Embracing Uncertainty: How is philanthropy navigating complex interconnected crises?

Summary insight and reflections from session 2 groups (24 April 2024)

Background to the series:
Philanthropy Transformation Initiative is a collaborative and co-created effort of philanthropy networks, advisories, support organisations, research institutions, think tanks and funders from different parts of the world to challenge ourselves to be and do better. It seeks to explore and impact how we collectively think philanthropy needs to transform to effectively respond to the growing challenges, we face, and also, how do we address the root causes that are causing these challenges in the first place, and, within it, how can we can efficaciously move towards change that's long term, inclusive and sustainable.

We recognise we are facing a number of challenges across the world: war, conflict, climate crisis, growing inequalities, and much more. And it is becoming obvious that these challenges are massive, they are coming in waves, they are interconnected and they present an existential threat to our very collective existence. We're delighted to be partnering with the Impact Trust / Resilience Funders Network as a Principle Champion for Principle 10: Keeping humanity's future inside and integrating a polycrisis lens.

This four part series aims to build a collective understanding of how these interconnected crises evolve, how we can understand them, how we can understand their genesis and also how they will affect our shared future. Most importantly, how we can learn from each other's experiences to improve prevention and management of these crises? It would be great if we stay together as a cohort because it will build on the discussions and go deeper. And the idea is also to look at the different framings of crisis in different contexts as well as exploring the different tools and frameworks that would help us navigate this and help ourselves adapt and respond.

The first session titled “What is polycrisis and why does it matter?” explored the definition and origins of the concept of the polycrisis. How it is understood in different contexts and what it means was central to the discussion. Notes from Session 1 can be accessed here.

Session Insight & reflections highlights:

This second session aimed to understand more about the dynamics of modern crises, termed a polycrisis and explore how philanthropy can adapt to the interconnected challenges of such crises by developing strategies to make efforts more effective at addressing root causes in systemic ways. You can access the session slides here.

Distinguishing between a crisis, a polycrisis and a disaster

The distinction between a crisis, a polycrisis, and a disaster sought to shed light on how these concepts differ and their implications for philanthropic response and preparedness. These differences can be understood as differences in scope and impact as well as differences in demand for responsiveness and preparedness. The

discussion emphasises that, whilst all three concepts (as defined below) involve significant challenges, their scope and impacts differ and they each demand a different level of preparedness and response. In essence, crises may be more localised and potentially less complex, disasters involve significant material damage and human casualties, and polycrisis involve multiple, overlapping crises with systemic implications.

A Crisis is typically a turning point or a pivotal moment when decisive change is impending, often characterized by an event or development that threatens to significantly impact and/or destabilise, or worse, a situation. Crises are often contained to specific sectors or regions and may be managed with existing resources or standard emergency responses. They require immediate attention and action but might not have long-lasting impacts if managed effectively.

A polycrisis (Black Swan events) are unpredictable, often unexpected except in retrospect, and occur when multiple crises intersect, either simultaneously or sequentially, exacerbating each other's impacts. A polycrisis is associated with complexity and interconnectedness of various challenges that cannot be easily dissected and addressed individually. The interplay between different crises in a polycrisis scenario makes them particularly challenging to manage. They demand multifaceted response strategies that consider the cascading effects of interconnected problems. A polycrisis often has wider geographic or systemic impacts and requires coordinated efforts across multiple sectors and disciplines.

A disaster refers to a severe disruption that causes widespread human, material, economic, or environmental losses which exceed the affected community's ability to cope using its own resources. Disasters can be natural (such as earthquakes, hurricanes, floods) or man-made (such as industrial accidents, acts of terrorism). They typically result in significant physical damage and loss of life, requiring extensive recovery and reconstruction efforts. Disasters prompt immediate humanitarian responses and long-term recovery plans.

Philanthropy's role in addressing global crises, including 'Black Swan' events.

The discussion considered how each type of event requires different levels of preparedness and response. Crises might need strategic interventions to prevent escalation, disasters require immediate emergency responses and long-term recovery plans, and a polycrisis demands an integrated approach to tackle the interconnectedness of various crises. Understanding these distinctions is crucial for developing effective strategies. It influences how we allocate resources, engage with communities, and collaborate with other organisation and it underscores the importance of flexibility and adaptability in philanthropic strategies to effectively address the specific challenges posed by each type of event.

Highlighted again in the discussion was the fact that often disaster attract significantly more attention that averting disasters. The fact that the polycrisis might be giving rise to more disasters means there needs to be a greater focus on preparedness. Participants discussed the importance of preparing for such events through better foresight, planning, and systemic thinking. There was consensus that philanthropy needs to evolve: we need to drive a shift from traditional philanthropic practices towards more innovative and systemic approaches that address the root causes of issues rather than just the symptoms. As importantly, the need for philanthropic efforts to be informed by local realities, to trust that local people understood their needs, and to support local capacities was emphasised as one that would help create more effective and sustainable responses to crises. Integrating a polycrisis perspective in philanthropy was discussed as a way to better understand and respond to the complexities and interdependencies of global challenges.

Case studies where local knowledge significantly improved the outcomes of philanthropic initiatives.

Different case studies were explored including from India and Brazil and Covid was discussed as a key example of a polycrisis, exposing the global interconnectedness and vulnerabilities across multiple domains, including health, education, food security, and economies. Examples of shifting food security systems in Brazil from responses to alleviate hunger, towards designing systems for local people, reflecting a significant shift towards considering local social systems and governance structures in disaster response.

The COVID pandemic most especially highlighted the importance of local and global governance as well as international cooperation – 'statecraft' - including early warning systems and quick decision making (agility). The growing importance of preparedness and foresight for future crises was emphasised. It was pointed out that Session 3 would be focusing on Horizon 2045's Foresight Radar Tool to support this understanding.



The lasting impact of COVID on funding practices: yes or no?

Whether funding practices have maintained changes implemented during COVID was discussed - with mixed views on lasting impact. Some believe the pandemic shifted practice and trust in the philanthropic sector and that it created a foundation upon which to strengthen advocacy. Others felt that the funding world had returned to pre-crisis practices and that the power structures in philanthropy made it too difficult for change to occur. The question of lack of transparency in philanthropy was raised in addition to how the sector could organised to address barriers to change. The concept of integrative philanthropy was discussed, which involves combining resources, knowledge, and strategies from various sectors to address complex crises comprehensively. This included emphasising the importance of collaboration among different organisations and sectors to enhance the impact of philanthropic activities.

Understanding Risk in a Polycrisis Context

The morning session also focused on risk in a polycrisis context. Risk is defined not just as the potential for financial loss but also as the danger of failing to achieve systemic change or not adequately addressing interconnected global challenges. Participants noted that risks are increasingly interconnected, as crises in one sector or geographic area can have cascading effects globally. This complexity requires a more sophisticated approach to risk assessment and management.

Risk Tools and Approaches for Philanthropy

Various approaches to risk management were discussing including 'real world' examples of risk monitoring implemented by SEEDS in India. Approaches discussed included:

Scenario Planning: creating detailed narratives about various plausible futures to better understand potential risks and opportunities and develop flexible strategies to address them. REFERENCE: Unimaginable by Jane McDonigal.

Risk Assessment Frameworks: help organizations systematically identify, analyse, and prioritise risks, focusing not only on direct risks but also on indirect risks associated with their operational environments and the impacts of their interventions.

Real-time Data Monitoring: Leveraging technology (including 'low tech' solutions) to monitor developments and data that could indicate emerging risks . Tools like real-time dashboards allow philanthropic organizations to monitor indicators that could signal the onset of a crisis or a shift in the impact landscape, enabling quicker and more informed decision-making.



Stress Testing: involves simulating the effects of potential crisis scenarios to understand the impact and evaluate the resilience of strategies and operations under severe but plausible scenarios.

Risk Mapping: Developing visual or conceptual maps of where risks might originate and how they might interconnect. This tool helps in understanding the potential sources of risk within the broader operational or global context.

There is a need for philanthropy organizations to adopt advanced risk management tools and approaches to navigate the complexities of a polycrisis effectively. By understanding and integrating these risk management strategies, philanthropic organizations can enhance their resilience, adaptability, and impact in facing global challenges.

Further reading

- Unimaginable by Jane McDonigal
- The Face of Disasters by SEEDS India
- The Centre for Disaster Philanthropy
- Avert Disaster Award
- From Hana ElSafoury of multi-year flexible funding Funding For Real Change
- Alliance for Feminist Movements
- Accelerating Systemic Risk Assessment (ASRA) - Kasia Murphy. Principles work as a guide to decision-making but also help us ask ourselves was we value.