel and Nina Carasso Foundation** is an example of a philanthropy with a culture which has always been based on sharing knowledge and engaging collectively with the field, strongly based on intuition and deep field-level knowledge and experience.

Conscious capacity-building and hiring is important to build internal muscle to engage in systems change

A key question is **how far a foundation can best enhance its organizational culture and staff capabilities for systems change.** What we are describing as systems-born funders, such as Laudes

Foundation and Co-Impact put considerable budget and attention into creating the internal conditions for systemic work to flourish.

For example, at **Laudes Foundation** they have a 'Systems Awareness Lab' which is a cultivation of staff personal and collective awareness to strengthen systems-change work and embed theory into ways of working. It includes a three-day retreat, social theater, master classes and coaching hours. The lab was created in partnership with The Presencing Institute founded by Otto Scharmer. So far, it has internally sixteen Systems Awareness Ambassadors, representing one-third of its staff, who support several learning initiatives. Laudes Foundation has carried out an organizational effectiveness review to look at leadership, decision-making, people, structure and culture, as well as strengths mapping using the CliftonStrengths assessment tool⁶ to help build effective teams for cross-organizational projects.

It is not the case that all those working in systems change need to be trained or natural systems thinkers. **The goal is not to become a systems-thinking organization but to become a systems practice organization.** Many interviewees agree that only a proportion of staff need to be or become systems thinkers, while others need enough understanding to apply the approach in practice, either as program designers or project/task-level implementers.

"You need to have some people with a systems mindset, and then you need to have people who are more on the program level, and then you need to have people who are more on the project level, because otherwise how will things materialize? And it's important that you know the linkages between them."

Foundation program team interviewee

HR plays an important role in making it possible to develop right-fit teams for systemic work. For example, the **Daniel and Nina Carasso Foundation** hires people who live, think and breathe systemically. Performance assessment and incentives are identified as an important but unresolved area – culture and capabilities are unlikely to shift if incentives, accountability systems and performance expectations remain aligned with historic ways of working.

Partners are leading the way in re-imagining organizational cultures fit-for-purpose for broad systems change

For inspiration on how to create organizations built for systemic work, foundations need to look no further than the partners that they work with or fund. **Their innovative, collaborative and equity-based cultures and approaches are deeply embedded: it is not only what they do systemically but how they do it that matters.**

For example, **PLANEA**, a network for art and schools and partner of the Daniel and Nina Carasso Foundation, describes a culture based on trust, process, transparency and horizontality. PLANEA gives importance to cultural mediation, co-research, collective knowledge-building as well as valuing others'

⁶ The CliftonStrengths assessment, formerly known as StrengthsFinder, is a 30-minute online tool created by Gallup. It evaluates your natural patterns of thinking, feeling, and behaving. The test ranks your dominant personal traits across 34 specific talent themes to help you focus on what you do best.

contributions and care. This organizational skill in terms of working with stakeholders is widespread amongst partners. **Selco Foundation**, a partner of IKEA Foundation emphasizes that as an organization it prioritizes deep listening, understanding context and grounded relationships with end users and stakeholders, whilst also having a culture of quick pivoting, learning and accepting failure. Meanwhile **Peace Direct**, a partner of Robert Bosch Stiftung focused on stopping violence and building peace, believes in the importance of fostering the mindset and leadership needed for change processes. **Impact Kenya**, another partner of Robert Bosch Stiftung which champions indigenous resilience, is a connector and catalyst building long-life social movements. It emphasizes social convening power, listening, respect for communities and long-term relationship-building. It uses an internship model to help young professionals from communities learn how to engage, organize meetings and listen to communities' own aspirations.

3.3

**ELEMENT 3.3****Systems-aware governance**

The extent to which governance practices enable and steward systemic philanthropy

Systems-aware governance means that boards and other governance bodies understand and engage with the systems-change agenda. When foundations are in transition towards more systemic practices, staff and teams may begin to work systemically, but governance bodies may not yet share the same understanding. **Systems orientation cannot only remain a staff capability. It needs to reach spaces where strategic oversight and decision-making happen.**

“We have a team that lives and breathes systemic thinking and a board that doesn’t understand the word ‘systemic.’”

Foundation program team interviewee

For this reason, it is important to have staff – such as the senior management team or MEL teams – dedicated to managing board expectations when they are moving towards more systemic programming. Governors need to understand why systemic work may involve longer timeframes, uncertainty, learning and adaptation. They also need to adjust their expectations in terms of impact reporting and evaluation data. Boards can tend to think about impact in terms of the number of people reached and are more comfortable with quantitative metrics. As we have described in this report, systemic work often requires longer time horizons, more qualitative forms of learning, and different ways of perceiving and interpreting ‘success’. Without the alignment of the board, staff may face pressure to translate systemic work back into conventional indicators that do not fully reflect the nature of the change being pursued.

“It’s very difficult to embrace systemic practices with traditional behaviors, expectations and ways of working. It is almost like a reset on the expectations of what you are hoping to see from the work. How do you incentivize not having all the answers and saying, we’re practicing deep listening, system sensing and we are learning as we go. It takes a lot of courage to put yourself in front of the board and say that we don’t have all the answers and we cannot control everything.”

Expert interviewee



KEY TAKE AWAYS

[COMPONENT 3]

on Organizational Conditions for Systemic Work



Systemic work cannot simply be ‘bolted on’ to an existing foundation operating model

- Engaging in systemic work requires foundations to reflect on and potentially rethink internal structures, cultures, capabilities, incentives and governance arrangements so that they are fit for working with complexity.
- The research suggests that foundations tend to underestimate the structural and cultural change and capacity-building required. Cognitive barriers, risk aversion, overhead aversion and competition from funding direct impact can make established practices difficult to reshape.
- Changing strategy without changing operating models and mindsets can leave systemic ambitions operating alongside historic ways of working.



Adaptive, structures can support systemic work, but the evidence does not point to a single organizational model

- Systems work calls for structures that help teams learn, co-ordinate and collaborate across programs and with other system actors. Transversal roles matter because parallel programmatic portfolios alone may not provide the required connections.
- Foundations in the sample use different programmatic and MEL arrangements and are at different stages of organizational readiness. A common lesson is that learning needs to cut across teams and that nimble, adaptive structures fit unpredictable and emergent work.
- Proximity to the ground is important because systems practice requires understanding of local contexts, actors, dynamics and regulations. Foundations without local offices may rely on external or local partners to provide this proximity.
- Moving away from legacy structures can create uncertainty around roles, budgets, portfolio ownership and collective responsibility.



A systems orientation depends on culture and a differentiated mix of capabilities

- Qualities associated with systemic work include collaboration, collective action, humility, reduced control, listening, questioning, curiosity, collective knowledge-building, patience, resilience and trust.
- Foundation cultures differ and the material identifies no single culture as inherently right or wrong. Moving towards systemic ambition nonetheless involves a cultural shift and requires creative leadership to navigate changing roles and ways of working.
- The goal is not for every employee to become a systems thinker, but for the foundation to become a systems practice organization.
- Conscious capacity-building and hiring can help create right-fit teams. Performance assessment and incentives are important but unresolved, while partner examples offer illustrative cultures grounded in trust, listening, learning and long-term relationships.



Systems-aware governance is essential, yet Board alignment remains a core and ongoing challenge

- Systems orientation cannot remain only a staff capability; it also needs to reach the governance spaces in which strategic oversight and decision-making take place.
- Staff may begin working systemically before Boards share the same understanding, creating a gap between systemic practice and governance expectations.
- Governors need to understand why systemic work may involve longer timeframes, uncertainty, learning and adaptation and different ways of interpreting success. Conventional reporting demands can pull staff back towards indicators that do not reflect the change being pursued.
- Senior management and MEL staff can help manage Board expectations, but the source suggests that alignment may require time and negotiation and can remain a fraught part of the transition.

WHAT DOES THIS MEAN FOR YOU?

The Systemic Philanthropy Spectrum Tool – Component Three

We have developed the following self-reflection tool so that you can diagnose where your organization is on the systemic philanthropy spectrum related to Component One's main elements. We encourage you to use this to generate discussion and dialogue – it is less about a numeric assessment and more about considering the different elements of what it takes to truly embrace and embed systemic philanthropy.

[COMPONENT 3] Organizational conditions for systemic work

This component considers the extent to which the foundation's internal structures, culture, mindsets and capabilities enable systemic practice. It looks at whether the organizational structure supports adaptive, collaborative and long-term ways of working, whether staff have the confidence and skills needed to engage with systems change, how HR supports systemic capabilities, and whether the Board and other strategic governance bodies apply a systems lens when advising and making decisions.

Score your organization based on its current situation. If useful, complete the worksheet again to reflect where you would like your organization to be in the future

[ELEMENT 3.1] ADAPTIVE, UN-SILOED ORGANIZATIONAL STRUCTURE

Programmatic silos, lack of proximity to on-the-ground systems and an inward-looking culture are barriers to a fluid, adaptive organizational structure suitable for systems work



The foundation has optimized its organizational structure for its systemic practices through its transversal teams and/or cross-programmatic processes and fluid ways of working

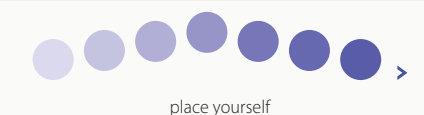
[ELEMENT 3.2] STRENGTHENED CULTURE AND CAPABILITIES FOR SYSTEMS ORIENTATION

There is some skepticism around systems change internally and staff may feel uncomfortable or under-prepared



Board, management, program teams and MEL staff advocate for systemic change and feel prepared to engage

Organizational culture is mainly defined by a preference for secure, known environments



Organizational culture is defined by humility, listening, collaboration, learning, adaptability and comfort with uncertainty

HR is not proactively involved in systems change work



HR has embedded systemic capability needs in recruitment, capacity-building, performance assessment and incentives

[ELEMENT 3.3] SYSTEMS-AWARE GOVERNANCE

There are a few emerging champions within governance bodies who understand and advocate for systems change



The Board and governance bodies make decisions with a systems lens and a clear understanding and buy-in for the foundation's systemic work



RECOMMENDATIONS

[COMPONENT 3]

Organizational Conditions for Systemic Work

For a foundation seeking to strengthen the organizational conditions for systemic work, the material supports three initial priorities: review whether structures enable cross-team learning and proximity to context; consider what might be a right-fit mix of capabilities; and have deeper and longer conversations with trustees about systemic work and its requirements.

1



Conduct a review of your organizational structure against systemic ambitions

Examine whether program and MEL arrangements allow staff to learn, coordinate and collaborate across teams and with system actors. Consider where transversal roles or cross-program connections are needed, whether the foundation is sufficiently close to local contexts, and how roles, budgets and responsibilities could change as work becomes more collective. Because participating foundations use different models, the material does not support prescribing a single structure. Any redesign should be grounded in the foundation's own ambitions and operating context, while drawing on relevant partner and field experience. Consider the appetite of the foundation for organizational change and what might be the best place to start.

2



Reflect on what the current culture and capabilities are for systems change

Identify the qualities and systems change capabilities required for the foundation's work, then clarify which roles need a strong systems mindset and which need enough understanding to apply systemic practices at program or project level. Consider whether staff require additional capacity-building, organizational culture development or new staff hires.

3



Start to engage governance bodies more deeply in resetting expectations for systemic work

Assign a task to senior management or MEL staff to help boards and other governance bodies understand systemic work and its implications. In a board meeting, discuss and review reporting expectations. The evidence supports sustained dialogue and expectation management, but it does not provide a tested Board-engagement model.

Glossary

The following definitions clarify how key terms are used in this report. They provide a shared reference while recognizing that systems change concepts and practices continue to evolve across organizations and contexts.

SYSTEMS CHANGE AND SYSTEMIC PHILANTHROPY

System: “A system is a set of things-people, cells, molecules, or whatever - interconnected in such a way that they produce their own pattern of behavior over time.” Donella Meadows (2008).

Systems change: We define systems change as, ‘the sustainable and long-term transformation of the underlying conditions, relationships and patterns of interaction within a system. We also find helpful the following definitions: “Systems change is the emergence of a new pattern of organization or system structure.” (Lynn & Coffman, 2024) and “a change in the policies, processes, relationships, knowledge, power structures, values, or norms of participants within a system that affects a social issue” (Kramer, 2017).

Systemic philanthropy: Philanthropic practice that seeks to contribute to systems change by addressing the conditions that sustain social and environmental problems. It combines an understanding of systems with appropriate funding and operational practices, relationships, learning processes and organizational conditions.

Systems thinking / systems perspective: “We define systems perspectives as perspectives that portray social phenomena as dynamic wholes in which emergent outcomes arise from interdependent interactions among varied types of elements that span multiple levels of analysis.” (Kimsey et al., 2025).

System boundaries: The scope used to define the system being considered, including the issue, actors, geography and levels of activity included or excluded. Boundaries help focus action but should be revisited as understanding and circumstances change.

Interrelatedness: The connections and mutual influences between elements of a system. Changes in one element may affect others, sometimes in unexpected ways.

Nestedness: The way systems sit within and interact with other systems. For example, a local food system is connected to regional, national and global economic and policy systems.

Non-linearity: A property of systems in which the scale of an action does not necessarily correspond to the scale of its effects. Small changes may have large consequences, while substantial interventions may produce limited or delayed results.

Emergence: The development of new patterns, behaviors or outcomes through interactions among system actors, which cannot be fully predicted or controlled by any single actor.

Root causes: The underlying conditions that sustain a problem, including institutional structures, incentives, policies, inequalities, relationships and beliefs.

Mental models: The assumptions, beliefs and ways of interpreting the world that shape how people understand problems and act within a system.

Leverage points: Places within a system where an intervention may influence wider patterns of behavior or outcomes. These may include rules, incentives, information flows, relationships or underlying beliefs.

Ecosystem: The network of actors, organizations and relationships connected to a particular issue, field or place. In this report, ecosystem building involves strengthening their capacity to connect, collaborate and act.

Systemic role: The contribution a foundation seeks to make within a wider system, in relation to other actors. Roles may include funding, convening, connecting, supporting experimentation, generating knowledge, advocacy or direct implementation.

Orchestration: Supporting alignment and coordinated action among actors working towards a shared systemic ambition. It may involve convening stakeholders, connecting initiatives and strengthening collaboration.

Scaling: Extending the reach, depth or durability of change. In systemic philanthropy, this may involve wider adoption of effective approaches, changes in institutions and policies, or shifts in relationships, norms and beliefs.

Systemic philanthropy spectrum: The reflective framework developed through this research to help foundations examine their understanding, practices, MEL (monitoring, evaluation and learning) and organizational conditions for systemic philanthropy. It supports discussion and adaptation, recognizing that a foundation may be at different stages across its components and elements.

MONITORING, EVALUATION AND LEARNING

Impact / social impact: The positive or negative effects experienced by people or the planet arising from activities and organizations. In systemic contexts, attention extends to how changes in underlying conditions shape these effects over time.

Outputs: The immediate products or services generated by activities.

Outcomes: Changes associated with an intervention or collective effort, including changes in people's lives, organizational capabilities, behaviors, relationships, policies or institutional practices.

Systemic impact: Changes in underlying system conditions and patterns that influence social or environmental outcomes over time. Such impact generally emerges from the interaction of multiple actors and influences.

Impact measurement and management (IMM): The processes through which organizations gather and interpret evidence about impact and use it to inform decisions. Impact measurement examines effects; impact management includes the strategies, structures, culture and capabilities needed to act on that understanding.

Monitoring, evaluation and learning (MEL): Three interconnected functions through which organizations generate, interpret and use evidence to understand progress, assess their contribution and adapt their work.

- **Monitoring:** The ongoing collection, analysis and use of information about activities, progress and the changing context.
- **Evaluation:** Systematic enquiry into the quality, value and effects of an intervention or approach, including how and why changes occur.
- **Learning:** Reflection on evidence, experience and different perspectives to generate insights, share knowledge and adapt strategies and practices.

Systems-aware MEL / systems MEL: Monitoring, evaluation and learning adapted to complex, evolving systems. It emphasizes contribution, continuous enquiry, diverse evidence, participation, relationships, distribution of power and adaptation as change emerges.

Attribution: Establishing a causal link between an intervention and an observed change. Attributing wider systems change to a single organization is particularly difficult because multiple actors and contextual factors influence outcomes.

Contribution: The role an intervention or actor plays in bringing about change alongside other actors and influences. A contribution perspective seeks credible evidence of this role without claiming sole responsibility for the outcome.

Theory of Change (ToC): An explicit account of how and why change is expected to happen, including intended outcomes, pathways and assumptions. A systemic Theory of Change considers interdependencies, multiple actors and changing conditions, and is revisited as learning develops.

Theory of Action: An account of what an organization will do to contribute to change, including its roles, activities, resources and partnerships. It connects the organization's choices to the broader understanding of change.

Systems mapping: A process of representing a system's elements, relationships and boundaries to support shared understanding, identify opportunities for action and revisit assumptions.

Context, power and political economy analysis: Examination of the conditions shaping an intervention and the distribution of power, resources and decision-making within a system. It considers whose interests are served, whose perspectives are excluded and what enables or constrains change.

Developmental evaluation: An approach that embeds evaluation and timely feedback within evolving initiatives to support learning, experimentation and adaptation in complex environments.

Evaluative rubrics: Frameworks that describe criteria and levels of performance or progress. They enable participants to interpret qualitative and quantitative evidence and make explicit judgements about what meaningful change looks like.

Contribution analysis: An approach that examines whether and how an intervention plausibly contributed to an observed outcome, testing its underlying explanation of change and considering other influences.

Outcome harvesting: An approach that begins by identifying changes that have occurred and works backwards to examine how an intervention or actor contributed to them. It can capture both intended and unintended outcomes.

Process tracing: A method that examines evidence for the causal mechanisms connecting an intervention to an outcome and tests alternative explanations.

Mixed methods: The combined use of qualitative and quantitative methods to develop a fuller understanding of change.

Systems signals / progress markers: Observations that indicate the direction or nature of change within a system. Examples include shifts in relationships, trust, narratives, institutional practices or policy. They provide evidence of emerging change without necessarily demonstrating lasting impact.

Proxy indicators: Indirect measures used when the change of interest is difficult to observe or measure directly. Their interpretation depends on a credible connection to that change.

Cornerstone indicators: Indicators selected because a single observable measure can reveal several interconnected system conditions. Their value lies in the wider questions and understanding they enable.

North Star: A shared long-term ambition that gives direction to collective work while allowing strategies and pathways to evolve.

Learning agenda: A set of priority questions that guides evidence gathering, reflection and learning to inform decisions.

Sensemaking: The process of interpreting evidence and experience, often collectively, to understand patterns, explore different explanations and decide how to respond.

Adaptive learning: An ongoing cycle of enquiry, reflection, experimentation and adjustment through which actors respond to new evidence and changing conditions.

RELATIONSHIPS AND ORGANIZATIONAL CONDITIONS

Partners / grantees: Organizations or actors receiving funding and/or non-financial support from a foundation. The term “partners” recognizes their expertise, agency and contribution to shared learning and change.

Grant-making foundation: A foundation that advances its mission by funding other organizations or actors.

Operating foundation: A foundation that advances its mission by implementing its own programs or initiatives. A foundation may combine operating and grant-making activities.

Flexible funding: Funding that allows partners to adjust activities, budgets or approaches as needs and circumstances evolve.

Unrestricted / core funding: Funding that supports an organization's overall mission, capabilities or operating costs, rather than being limited to specified project activities. The precise scope depends on the funding agreement.

Non-financial support: Support beyond funding, such as access to networks, convening opportunities, advice, organizational development or technical expertise.

Trust-based philanthropy: An approach to funding relationships that emphasizes trust, transparency, dialogue and responsiveness to partners' expertise and needs. It seeks to address power imbalances and reduce unnecessary burdens.

Power dynamics: The ways influence, authority and resources are distributed and exercised. In philanthropy, these dynamics shape who defines priorities, makes decisions, determines what counts as evidence and holds others accountable.

Accountability: The responsibility to explain decisions, actions and results, and to respond to those affected by them. In systemic philanthropy, accountability extends to partners, communities and other system actors, as well as boards and funders.

Systems-aware governance: The structures and processes through which a foundation is directed and held accountable while recognizing complexity, interdependence and long-time horizons. It supports learning, adaptation and consideration of different perspectives.

Organizational learning culture: Shared norms and practices that make reflection, knowledge exchange, questioning assumptions and adaptation part of everyday work.

Portfolio approach: Managing a connected set of grants, partnerships or initiatives in relation to a shared ambition, with attention to how they interact and contribute collectively to change.

Acronyms and abbreviations

Acronym	Meaning
AI	Artificial intelligence
BHC	Bosch Health Campus
CIO	Chief Impact Officer, as used in the IKEA Foundation case study
ECSI	Esade Center for Social Impact
EUR	Euro
FTE	Full-time equivalent; a measure of staffing capacity
HQ	Headquarters
HR	Human resources
IMM	Impact measurement and management
IVAR	Institute for Voluntary Action Research
KPI / KPIs	Key performance indicator / indicators
LAC	Latin America and the Caribbean
LME	Learning, measurement and evaluation; the terminology used by Co-Impact
MEL	Monitoring, evaluation and learning
MIT	Massachusetts Institute of Technology
NGO / NGOs	Non-governmental organisation / organisations
NFS	Non-financial support
RBS / RBSF	Abbreviations used for Robert Bosch Stiftung
SFS	Sustainable food systems
SMT	Senior management team
ToC	Theory of Change
UK	United Kingdom
UNDP	United Nations Development Programme
USA	United States of America
USD	United States dollar

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Short Case Studies

THE BBK BANKING FOUNDATION

Type of foundation:	Grant-making and operating
Number of employees:	87 (2024)
Founded in:	2014
Target geography:	Bizkaia province in Spain
Target systems/ sectors:	culture, people, environment/ territory, employment and entrepreneurship
Charitable cause spending:	12M€ (2025), 96,2M€ (2016-2025)
Number of partners supported:	122 (in 2025)

Systemic understanding

DEFINITION OF SYSTEM CHANGE USED

“Systems change” is not a concept used by BBK and therefore there is no formal definition. The term that is more often associated to it by staff is long-term transformation. This being said, there is indeed an underlying orientation towards designing programs and support instruments that contribute to generating structural, long-term changes in the systems influencing major territorial challenges addressed by BBK (challenges - such as migration, aging, and social cohesion – are addressed through cross-cutting interventions focused on inclusion, intergenerational relationships, and community strengthening).

IDEAL STATE OF SYSTEMS IDENTIFIED

BBK seeks to generate social and economic richness in its territory.

KEY SYSTEMIC PRINCIPLES

- Encourage inclusive and contextually-rooted systems change: BBK is locally rooted in Biscay and is very knowledgeable about the reality of its territory in the systems in which it intervenes.
- Harness convening power: BBK and its staff have networks, a trusted voice within ecosystems, and a very close relationship with public institutions.
- Encouraging experimentation: BBK designs exploratory projects from scratch in-house and supports innovative projects led by coalitions of social/public/private/academic actors through BBK KUNA.

SHARED UNDERSTANDING OF SYSTEMS CHANGE ACROSS PHILANTHROPY

BBK doesn't identify as a systems change funder. The foundation feels more comfortable saying they aim to contribute to the social and economic richness of Biscay.

Systemic practices and approach

SYSTEMIC PRACTICE FOCUS

- Political influence: Transfers knowledge to political institutions (they are in constant dialogue).
- Solution experimentation: By creating exploratory projects (Saisoko) and funding others (through BBK Kuna).
- Solution consolidation/scaling: By funding and supporting solutions to consolidate/scale.
- Knowledge and evidence: Disseminates knowledge to inspire others through CoPs or reports.
- Orchestration and networks: Funds alliances, networks or coalitions of actors.
- Power dynamics: Encourages citizen participation in various programs.

OPERATING MODEL AND CAPITAL DEPLOYMENT

- BBK supports local actors identified as experts while also running their own strategic projects designed in-house to cover the “gaps” spotted in their ecosystems (hybrid strategy).
- Partners are in Biscay, locally-rooted.
- BBK tends to provide grants of an average size of 70k but also grants up to 1M€ for strategic projects (i.e. Museum of Fine Arts of Bilbao).
- Most partners receive a one-year grant (often renewed) but key strategic projects receive grants for 15+ years.
- Projects don't tend to receive non-financial support.

RELATIONSHIP WITH PARTNERS	SYSTEMIC PHILANTHROPIC ROLE
• Tends to know their partners well • Asks for official written reports (at the beginning and at the end of each grant). Learning happens informally	• BBK considers one of its roles to experiment and then influence the public sector by sharing knowledge acquired through projects they run and which they fund. <i>“We have more flexibility to create spaces or do things that may not work [...] Much of what was implemented later by the administration came from learning we did at the foundation”</i>

Emerging formal MEL

MEL framework	HOW BBK SEES MEL
	MEL purpose: BBK's current impact measurement is mainly used for compliance, but it is increasingly helping staff to make decisions about what projects to fund. In the future, an objective is to make learning a priority.
	WHERE THEY ARE IN THE PROCESS
	BBK wishes to move from grant-based and compliance-oriented MEL towards program-level evaluations that serve learning. It currently uses theories of change and KPIs at grant level. They are in the process of defining cross-program objectives and KPIs
	MEL METHODOLOGIES USED
Working with partners on MEL	In the past/currently: Theory of Change and output indicators
	HOW LEARNING HAPPENS
How MEL is organized internally	BBK has limited resources allocated to learning (time, space, and guidance). However, there are some examples of in-house projects in which learning has happened and has been shared within the ecosystems. “When you are so much in the operation of the projects, in the coordination, many times we do not have those spaces to reflect”.
	PROCESS, FUNDING AND REPORTING REQUIREMENTS
Key Challenges	• Process: They provide their partners with a light-touch “impact sheet” where some indicators are already defined by BBK and others can be defined by the partner himself. • Reporting: At the beginning and at the end of each grant.
	• The complexity of some frameworks and tools: Measuring systems change is perceived as methodologically difficult and abstract. • Aggregating impact: BBK doesn't aggregate impact across different partners and programs. • Lack of capacities within the staff of BBK and their partners: There is a need for guidance and capacity-building for both foundation staff as well as partners. Many do not have the knowledge or capacity to evaluate systemic impact and learn from it. • The facilitation of the learning requires significant resources as well as the mechanisms to translate learning into decision-making.

Organizational conditions for systemic MEL

Organizational structure	Regional foundation organized by areas/systems (people, culture, environment and entrepreneurship & employment) + 2MEL managers + transversal roles.
Culture, capabilities, recruitment, training	• BBK could be described as having a more philanthropic culture. Staff work in programme teams and have different subcultures, procedures and ways of working. Whilst currently there is minimal coordination/sharing between areas of work, there is a willingness to work in a more collaborative way. This would require a very important organizational change: breaking silos, having common objectives for all areas linked to the foundation's mission. • They are starting to have some transversal goals like "inclusion", which could be an opportunity to create organizational change—transit from punctual connections between areas to a fully integrated way of working. • Key capabilities: trust, networking/building long-term relationships, understanding context, being innovative in some projects, sharing learnings with the ecosystem in some projects. • Formal trainings on MEL ongoing.
Engagement of the Board	Board awareness of systems change concepts and language is growing within the Board, although their use is not yet fully embedded.

CO-IMPACT

Type of foundation:	Grant-making
Number of employees:	50 (2025)
Founded in:	2017
Target geography:	Presence in 8 countries in Africa, Asia and Latin America
Target systems/ sectors:	Health, education, economic opportunity with cross-cutting gender focus
Assets:	\$910m USD across funds
Charitable cause spending:	Over \$540m committed
Number of partners supported:	60 (in 2025) over 140 initiatives

Systemic understanding

DEFINITION OF SYSTEM CHANGE USED

Realigning the **underlying norms, policies, relationships, functions, incentives, and motivations** to higher, so that millions of people, in particular women, girls, and other marginalized populations, can achieve their fullest potential.

IDEAL STATE OF SYSTEMS IDENTIFIED

Co-Impact seeks to transform systems. Its vision is for a world in which **health, education, and economic opportunities belong to everyone.** Gender equality is central to this vision.

KEY SYSTEMIC PRINCIPLES

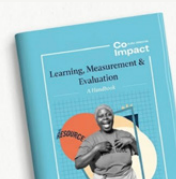
- **Encourage inclusive and contextually-rooted systems change:** focus on how systems are sharing power, institutionalizing representation of women and excluded groups. Belief partners are experts in their own contexts - systems change strategies are chosen by program partners not Co-Impact.
- **Harness philanthropy's convening power to support and enable systems change:** Co-Impact supports program partners to work in coalitions that make sense and are effective. Similarly, Co-Impact itself collaborates with a range of funding partners to grow the overall funding for local-led systems work.
- **Address deep-rooted causes to drive lasting systemic change:** by focusing on systems, their partners work at the scale of the problem, dismantling root causes of inequality.

SHARED UNDERSTANDING OF SYSTEMS CHANGE ACROSS PHILANTHROPY

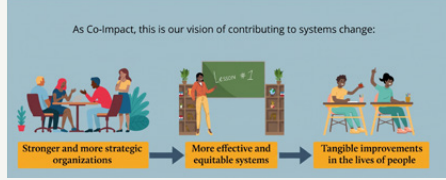
Co-Impact explicitly identifies as a systems change funder, describing itself as a **'global collaborative for systems change.'** Staff across the foundation have a strong sense of what systems change means for Co-Impact, supported by Co-Impact hand books and guides on their systems change approach.



Resources for Changing Systems



Systemic practices and approach

SYSTEMIC PRACTICE FOCUS	OPERATING MODEL AND CAPITAL DEPLOYMENT
Solution scaling: Co-Impact provide strategic support to organisations and work with them. The focus is on enabling organizations to engage with public systems and market systems in ways that ultimately improve lives.' Orchestration and network: Co-Impact helps partners build 'winning coalitions' including government and private actors, civil society organizations, feminist movements and local communities. Narratives: Co-Impact's approach seeks to shift social norms and discriminatory narratives, particularly around gender. Deep systemic reform, including regulation, finance, and human resources: Co-Impact's premise is that lasting, large-scale impact requires changing how major public and market systems are designed and managed, not just expanding a program's direct service delivery.	- Partners are chosen which are leading bold, collaborative efforts towards systems change. Explicit support of civil society organizations who are working within systems. - Partners are in the Global South, locally-rooted, predominantly women-led. - Pooling funding allows Co-impact to provide large, flexible grants. One year design-phase grant focused on strategic learning and planning to deepen their understanding of the system, refine their strategy. Most receive a five-year 'systems change' grant to implement the work.  As Co-Impact, this is our vision of contributing to systems change:
RELATIONSHIP WITH PARTNERS	SYSTEMIC PHILANTHROPIC ROLE
Engages in trust-based philanthropy. 'It is not about being completely hands off. We don't lean in and have monitoring reports, but we have conversations about how it is going, what are the results.' - After the design phase, the dynamic shifts and check-ins happen twice a year, it is light touch. Minimum expectation is an annual report and an impact dashboard.	We support civil society organizations to be more strategic; to be more effective systems change actors' - Plays a role in bringing traditionally fragmented philanthropic actors together to be more cohesive

Systemic-focused MEL (Co-Impact uses the term 'LME')

HOW CO-IMPACT MEASURE SYSTEMIC IMPACT AND WHAT MAKES MEL 'SYSTEMIC'	
MEL framework	MEL purpose: The primary purpose of Co-Impact's approach is to help organizations be more effective, that is, achieve lasting changes in people's lives, at the scale of the problem, through improved systems. To do so, they believe that their partners need to be learning organizations, use different types of evidence and insights to test assumptions, adapt, improve, and share lessons with others (4).
	The way we think about measurement and impact is: how is MEL helping program partners, governments, and other key local actors to improve systems? What are we as funders learning alongside?
	OUTCOMES MEASURED AT THREE LEVELS People-level outcomes: population-level results in health, education and economic opportunity; and outcomes related to women's leadership. Example of outcomes are: service access/quality/utilization; education completion/learning; income/livelihood security and women's agency/leadership outcomes. System-level outcomes (what changed in the underlying system), including 'hard' changes such as policy/regulation change; codified procedures; budget/resource flows; institutional mandates; and 'soft' changes such as incentives/motivation, norms/mental models; narratives; accountability culture. Organization-level outcomes (capabilities and strength of partner organizations to sustain the work), emphasizes building organizational capabilities and 'strategic coherence' (focus resources/partnerships on what matters to change the system). 

MEL framework

- **Equity-centered measurement practice:** collecting disaggregated data, draw on feminist evaluation/participatory action research/user-focused evaluation.
- **Feedback loops:** key expectation is that monitoring mechanisms obtain and act on stakeholder/constituent feedback, especially from under-represented groups.
- **Right-fit evaluation:** built for learning and adaptation (not compliance)

PROCESS, FUNDING AND REPORTING REQUIREMENTS

- **Process:** during the one-year design grant, a focal point is on how to develop a set of outcomes for systems change. Systems mapping, power and political economy analysis is undertaken at this stage.
- **Reporting:** partners track and report via bi-annual and annual-dashboards using agreed metrics across three outcome levels plus annual milestones that narrate progress over time. Dashboard is planned for five years with intermediate outcomes on a yearly basis.

Reporting dashboard

Eat & learn dashboard
PEOPLE-LEVEL OUTCOMES

Sample dashboard

	Outcome	Indicator	Baseline	Year 1 - Target	Y2 - Target	Y3 - Target	Y4 - Target	Y5 - Final target	Data Source	NOTES
People Level Outcomes										
P1	Improved nutritional status of target preschool children in selected 12 districts participating in nutrition education program	Increase in the number and percentage (%) of children in selected preschools receiving daily meals	District 1: 2,000 children (or 50%) District 2: 1,500 children (or 40%)	No change	District 1: 2,100 children (or 52.5%) District 2: 1,600 children (or 42.5%)	District 1: 2,200 children (or 55%) District 2: 1,700 children (or 45%)	District 1: 2,400 children (or 60%) District 2: 1,900 children (or 50%)	100% of target children achieve access to daily meals in all selected 12 districts	Survey - Ministry of Education & UN agencies	No annual data available. External evaluation to be carried out starting Year 2.
P2	Attendance in school improved by at least 20%	Increase in the proportion of girls and boys attending school regularly (over 90% of school days)	District 1: 65% girls and 50% boys... school regularly. District 2: 60% girls and 45% boys...	No change	District 1: 70% girls and 55% boys... school regularly. District 2: 65% girls and 50% boys...	District 1: 75% girls and 60% boys... school regularly. District 2: 70% girls and 55% boys...	District 1: 80% girls and 65% boys... school regularly. District 2: 75% girls and 60% boys...	85% girls and 70% boys attend school regularly... District 2: 80% girls and 65% boys attend school regularly...	School registry - Independent research study	Data from school registry updated annually. Independent research study to be every other year.
P3	Improved nutrition status of children	Decrease in the % of children (under 5 and over 5) who are stunted, wasted, and undernourished in targeted districts	National Level: 30% of girls and 35% of boys under 5 are malnourished... District data TBD.	No change	Data TBD	Data TBD	Data TBD	20% decrease in the number of children with malnourishment in selected districts	UNICEF / WHO / Ministry of Health data	National data may not reflect reality in selected districts due to sample size. Independent research needed to validate data. Every other year starting Year 2.
P4	Improved learning outcomes in basic literacy	Increase in the % of children who are able to read and write at the end of a given school year.	Does not exist	Does not exist	TBD - data collection for firstcohort... and for second cohort...	To be determined	To be determined	20% increase in the % of children with basic literacy skills from baseline.	School examinations / Independent assessments	Data is available annually but only for grade 5 examination for tertiary school. Therefore, conducting assessments every other year is necessary.
	Improved learning outcomes in basic numeracy	Increase in the % of children who achieve basic numeracy at the end of a given school year.	Does not exist	Does not exist	TBD - data collection for secondcohort... and for second cohort...	To be determined	To be determined	20% increase in the % of children with basic numeracy skills from baseline.		

- **Evaluation:** is considered critical, but program partners decide what kind of evaluative method and approach is most salient in their situation; ***'we want to support partners that are savvy about this type of measurement'***.
It's often not the case that they need more staff for MEL, but other things - they need different capabilities, people, skills. It's a lot of change management.'

How MEL is organized internally

3 MEL FTE centrally with decentralized approach where technically the regions do much of the MEL themselves, the central MEL team, as well as guidelines, handbooks, and internal learning sessions.

Key Challenges

- **Aggregating impact:** Co-Impact is exploring ways to capture, describe and quantify impact across a varied portfolio and at different aggregate levels. Currently they organize dashboards (outcomes), partner reports and insights according to common themes (e.g. maternal and child health; women in leadership in economics; etc.).
'Because Co-Impact works across many geographies and domains, it faces a complex 'apples and oranges' challenge.'
- **Re-orientating partners regarding MEL** to focus on what is useful for them and for the system rather than being funder-driven.
- **Systems MEL field is under-developed**

DANIEL AND NINA CARASSO FOUNDATION

Type of foundation:	Grant-making
Number of employees:	27 (2026)
Founded in:	2010
Target systems/ sectors:	Sustainable food systems (SFS) and citizen arts
Assets:	Endowment of 467,5M€ (2024)
Charitable cause spending:	23,5M€ (2025), 155+MC (2010-2025)
Number of partners supported:	210 (in 2025), 2.300+ (2010-2025)

Systemic understanding

DEFINITION OF SYSTEM CHANGE USED	IDEAL STATE OF SYSTEMS IDENTIFIED
No formal definition but aligned around shared understanding of systems change as a long-term transformation of mindsets at scale, relationships and societal dynamics. Systems thinking is part of their DNA	The Daniel and Nina Carasso Foundation seeks to transform systems. Its vision is to contribute to a more just and harmonious society, through arts and food systems.
KEY SYSTEMIC PRINCIPLES	SHARED UNDERSTANDING OF SYSTEMS CHANGE ACROSS PHILANTHROPY
• Addressing root causes (rather than symptoms): funding specific partners but also creating or reinforcing ecosystems/networks, creating and disseminating knowledge as well as designing own projects/programs when gaps are identified. • Encourage inclusive and contextually-rooted reflection and action: An inspirational case of opening the governance bodies • Harness convening power: staff with great networks, trusted voice within ecosystems, access to public institutions • Encouraging experimentation: by funding existing partners or designing exploratory projects from scratch • Learning for themselves and their ecosystems	The Daniel and Nina Carasso Foundation identifies as a systems change funder, describing itself as thinking and acting in a systemic way. Staff across the foundation have a strong sense of what systems change means for the foundation, even if this has not been codified until now. In practice there might be some slight differences between staff (recognition that some official definitions might ensure a total alignment)

Systemic practices and approach

SYSTEMIC PRACTICE FOCUS	OPERATING MODEL AND CAPITAL DEPLOYMENT
• Political influence: They disseminate knowledge at a political scale by funding advocacy work and platforms/networks; funding evidence-generation; and doing direct influencing at the level of the foundation (i.e. inviting ministries to their juries) • Solution experimentation: funding/creating exploratory projects, impact investment funds • Solution consolidation/scaling: funding and supporting solutions to consolidate/scale them • Knowledge and evidence: Create and disseminate knowledge to inspire others (commission research, funds learning, disseminate across ecosystems) • Orchestration and networks: Create fertile ecosystems/networks in which multiple innovations can emerge, connect and reinforce each others • Role models: Create role models through alliances of powerful actors leading inspirational paths	• Partners are chosen which are leading bold, collaborative efforts towards systems change (in their target systems). Explicit support of civil society organizations who are working within systems (coalitions of actors - third sector, public sector, academic sector) • Partners are in France and Spain, locally-rooted. • Carasso tends to provide grants between 40k and 150k (average size: 120k) • Most receive a 2-3 years grant, but the strategic projects receive 10+ years grants. <i>"Our timeframes are always longer than what is usually done in the sector because any change, whether small-scale or systemic, takes time"</i> • Most of projects receive non-financial support in strategic areas beyond the funding
RELATIONSHIP WITH PARTNERS	SYSTEMIC PHILANTHROPIC ROLE
• Engages in trust-based philanthropy • Minimum expectation is an annual report, but program staff engages in deep conversations with the partners on a regular basis (where most of the learning happens and where changes in the grant and NFS can be decided) <i>"Where we are doing a lot of work is in helping them have more impact. The first thing was for them to accept that they could have it and that they wanted to have it. And the second was to prepare them for it."</i>	• The Foundation plays a field building role in SFS and citizen art in France and Spain. They bring together different actors in joint projects and have shared learning forums across their partners. <i>"Our goal is to share these results and processes with both society and other foundations, so that we can also create that multiplier effect."</i> • The foundation also attempts to influence the philanthropic sector by promoting systemic/collaborative ways of working.

Emerging formal MEL

"The construction of the new MEL framework is making the Board of Trustees see the systemic because suddenly they have seen that a priority for the Foundation is nourished by several projects from different programs... the act of measuring is making us see our systemicity or systemic vision."

	HOW THE DANIEL AND NINA CARASSO FOUNDATION SEES MEL
	MEL purpose: The primary purpose of Carasso's impact measurement is to understand to their contribution to changes, learn and make better decisions/adopt better practices in the future. It is understood as a process that has to be contextualized and adapted to partners' realities and seen has a co-built exercise (not a tool of control imposed by the funder). MEL should serve collective learning - for the partners, the foundation and the ecosystems/sectors.
	WHERE THEY ARE IN THE PROCESS
MEL framework	The Foundation is moving from grant-based MEL with a strong qualitative component towards systemic impact evaluation and learning, with a more structured approach that includes indicators beyond qualitative evidence. Its tools are evolving from Theories of Change and KPIs towards systems mapping and systems signals.
	MEL METHODOLOGIES USED
	• In the past/currently: ToC, output and outcome indicators, systems mapping, systems signals, qualitative information (from partners, staff and networks) • Systems mapping as a promising methodology: The Foundation uses systems mapping to analyze, design and scale sustainable food and agricultural networks. This work is largely driven through participatory action research, involving local communities, smallholder farmers, and policymakers to map complex food system flows, dependencies and impact pathways.

	HOW LEARNING HAPPENS
MEL framework	The Foundation mainly learns at grant and program level. Learning at foundation level remains a challenge , even though there is a strong culture of learning and sharing within the ecosystems through program staff knowledge and intuition, and through publication of learning reports for key strategic projects and programs.
	PROCESS, FUNDING AND REPORTING REQUIREMENTS
Working with partners on MEL	• Process: The idea is to provide “small” partners with a light-touch framework (taking into account their capacity) and giving them freedom to define indicators for these to be strategically useful for them. For “big”/strategic projects impact evaluations might be commissioned and funded • Reporting: Not clear yet
How MEL is organized internally	1 MEL FTE centrally, only for Spain (no MEL staff in France) to design common framework and tools
Key Challenges	• Aggregating impact: Carasso struggles at aggregating impact across the different partners and geographies and learning from it • Documenting and communicating impact in a systematic way, balancing simplicity with nuance: Tension between the oversimplicity of quantitative indicators (highly preferred and more valued by the Board) and qualitative information (the one that programmatic teams have and find most useful). <i>“There’s a risk that by reporting, we simplify the methods way too much. Because the programs and the projects are very valuable, but the Board who is not close to them might get a simplified image of them and not see their full value”</i> • Uneven partners’ capacity and capability for MEL: Partners are quite diverse in terms of their financial and human resources to be dedicated to MEL, and their level of knowledge is also quite diverse (need for training) • Insufficient data infrastructure and management
Organizational conditions for systemic MEL	
Organizational structure	Organized by systems and countries + 1 MEL manager + transversal roles
Culture, capabilities, recruitment, training	• Culture based on systems thinking, innovation, learning and sharing • Key capabilities: systemic thinking, networking/building relationships, listening, learning, being entrepreneurial, envisioning a better world • Hire “people who live, think and breathe systemically” • No formal training on systems thinking/practice
Engagement of the Board	Board feel more comfortable with quantitative metrics and still expect to have quick results and receive familiar dashboards

IKEA FOUNDATION



Type of foundation:	Independent corporate-funded philanthropic foundation Number of employees: not specified
Number of employees:	27 (2026)
Founded in:	1982
Target geography:	New Strategy → more place-based strategy. Certain priority Geographies defined to start off with, and that may expand later, but for now, → Kenya, Uganda, and Ethiopia in the East Africa region Already: India, Indonesia, and we have Brazil.
Target systems/ sectors:	Energy, land, forests and food, buildings and transport, emergency response
Charitable cause spending:	404 million euros (2025)
Number of partners supported:	128 active partners in 2025

Systemic understanding

DEFINITION OF SYSTEM CHANGE USED	IDEAL STATE OF SYSTEMS IDENTIFIED
No single institutional definition exists. Across interviews, systems change is consistently described as creating lasting, self-sustaining change by understanding system interdependencies, acting on key leverage points, and enabling solutions to become embedded in institutions, markets and local systems. A shared understanding is emerging through the design and implementation of the foundation's new strategy.	• Solutions become self-sustaining rather than philanthropy-dependent. • Governments, markets and local actors take ownership of change. • Climate action and human wellbeing reinforce each other. • Local systems have the capacity to solve their own challenges. • Collaboration across actors enables lasting transformation. • Philanthropy acts as a catalyst until the system can function independently.
KEY SYSTEMIC PRINCIPLES	SYSTEMIC PHILANTHROPY ROLE
New strategy (launched 2025) • Address root causes, not symptoms • Localization & proximate leadership • Ecosystem orchestration • Flexible, adaptive philanthropy • Learning-driven decision making <i>"The IKEA Foundation acts systemically and seeks to support and learn from local actors who are able to design lasting solutions grounded in a deep understanding of all aspects of a challenge."</i>	• Catalyst rather than implementer. • Systems orchestrator and ecosystem connector. • Risk-taker and flexible funder. • Enabler of local leadership. • Exit-oriented: strengthen systems until philanthropy is no longer needed

Systemic practices and approach

SYSTEMIC PRACTICE FOCUS

Past

- Multi-lever interventions (policy, market development and capacity building).
- Experience in capital flows, market development and narrative change.
- Systems-oriented grantmaking across thematic portfolios.

New strategy (launched 2025)

- Increasing capital flows: incentivising new grant-making flows, public financing and impact investing • Building markets
- Enabling policy and regulatory environment: supporting partners to design and monitor policies and regulations
- Building narratives: strengthening truth, combatting disinformation and building trust.
- Local co-ordination of actions: supporting entities that bring together knowledge, narratives, action and resources, to greater efficiency and lasting impact.

RELATIONSHIP WITH PARTNERS

Past

- Long-term, trust-based partnerships.
- Co-designed grants, reporting and continuous dialogue.
- Partners provide contextual expertise and implementation capacity.

New strategy (launched 2025)

- Partners as co-creators of systems change.
- Stronger localization, local leadership and ownership.
- Ecosystem collaboration based on complementary strengths.
- Shared learning and collective action to strengthen local systems.

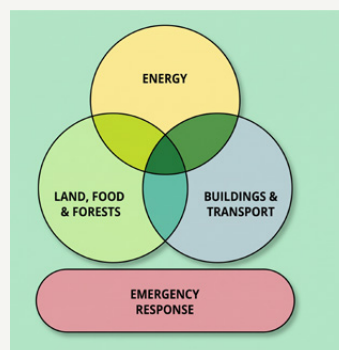
OPERATING MODEL AND CAPITAL DEPLOYMENT

Past

- Organized through thematic portfolios (renewable energy, regenerative agriculture, green employment, refugee livelihoods and climate action).
- Portfolio-based grantmaking with thematic teams operating largely independently.
- Capital deployed primarily through portfolio-specific grants.

New strategy (launched 2025)

- Transition to a place-based operating model focused on priority geographies
- Strategic focus on food, land and forests; renewable energy; buildings; and transport, integrated within regional strategies.
- Portfolios replaced by cross-functional country teams to address interconnected system challenges holistically.
- A global team supports regional strategies through cross-cutting interventions, thematic expertise and shared learning.
- Capital deployed through coordinated portfolios of partners to strengthen local systems and redirect resource flows toward local actors.



Systems MEL

HOW IKEA FOUNDATION MEASURES SYSTEMIC IMPACT AND WHAT MAKES MEL 'SYSTEMIC'

Historic approach

- Grant-based MEL framework based on three KPIs per grant, with evaluation focused primarily on grant-level performance
- Portfolio-level Theories of Change introduced.
- Independent review of MEL function (2021-2025) identified strong progress but some key challenges

MEL framework

New direction

- MEL framework and team redesigned to better support systems change..
- Multiple forms of evidence, narrative approaches and continuous sense-making to inform decision-making.

"MEL is expected to play a greater role in addressing the problems confronting humanity and nature-identifying simplistic solutions that are unlikely to endure; helping to accelerate systemic transformations; and enabling timely course corrections for greater impact through rapid response, developmental and real-time MEL." (Independent MEL review)

MEL framework	OUTCOMES MEASURED AT THREE LEVELS (NEW STRATEGY)	
	Grant level - Program managers own grant monitoring and reporting. - Partners increasingly lead grant-level evaluation. Sub-strategy (country) level - Country-level learning agendas. - Ecosystem learning and sense-making. Foundation level - Learning communities with partners and system actors. - Evaluation driven by collective learning needs. - Cross-strategy learning and synthesis. - Organizational performance and internal data review - developing overarching impact narrative	
	SAMPLE MEL METHODOLOGIES USED	
	Current 3 KPIs Theory of Change Independent evaluations	Future Learning agendas Participatory evaluation Narrative storytelling Sense-making System signals
Working with partners on MEL	PROCESS, FUNDING AND REPORTING REQUIREMENTS	
	Historic - Every grant reports against three co-designed KPIs. - Reporting requirements are agreed with partners, who highly value MEL support but often perceive reporting as burdensome. - Quarterly Grant Performance Reports use a traffic-light dashboard for Board reporting. New strategic direction - Reporting shifts from compliance towards learning, with reduced reporting burden. - Learning agendas and learning communities are co-created with partners and other system actors. - Board reporting evolves from grant-level KPIs to a multi-level dashboard covering grant performance, sub-strategy performance and organizational health.	
How MEL is organized internally	Current - Expanded from one staff member to a dedicated six-person MEL team (timeline?) Chief Impact Officer (CIO) is part of the executive management and leadership Future orientation - More coherent, transparent relationships and clear lines of responsibility and authority, especially between Programme and MEL - Develop MEL capabilities: a stronger focus on a portfolio approach, cultivating multiple professional perspectives on what makes for credible evidence, engaging with cross-cutting values and principles, developing an explicit approach to decolonisation, developing tools that blend corporate with progressive MEL frameworks, evaluating for multiple forms of scaling, leveraging digital and AI technologies, and supporting the Foundation's ability to predict and anticipate trends, shocks and stresses.	
Key Challenges	Current challenges - MEL capacity largely consumed by grant monitoring, reporting and evaluations. - Three KPIs insufficient to capture systems change. - Learning remained fragmented across grants and portfolios. - Reporting created a false sense of control for management and the Board, with perverse incentives related to KPI prominence - Limited resources to implement systems MEL under the previous model. Future challenges - Designing and operationalizing a new systems MEL approach. - Building staff and partner capabilities for adaptive learning. - Redesigning governance and Board reporting for systems change. - Leveraging AI to reduce administrative workload and strengthen learning.	

LAUDES FOUNDATION

Type of foundation:	Grant-making
Number of employees:	52 (December 2024)
Founded in:	2020, evolving from C&A Foundation
Target geography:	Offices in India, Bangladesh, the Netherlands, Switzerland and the UK; partner work across 10 countries
Target systems/ sectors:	Built environment, fashion, food, finance & capital markets, plus cross-industry enabling conditions
Assets:	Not specified
Charitable cause spending:	Spending: €64.1m
Number of partners supported:	260 grants (2025)

Systemic understanding

DEFINITION OF SYSTEM CHANGE USED

- Transforming industries by changing the rules, incentives, norms, decision-making structures and relationships that determine what industries do.
- In practice: influencing policy, investment, business practice, worker/producer/community voice, narratives and coalitions.

IDEAL STATE OF SYSTEMS IDENTIFIED

An industry transition to a green, fair and inclusive economy, **with workers, producers and affected communities at the center** of climate, nature and inequality transitions.

KEY SYSTEMIC PRINCIPLES

- Address deep-rooted causes:** act on rules, incentives, standards, finance, procurement and accountability, not only symptoms.
- Encourage inclusive and context-rooted transition:** keep workers, producers and communities central; adapt common building blocks locally.
- Harness convening power:** coalitions, donor collaboratives and multi-stakeholder movements create pressure and alignment.
- Embrace adaptive learning:** developmental evaluation, rubrics, context monitoring and annual sensemaking make systemic progress interpretable.

SHARED UNDERSTANDING OF SYSTEMS CHANGE ACROSS PHILANTHROPY

- Systems change** is not treated as jargon, it is **anchored in the industries Laudes Foundation is trying to change**.
- Shared focus:** economic, political, social and financial levers shaping industry transition.
- Staff framing:** “*We are a systems change funder for sure*” with emphasis on how to do it effectively.

Systemic practices and approach

SYSTEMIC PRACTICE FOCUS

- Policy and regulation:** coalitions and advocacy around public rules, procurement and due diligence.
- Knowledge and evidence:** strong prioritisation of learning at organisation and field-level
- Orchestration and network:** for example with donor collaboratives, investor tools and networks, media partners, worker voice and pressure on harmful practice. Helped unlock nearly €283m in co-funding and leverage (2025)
- Solution experimentation/innovation:** pilots, proof points, city experiments and sector movements.

OPERATING MODEL AND CAPITAL DEPLOYMENT

- Portfolio / ecosystem strategy:** funds partners across industries, countries and roles.
- Main programs:** built environment, fashion, food, finance & capital markets and cross- industry work.
- Median grant-size of C235k (2025) and 20% of total funding went to general operating support (unrestricted funds)
- In the 2025 grantee perception report, **86% of partners reported receiving non-financial support** - such as field-building, partnership facilitation and grant-related assistance.

RELATIONSHIP WITH PARTNERS

- **Works with civil society**, investors, policy actors, workers, producers, communities, researchers, journalists, city leaders and funders.
- **Partner ecosystem** resilience is treated as a precondition for systems-level change.
- **MEL asks are being lightened**: rubrics moved more in-house and partner reporting reduced to a lighter learning brief.

SYSTEMIC PHILANTHROPIC ROLE

- Acts as portfolio-builder, convener, field-builder and learning partner, and is not owner of partner-led impact.
- **Supports enabling conditions for just transition**: rules, incentives, standards, markets, narratives and voice.
- **Tracks the wider context because** systems change is a "team sport".

Systemic-focused MEL

MEL framework

HOW BBK SEES MEL

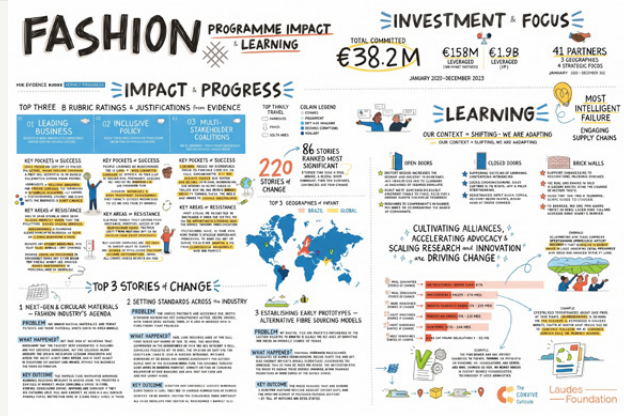
- **MEL purpose**: judge the quality, direction and depth of progress towards just transition while the system continues to evolve.
- **Developmental evaluation**: evidence is used for discussion, adaptation and decision-making, not only retrospective reporting.
- **Evaluative rubrics**: five-point ratings aligned with strategy and Theory of Change; focus on whether systems conditions are becoming more conducive.
- **Numbers provide signals** but cannot carry the full work of interpretation:
"Numbers are useful, but not sufficient."

OUTCOMES AND PROGRESS MEASURED ACROSS FOUR RUBRIC GROUPS

- **Process evaluation**: design, inclusive implementation, adaptive management, collective learning and organizational/network capacity.
- **Early and later changes**: stakeholder-informed policy, investor pressure, progressive business, voice, accountability, movements, redefined value and narratives.
- **2030 impacts**: bold policy frameworks, accountable finance, responsible industries and organized workers/communities exercising power.

SAMPLE MEL METHODOLOGIES USED

- Developmental evaluation and rubric-based judgement
- **Theory of Change beyond the organization** plus learning questions
- **Annual sensemaking** (see evidence board of one of the industries to the right as an example), context monitoring and partner feedback
- **Lighter learning briefs and facilitated social learning spaces**



ROBERT BOSCH STIFTUNG (RBSF)



Type of foundation:	Private foundation associated with a company; grant-making, own initiatives and institutional infrastructure.
Number of employees:	196 people in total, 170 employees (2025).
Founded in:	Formally established as a foundation in 1964; origins trace back to 1921
Target geography:	Germany, across Europe, West Africa, and West Asia (active in 30 countries)
Target systems/ sectors:	health, education and global issues
Assets:	Majority shareholding in Robert Bosch GmbH; dividends finance the charitable mission, with voting rights separated.
Charitable cause spending:	EUR 2.7bn since 1964; EUR 195 m invested in 2025 across more than 300 new projects.
Number of partners supported:	Nearly 400 partnerships (2025)

Systemic understanding

DEFINITION OF SYSTEM CHANGE USED

- Impact is framed as **the transformation of structures, norms, discourses and beliefs** underlying a societal challenge.
- Systemic impact approaches take account of interconnections in a complex system to act on underlying causes, not only symptoms.

IDEAL STATE OF SYSTEMS IDENTIFIED

- RBSF is committed to fostering a world in which people can live in dignity, peace and freedom; they can actively participate in society and have to access high-quality education and healthcare.
- A key to this is working in partnerships with knowledgeable and committed minds from civil society, politics, science, business and the arts to change structures and systems for the better.

KEY SYSTEMIC PRINCIPLES

- Encourage inclusive and contextually-rooted change:** creates room for partners to respond to changing conditions, build relationships and pursue opportunities that cannot be fully specified at the outset. Clarifies RBSF's role while avoiding ownership of impact led by partners and local actors. recognizes that actors closest to the system hold essential contextual knowledge and should shape evidence and learning.
- Adaptive learning and evaluative enquiry:** use MEL cycles, learning questions and partner dialogue to revisit assumptions as systems shift.
- Encourage experimentation and exploration:** in own projects and partner-funded, RBSF provides space for pilots and new ideas.

SHARED UNDERSTANDING OF SYSTEMS CHANGE ACROSS PHILANTHROPY

- RBSF is not a systems-change-bom philanthropy. Its **practice developed before shared language was fully embedded.**
- A **shared ambition is present:** staff describe a common quest for systemic impact and systemic change.
- The **current task is to develop a common language** that supports coherence without imposing a rigid model across diverse systems/fields.

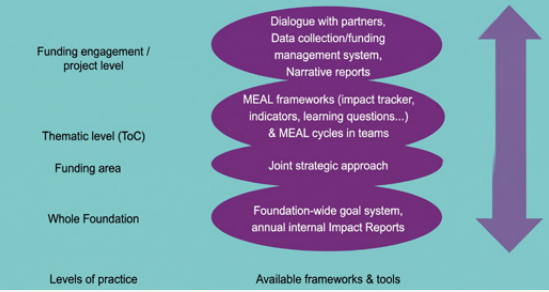
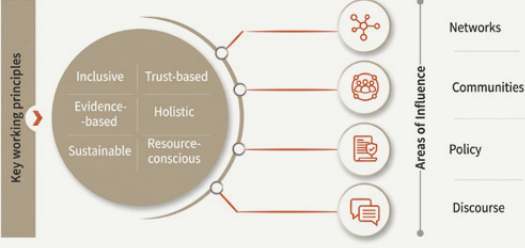


Systemic practices and approach

KEY SYSTEMIC PRACTICE FOCUS	OPERATING MODEL AND CAPITAL DEPLOYMENT
• Solution experimentation: for example, the Bosch Health Campus tests models and translates learning into health-system debate. • Orchestration and networks: The Women's Land Rights Initiative (WLRI) is an informal network launched by the Robert Bosch Stiftung, TMG Research and three UN convention secretariats to advance women's land rights and gender justice in sustainable land management, climate action and biodiversity protection. • Policy change and regulation: the foundation seeks pathways for uptake, public debate, policy influence and institutional change from the start of its own and partner projects. • Human capital development: the Robert Bosch Academy supports decision-makers and opinion leaders from around the world.	• Large established foundation with a broad lever set: grants to others, own initiatives, institutional infrastructure and field convening. • Three core funding areas (health, education and global issues). The largest share, around 124 million euros in 2025, is allocated to health. The Bosch Health Campus (BHC) in Stuttgart brings together the Robert Bosch Hospital, several research institutes, an educational center and the Robert Bosch Center for Innovation in Health Care, creating a unique ecosystem for future-oriented healthcare provision. • Systems strategies combine Theory of Change with Theory of Action to clarify RBSF's own roles, instruments and assumptions. • Portfolio coherence is still emerging: the challenge is to connect diverse areas without over-standardising them.
RELATIONSHIP WITH PARTNERS	SYSTEMIC PHILANTHROPIC ROLE
• Support is relational, not only financial: visits, network meetings, exchange and learning spaces. • In some relationships, unrestricted or core funding lets partners apply resources to underfunded strategic gaps. • Reporting can be dialogue-based and partner- shaped (2024)	• RBSF acts as funder, convenor, connector, legitimizer, host, advocate and sometimes direct implementer. • Its central challenge is to make its contribution visible without taking ownership of partner-led systemic change.
<pre> graph TD Center((Funding with Trust and Flexibility)) Center --- PA[Philanthropic Approach] Center --- SU[Self-Understanding] Center --- IA[Internal Adaptation] Center --- NFI[New Funding Instruments] PA --- PA1[Systemic change] PA --- PA2[Impact-orientation] PA --- PA3[Focus on relations] SU --- SU1[Take a step back] SU --- SU2["Walking the talk"] SU --- SU3[Enabling the agents of change] IA --- IA1[Change of practices and procedures] IA --- IA2[Pandemic as catalyst] NFI --- NFI1[Funding of actors] NFI --- NFI2[Funding of ideas] </pre>	

Systems MEL

	HOW RBSF MEASURES SYSTEMIC IMPACT AND WHAT MAKES ITS MEL SYSTEMIC
MEL framework	• MEL purpose: support strategic steering, partner learning and accountability where change is relational and MEL is contribution-based. • Impact orientation is treated as a continuous mindset from project idea through implementation, adaptation and new topic development. • Evidence ideally goes beyond outputs to capture changes in relationships, actor capabilities, institutions and public discourse, as well as RBSF's contribution to these changes. <i>"We have to take a broader perspective in our answer to the question of what is valued as evidence."</i>

MEL framework	OUTCOMES MEASURED ACROSS THREE LEVELS • Project and partner level: dialogue with partners, data collection, narrative reports, visits and evidence of local trust, quality of care, partner capability and uptake. • Topic and funding-area level: Theories of Change and Action, impact trackers, indicators, assumptions, learning questions and MEAL cycles. • System and foundation level: foundation-wide goals and annual impact reports; attention to networks, communities, policy, institutions and discourse.
	Implications for our IMM approaches and practice (2025) 
Working with partners on MEL	SAMPLE MEL METHODOLOGIES USED • Contribution-oriented evaluation: contribution analysis, developmental evaluation, outcome harvesting. • Systems learning tools: context analysis, leverage points, assumptions, learning questions, Theory of Change and Theory of Action. • Partner-centred evidence: dialogue, visits, rapid feedback, qualitative reflection and power-aware measurement practices.
	MEL ROCESS, FUNDING AND REPORTING REQUIREMENTS • Process: analyze system/context, identify leverage points, define assumptions and learning questions, then adapt as evidence emerges. • Funding and evaluation: flexible support enables adaptation; the task is credible contribution, not narrow attribution. • Reporting: narrative reports, data, dialogue, MEL cycles and annual impact reports across project, theme and foundation levels. • Partner practice: some partners report in their own format; learning often happens through visits and conversations. • Accountability: governance seeks plausible, contribution-oriented evidence built over time.
	Impact and accountability framework Global Issues 

How MEL is organized internally	• 0,75 FTE on central level responsible for MEL (check) • Foresight, Impact and Strategy team (x FTE) connects foresight, knowledge management, impact monitoring and learning; MEL practice remains distributed across teams and levels.
Key Challenges	• Shared language: practice is ahead of a fully embedded systems-change definition across the Foundation. • Contribution: continuing challenge to clarify what Robert Bosch Stiftung adds in its grantmaking portfolio without claiming partners' impact as its own. • Governance: balance Board expectations for evidence with the realities of long-term systemic change. • Coherence: connect diverse programme areas and systems and create an overarching foundation strategy and MEL framework, while preserving flexibility and contextual judgement.

Usage of AI

Generative AI tools were used during the preparation of this report to improve grammar, clarity, and textual flow. All substantive content, analysis, interpretations, and conclusions were developed and reviewed by the authors, who take full responsibility for the final text.

