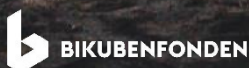# Foundations and systemic change

Foundations' Prerequisites for Addressing Complex Societal Problems in Denmark

August 2024

Realdania   BIKUBENFONDEN   TrygFonden   POUL DUE JENSEN / GRUNDFOS FOUNDATION   Transition Collective   BCG BOSTON CONSULTING GROUP

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Preface

In recent years, there has been a growing recognition in Denmark that we, as a society, are facing a series of challenges that are difficult to resolve. Whether it concerns the climate crisis, the well-being of our youths, the labour shortage, or health inequality, these are issues that have proven challenging to address.

More and more stakeholders are pointing out that these problems are entrenched because they are systemic, complex, and "wild". In other words, these problems cannot be solved by one or two parties alone, and there is varying consensus on both the understanding of the problem itself and the possible solutions. Systemic change fundamentally involves altering the conditions that sustain a problem—rather than just alleviating the symptoms of the problem.

In Denmark, philanthropic foundations and associations play central roles in societal development — from funding innovative social, technological, and environmental initiatives to generating new knowledge and evidence; from facilitating cross-sector collaborations to capacity and competency building and to advocacy.

So, the question is: What is the potential for further engaging philanthropic actors and their tools in ways that can help shift these problems? What prerequisites must be in place for successfully creating systemic change, and how do we select the most relevant philanthropic tools? Where is there a need for further development of strategies, governance, organization, competencies, measurement, evaluation, and learning, etc.?

The philanthropic association Realdania, TrygFonden [The Safe Foundation], the Grundfos Fonden [Grundfos Foundation], and Bikubenfonden [Bikuben Foundation] aim with this white paper to explore how philanthropic foundations and associations, which already work with or wish to work on systemic change, can accelerate and strengthen this work to address complex societal challenges.

The purpose of the white paper is to identify needs, barriers, and potentials for these actors and create a foundation for new, development-oriented dialogues. The target audience is thus the foundations, but also their partners in sectors such as the public sector, public, and private enterprises.

This white paper comes at a time when there is increasing interest and experience with new collaboration models among foundations, government institutions, public organizations, private companies, and other actors in Denmark. Despite this development, there is still uncertainty about how foundations can best contribute to systemic change, and there is a perception among several of the foundations' partners that the traditional operations of foundations are insufficiently supportive of addressing complex societal problems.

Therefore, the white paper focuses on learning from inspirational cases and the prerequisites for cross-sector collaboration, ultimately presenting a range of possible tools to support and strengthen systemic change, with a focus on the role of foundations and philanthropic associations. Finally, the white paper provides a series of

recommendations on how philanthropic foundations and associations can apply the findings of the analysis in practice.

Boston Consulting Group (BCG) and Transition Collective conducted the analysis, which forms the basis for this white paper. The analysis is based on extensive desk research from Danish and international sources, 30 qualitative interviews with Managers, practitioners, and experts from philanthropic foundations and associations, public organizations, municipalities, government authorities, and politicians. Additionally, over 40 case studies were mapped, and a survey was conducted among nearly 200 respondents from across sectors. Finally, the analysis was qualified and validated through workshops and seminars with both the commissioning parties and external experts and decision-makers.

As the first of its kind in Denmark, this white paper highlights the unique roles that philanthropic foundations and associations can play in solving complex societal problems. It further underscores the potential that remains to strengthen and expand efforts to address complex societal issues across sectors and levels. We believe and hope that this analysis will be of great interest and relevance to the many other actors who are crucial for successfully addressing complex societal problems in practice.

We hope that this white paper can be the starting point for strengthened dialogue and collective action across foundations, authorities, public organizations, private businesses, and other actors to solve complex societal problems and ensure a better society for future generations.

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Copenhagen, August 2024

Realdania   BIKUBENFONDEN   TrygFonden   POUL DUE JENSEN / GRUNDFOS FOUNDATION   Transition Collective   BCG BOSTON CONSULTING GROUP

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The foundations have a unique opportunity to make a big difference in relation to the major crises and challenges we face - but this requires that they dare to take risks

- Manager, Foundation

Reading Guide

This white paper is addressed to all foundations - both those that have broad experience with complex societal problems and systems thinking and those that are not currently working on systemic changes.

At the same time, the white paper is relevant for the actors who collaborate with foundations focused on systemic change, such as authorities, public organizations, companies, research institutions and more, as it provides insight into the barriers, needs, and potentials that both foundations and other actors encounter in the work on complex problems.

If you're new to the concept of "systemic change" and working with complex societal problems, we recommend starting in the chapter "Complex Societal Problems and Systemic Change" to understand how systemic change can be the key to addressing complex societal challenges.

If you already have experience working with complex societal problems, but want to strengthen your work and become more aware of what it means to work with systemic change, we suggest that you focus on the three chapters on "Prerequisites". These chapters can guide foundations and other actors in how to more effectively contribute to systemic change.

If you are already familiar with systems thinking and are looking for concrete tools on how foundations can contribute to solving complex problems, we recommend reading the chapter "Leverage Points". Here, we provide concrete ways in which foundations can contribute to creating systemic change.

If you are interested in the data foundation and methodology behind the analysis in this white paper, you can refer to the three appendices, where the terminology, literature, and methodological approach are explained.

Complex Societal Problems and Systemic Change

Interest in complex societal issues and the concept of systemic change has been steadily increasing in recent years. More foundations, public organizations, public authorities, and other societal actors are increasingly beginning to work more actively with this agenda. There is now a greater recognition that issues like climate change, social inequality, and demographic challenges cannot be solved by individual actors and limited project interventions but require longer-term, cross-sector collaborations that focus on the underlying causes of these problems at a systemic level.

There is significant divergence among actors regarding both the application and understanding of the key concepts associated with addressing society's complex issues. When is a societal problem complex? And what does systemic change mean?

This chapter presents the understanding of the key concepts that will strengthen the ability to collaborate across actors to solve complex societal problems.

COMPLEX SOCIETAL PROBLEMS

Challenges that cannot be solved by one or two parties alone, and where there is varying degrees of consensus missing both about the definition of the problem itself and about the solution.

Complex Societal Problems Must Be Solved Together

There is a great deal of variation in the types of problems that foundations, public organizations, or public authorities are trying to address. Some problems are naturally more defined, where it is easier to identify the causes and formulate concrete solutions. On the other hand, other problems are more difficult to grasp and cannot be solved by traditional interventions or policy measures.

Complex societal problems can be viewed as challenges that cannot be solved by one or two parties alone, and where there is varying consensus on both the definition of the problem and the solution. They are often unpredictable and involve interconnected issues, making it difficult to predict the best way to approach the problem. These problems, therefore, require flexibility in their management. This understanding of complex societal problems has two key implications:

This means the solution to complex problems requires coordinated efforts from several actors. It requires investment in developing a deep, shared understanding of the underlying causes and dynamics of the problem in order to effectively establish a collaboration around the issue.

Across the organizations surveyed in our study, the climate crisis, youth well-being, social inequality, and demographic challenges were particularly highlighted as complex societal problems that require systemic change to be handled effectively:

Figure 1: *Most frequent responses regarding which key societal problems require systemic change (ranked)*

1. **Climate Crisis:** The need for green transition, CO_2 reduction, sustainability, and addressing environmental and biodiversity crises

2. **Well-Being Crisis**: A particular focus on children and adolescents, mental health, and the increasing prevalence of diagnoses among young people

3. **Social Inequality**: Includes economic inequality, health disparities, and discrimination against marginalized groups

4. **Demographic Challenges:** Changes in population composition, such as an increasing proportion of elderly individuals

5. **Challenges in Healthcare and Welfare Systems:** For example, increasing demands on welfare services and workforce shortages in the healthcare sector

6. **Education and Labour Market:** For example, unemployment among adolescents, education quality, and the alignment between education and labour market needs

7. **Technology:** For example, digital inequality, the impact of digitization on the labour market, and security concerns related to data and privacy

8. **Globalization:** For example, challenges related to global economic policy, energy security, and international relations

Note: *Which complex problems do you associate with the need for systemic change?* N=174 (all)
Source: Survey on contributions to systemic change, 2024

Understanding Systems through the Five Rs

In order to approach complex societal problems with a view to creating systemic change, it is essential to think systemically. But what defines a system? And what aspects affect and regulate the behaviour and actions of actors within a given system?

A system can be understood both narrowly and broadly, with examples such as: an ecosystem, a social system, the legal system, or the nation-state. In this white paper, a system is viewed as a **collection of actors interacting within the framework of the five**

Rs: roles, relationships, framework conditions, resources, and results[1]. Actors assume specific roles that define their position and contribution to maintaining the system, interacting with other actors through relationships. Surrounding the system are frameworks that set the boundaries for what is possible and permissible within the system. The system receives resources and results in a series of outcomes that define the system and its actors. Below is a stylistic representation of a system based on the five Rs.

Figure 2: *Model for system construction*
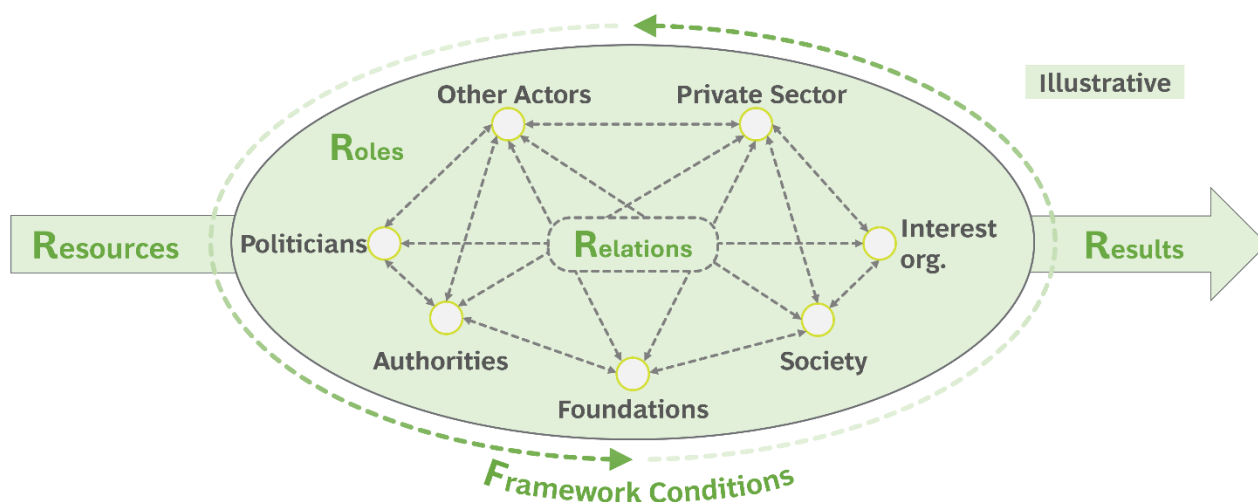
A complex concept

Systemic change is key to addressing the complex societal challenges we face. However, as a concept, systemic change can be difficult to define and understand, and there are many different interpretations and applications of the term. Although 96% of the organizations surveyed indicate that they are, in one way or another, involved in systemic change today, there is considerable divergence regarding both the application of the concept and its understanding.

Some foundations adopt a very theoretical understanding of the concept, closely linked to specific system theorists, while others focus on perspectives that, for example, centre around the use of advocacy or activism in their efforts to create societal change.

"Systemic change
– it's not a term we use."

"We are directly inspired by Donella Meadows' systems thinking."

– Manager, Foundation

– Manager, Foundation

Currently, however, many organizations, including several foundations, do not adhere to or apply the concept in practice. The lack of use of the term 'systemic change' does not necessarily mean that these organizations are not working on systemic change. Many foundations actively work on addressing complex societal problems but simply adopt a different terminology. Therefore, language is not necessarily a barrier to working systemically with complex societal issues, but it can create unnecessary confusion and lack of alignment across actors when entering into collaborations. It is important, however,

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[1] USAID Learning Lab, 2016

for foundations to be aware of the implications of working specifically with systemic change, for example, in terms of internal organization, forming partnerships, and choosing tools, etc.

Systemic Change Must Alter the Conditions That Sustain a Problem

Overall, systemic change is about changing the conditions that perpetuate a problem – rather than remedying the problem's symptoms. This paper adopts a relatively broad understanding of systemic change, which can encompass initiatives at different levels—both large-scale, decade-long initiatives aimed at an entire welfare sector, as well as smaller initiatives designed to change the conditions that sustain a given problem within a defined part of a system (e.g., behaviour among a specific actor group or certain framework conditions).

We asked nearly 200 organizations across the foundation world, public, public authorities, and the private sector what they understand by the term 'systemic change. Despite varying interpretations of the term, there are common themes that emerge in the understanding of systemic change. Overall, six themes are associated with the concept of systemic change among the organizations surveyed:

Structural changes	Cross-sector initiatives	Long-term solutions
Changes to the structural and organizational frameworks within a system, including legislation, roles and relationships, power dynamics, etc.	Involvement of multiple sectors and actors, including authorities, foundations, public, and business.	Changes that address the underlying causes of problems rather than just addressing symptoms.
Behavioural and cultural changes	**Inclusion of target groups**	**Complexity in problems and solutions**
Changes in the cultural patterns within a system, including norms, values, and behavioural patterns.	Collaboration across stakeholders, particularly those directly involved with the issue, to ensure an inclusive approach.	Complex challenges that require holistic thinking and new ways of approaching traditional problem-solving methods.

Although there are different interpretations of the term, there is agreement on the need for structural changes, cross-sector efforts, and long-term solutions. It often takes many years for systemic changes to fully materialize, and some changes have delayed and cumulative effects that make it difficult to isolate and measure their impact on the system in the short term. In the following chapters, concrete recommendations are provided on how foundations can work to address major societal issues through systemic change.

Summary: What Does It Take?

Systemic change is not an end goal in itself—it is about solving complex societal problems. By increasing awareness of how to work systemically, foundations that already engage in systemic change or wish to do so can strengthen their efforts and improve their ability to navigate collaborations with other actors to create more sustainable solutions to complex societal challenges.

Below is the analytical framework that helps structure the content of this white paper. The framework serves as a guide for foundations seeking to enhance their contributions to solving the complex societal challenges we face as a society. It also offers foundations an understanding of the potential roles they can play in addressing complex societal problems using a systemic approach. Additionally, the framework is relevant for public authorities, public organizations, and businesses collaborating with foundations on systemic change. It provides insight into the requirements and barriers that foundations and their partners encounter when addressing complex societal problems.

The analytical framework was developed through extensive analysis and research, including a review of over 40 reports and articles, a survey with nearly 200 respondents, and over 30 in-depth interviews with Managers and experts across sectors.

Based on this comprehensive analysis and research, we have identified three key prerequisites and several concrete leverage points to guide foundations on how they can contribute more effectively to systemic change:

Figure 3: *Framework for Addressing Complex Problems Through Systemic Change*
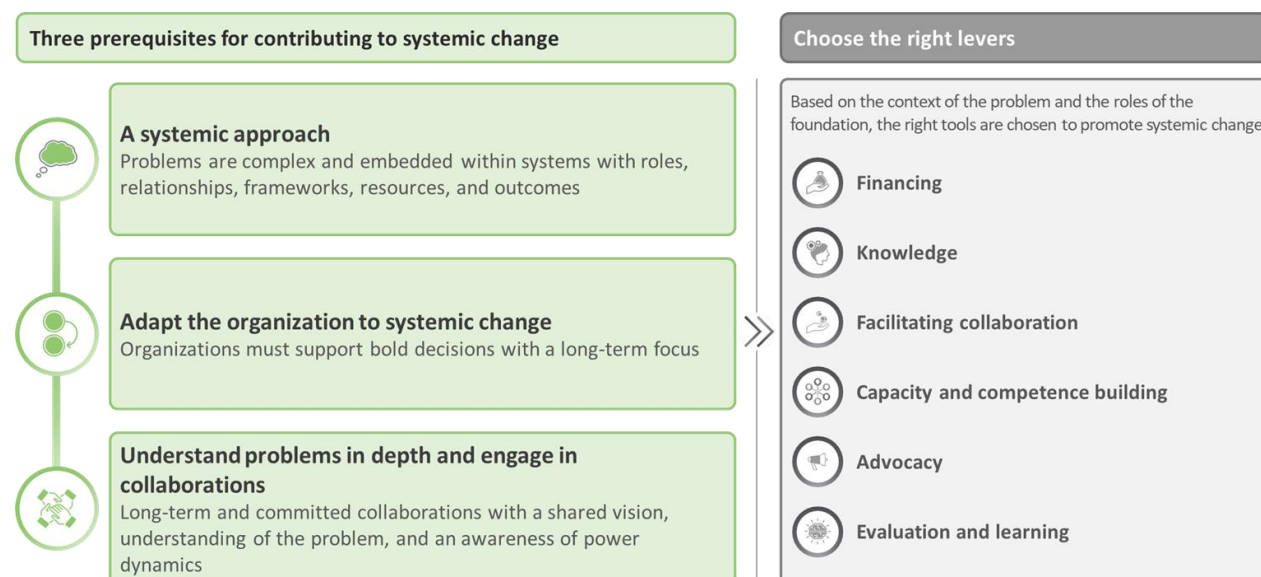
Below, the prerequisites and tools for systemic change are summarized:

A Systemic Approach In order to effectively contribute to solving complex societal problems, it is important for foundations to approach issues with a systemic perspective. This requires an understanding that complex societal problems are embedded in one or

more systems involving many actors who interact and influence a problem within specific frameworks. For foundations already working on systemic change or aiming to do so, it is essential to be aware of what it means to work systemically. This awareness influences areas such as the design of financing and how results are measured and evaluated.

Adapting the organization to systemic change is about raising awareness of the foundation's own role and how it *can* and *will* contribute to creating systemic change. The internal organization of the foundation must be able to support work with a systemic approach. Therefore, it is crucial to establish the right internal conditions to enable greater flexibility and support more long-term decisions.

Understand the Problem in Depth and Engage in Collaboration. A prerequisite for working systemically with complex problems is ensuring a deep understanding of the problem and the systems it is part of. This understanding should map out the underlying mechanisms and cause-and-effect relationships driving the problem. To gain a comprehensive understanding of the problem, it is essential to incorporate perspectives from other stakeholders, including citizens, authorities, and relevant public organizations, who experience the problems from different angles. A deep understanding of the problem also provides the best foundation for designing effective collaboration strategies. Complex problems cannot be solved alone, making long-term partnerships central to systemic change efforts.

Levers. Once the necessary prerequisites are in place, a foundation can utilize a range of concrete tools to contribute to addressing complex societal problems. For philanthropic foundations, it is essential to choose tools that are tailored to the context of the specific problem and the foundation's role in the collaboration.

The following chapters provide concrete recommendations for how philanthropic foundations and associations can work with the three prerequisites and leverage points to support and strengthen systemic change efforts.

Prerequisite #1:
A Systemic Approach

In order to effectively contribute to solving complex societal problems, it is first and foremost required that foundations approach these issues with a **systemic approach**. This involves a fundamental recognition that complex societal problems cannot be addressed in isolation—they are always embedded within systems of actors who interact and influence the problem from multiple angles.

> **GUIDING PRINCIPLES:** Recognize that problems are complex and embedded in systems with actors, roles, relationships, frameworks, resources, and outcomes.

Many foundations have adopted parts of the systemic approach, but it is not yet widespread.

Several foundations have already started embracing elements of systemic thinking, such as an increased focus on long-term initiatives and more cross-sector collaborations aimed at addressing the underlying conditions that sustain a given problem. In fact, 93% of foundations report that they are already working with systemic change, while 45% wish to engage in systemic change more than they do today. Behind the 93%, there is undoubtedly a wide range of perceptions and understandings of what systemic change is, as well as when and how to work with systemic change. There is also significant variation in the practical experience foundations have with systemic change. Some foundations lack a fundamental understanding of what the approach involves, while others are unfamiliar with the terminology. Still, others do not adhere to the concept at all. Regardless of the reason, a lack of understanding and familiarity with systemic thinking and its core principles can be a barrier to collaboration and effective contribution to addressing complex societal problems.

93%

of foundations are **currently working for systemic** change

Note: *Which role best describes your organization's work for systemic change?* N=41 (foundations)
Source: Survey on contributions to systemic change, 2024

54%

of foundations **have a strong focus** on systemic change

Note: *To what extent does your organization focus on systemic change?* N=41 (foundations)
Source: Survey on contributions to systemic change, 2024

45%

want to work more with systemic change than they currently do

Note: *Does your organization want to work more with systemic change?* N=41 (foundations)
Source: Survey on contributions to systemic change, 2024

If a foundation is already working with systemic change or aims to do so, it requires actively adopting a systemic approach to effectively contribute to solving complex societal problems.

A systemic approach is the most relevant opportunity for philanthropy in the next ten years. This means that foundations and philanthropic organizations must shift away from short-term, project-based grants and instead focus on long-term, holistic efforts.[2]

- Philea

This primarily means that as a foundation, one must recognize that problems are complex and embedded within systems. The responsibility for solving these problems cannot rest with one or a few actors but must be addressed collectively by actors across the given system. Collaboration is therefore a central prerequisite for systemic change. The focus must be on addressing the root causes of the problem rather than isolated parts or symptoms.

Systemic change takes time—foundations must be prepared to invest in long-term initiatives, build lasting partnerships, and continuously adjust their efforts based on ongoing learning and feedback. Foundations can leverage their unique position as holders of more risk-tolerant and "patient" capital compared to public authorities and private businesses.

At the same time, foundations should recognize that they might unintentionally reinforce problems and undesirable dynamics within a system, such as by insisting on a short-term, application-driven funding structure. Despite good intentions, foundations may inadvertently support practices that hinder the ability to address the deeper causes of societal problems.

Systemic Change Is Not an "Either-Or" Choice

Not all problems are complex or require systemic solutions. Foundations can achieve significant impact without necessarily adopting a systemic approach. Some problems are more well-defined, with greater clarity about what is required. In such cases, targeted, short-term, and clearly defined efforts may often be more effective. At the same time, many complex problems demand both short-term "here-and-now" interventions and longer-term initiatives to address systemic challenges. For example, homelessness can involve short-term measures such as distributing sleeping bags to alleviate immediate needs, alongside longer-term efforts to address the underlying causes of homelessness on a systemic level.

Both traditional, short-term foundation work and longer-term, systemic approaches have their place. The diversity in foundation activities is essential for creating positive impact at various levels in society. It is important to emphasize that foundations do not need to restructure their entire organization to work systemically. Systemic thinking can be integrated into all or parts of a foundation's activities, depending on its goals and ambitions. Foundations can actively choose to dedicate only a portion of their work to systemic change. It is also possible to start small and gradually expand the approach over time. Whether systemic thinking is applied throughout the organization or only to specific areas, it is

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[2]Philea & Copenhagen Institute for Futures Studies, 2024. Philea represents philanthropic organizations.

essential to understand its implications for funding design and how results are measured and evaluated. This will be explored further in the next chapter.

Language Should Not Be a Barrier to Collaboration

When looking at the foundations' partners, many public organizations, authorities, and interest groups are already working on initiatives that contribute to systemic change — even if they don't necessarily use the same terminology. As a foundation, it is important not to be constrained by semantic differences but to remain open to collaboration without imposing a specific vocabulary. Foundations also have an opportunity to introduce their partners to language, terminology, and concrete methods that enable them to work more effectively on complex societal problems. This can strengthen collaboration and increase the impact of joint efforts.

Bikubenfonden [The Bikuben Foundation] – A Systemic Approach

Bikubenfonden [The Bikuben Foundation] is an example of a foundation that has made a strategic decision to adopt a systemic approach in its work to create new opportunities within society. The foundation focuses on youth at risk and contemporary visual arts in Denmark.

The shift to a systemic approach arose from the realization that the changes the foundation wanted to achieve could not be solved through isolated projects or responding to grant applications, as the foundation had traditionally practised. The decision to work systemically permeates the entire organization and influences all aspects of its work. This includes which initiatives the foundation supports, the philanthropic methods it employs, how the foundation engages in collaborations as a development partner, the competencies its employees must possess, and similar factors.

The foundation has integrated systems thinking across its activities and closed application rounds in favour of entering into development partnerships. This means that, today, the foundation works with a long-term perspective in most of its initiatives, based on, for example, mission-driven coalitions and alliances, where new solutions are created through experiments. Public affairs is an integral part of this work, which also focuses on capacity building, engaging with, and listening to the voices of those most affected by the issues at hand. The foundation has experience from initiatives such as the "Home for All Alliance", where several foundations and many other actors collaborate to end youth homelessness and find solutions that address the root causes of homelessness.

The foundation operates on the premise of challenging existing structures and highlighting solutions that cannot initially be realized within the current frameworks. Bikubenfonden [The Bikuben Foundation] thus sees itself as a catalyst for systemic change, driving transformations through experimentation, learning, and sharing.

Lesson from the case study: As a foundation, it is important to clearly understand what a systemic approach entails and how this translates into concrete implications for the foundation's work. By actively engaging with this approach, Bikubenfonden [The Bikuben Foundation] has helped ensure the best conditions for contributing to systemic change.

Sources: Interview; Bikubenfonden [The Bikuben Foundation], 2024a

Prerequisite #2:
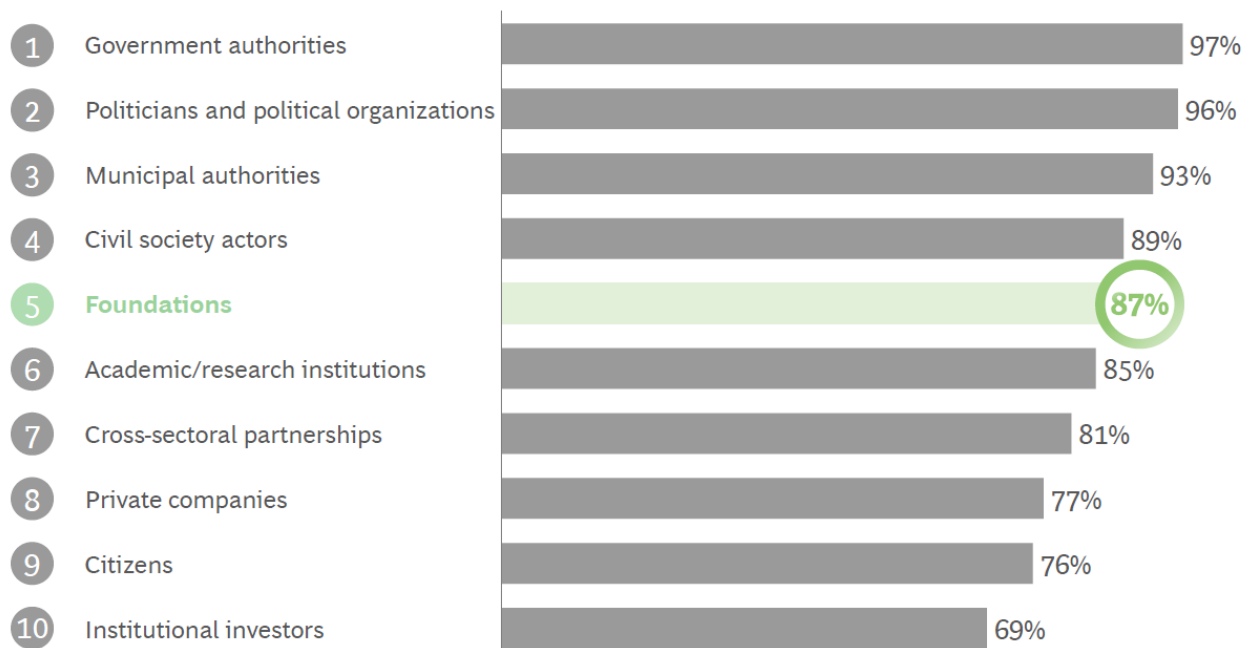# Adapt the Organization for Systemic Change

The work for systemic change starts with oneself. In addition to recognizing what it means to work with a systemic approach, it also requires awareness of one's own role and how an actor wishes to contribute to systemic change. For foundations, this means that the internal organization must support the work with a systemic approach. Therefore, it is a central prerequisite for the foundation to ensure the right internal conditions in order to act more flexibly and support long-term, bold decisions.

GUIDING PRINCIPLES: Adapt the organization to be flexible, support bold decisions, and focus on the long term

Foundations can take on different roles

Foundations, alongside authorities, politicians, and civil society, are among the key actors seen as essential for driving systemic change and solving major societal problems in Denmark. Thanks to their capital and knowledge, foundations have unique prerequisites to play a significant role, and most foundations also indicate that they are contributing to systemic change in one way or another today.

Figure 4: *The Proportion Who Have Answered That an Actor Is Important/Very Important for Creating Systemic Change*

1 Government authorities	97%
2 Politicians and political organizations	96%
3 Municipal authorities	93%
4 Civil society actors	89%
5 Foundations	87%
6 Academic/research institutions	85%
7 Cross-sectoral partnerships	81%
8 Private companies	77%
9 Citizens	76%
10 Institutional investors	69%

Note: *How important are the following actors for creating systemic change in Denmark?* Multiple options can be selected. N 161-165 (all).
Source: Survey on contributions to systemic change, 2024

The majority of foundations in the survey contribute through financial support, but many also take on a more guiding role by facilitating collaborations and acting as direct change agents. In the survey, a full 87% of respondents stated that foundations are important for creating systemic change in Denmark. As illustrated in Figure 4 above, most actors are generally seen as important contributors to systemic change, emphasizing the need for collective efforts and cross-sector collaboration if we are to succeed in addressing complex societal problems.

Before a foundation embarks on systemic change initiatives, it is important to familiarize itself with its charter and consider the overall role it both *can* and *wants* to play in relation to systemic change. What degree of involvement does the foundation want? What can the foundation realistically work on?

The Statutes and Strategy Can Limit the Scope for Systemic Change

The charter helps set the boundaries for the foundation's operations and determines what the foundation can potentially support, as well as how it can collaborate with other actors. In some cases, the statutes can be limiting in terms of which problems and roles a foundation can take on in relation to systemic change. For example, a foundation's statutes might specify that funds can only be allocated to certain types of organizations, such as academic institutions, which could exclude other crucial partners that might play a critical role in systemic change initiatives. Some foundations have rules that limit funding to short-term projects. This can pose a barrier to systemic change, which requires long-term investments and engagement to create lasting transformations.

"A narrow target audience understanding in foundations' strategy creates barriers for systemic change. A 'narrow focus' strategy can be problematic."

— Manager, Foundation

"We always have to align with our statutes. We are anchored in a very specific focus, which means that no matter how much we want to work on issues like climate change, we simply can't."

— Manager, Foundation

At the same time, some foundations experience that their strategies limit their ability to promote systemic change. Several foundations have strategies focused on short-term projects that deliver quick results. If a foundation wishes to engage in systemic change, such strategies may limit the available opportunities. Additionally, one in four foundations indicates that internal focus on other competing agendas within the foundation is a barrier to contributing to systemic change. This may be due to deliberate strategic priorities, but it can also result from a lack of alignment between the foundation's strategy and its ambitions to contribute to systemic change.

Solution | Clarify the roles the foundation can and wants to play, and let the strategy set the direction for working with complex societal problems

It is important that foundations, based on their charters, take clear positions on the specific purposes and limitations set for their operations, and then consider the potential roles they *can* and *want* to play in relation to systemic change. For example, it is important to make a principled decision about whether the foundation wishes to play a more "passive" role, primarily providing financial support without active involvement in specific initiatives, or whether it wants to take on a more "active" and guiding role, contributing to leading and shaping specific projects and initiatives. The choice of role(s) sets different demands on the internal organization, the approach to collaboration, and, not least, the tools employed to create systemic change.

At the same time, it is important for foundations to be aware that by making decisions about which areas and initiatives receive funding, they wield an agenda-setting influence that can be perceived as political. It is crucial to recognize the demands, expectations, and potential questions this may raise concerning the legitimacy of the foundation's decisions.

Finally, the foundation's strategy should be adjusted to guide its contribution to systemic change. The strategy must define where and how the foundation will work systemically and create a shared understanding of what the systemic approach and the foundation's chosen role(s) mean for its work. The foundation's strategy may need to be revised to reflect the roles the foundation can and wants to play. This could relate to the types of projects the foundation will support and how its funding policy can support a risk-tolerant approach. At the same time, it is essential to ensure that the strategy remains flexible enough to accommodate ongoing changes and knowledge gained from initiatives.

Co-Impact – Awareness of Own Role

Co-Impact is a global philanthropic organization that brings together local change agents and donors to create systemic changes in the areas of health, education, and the established economic system. Their work to promote gender equality and women's leadership is central to this mission.

At a strategic level, Co-Impact has decided to play an active role in driving systemic change by working to alter the societal structures that perpetuate inequalities in areas such as health, education, and economics. As part of this strategy, Co-Impact has identified six key areas upon which its work is based:

1. **Results-Oriented and Flexible Support:** Co-Impact offers great flexibility in how allocated funds are used, allowing partners to decide where the funds will have the most impact in achieving the overarching goals.

2. **Comprehensive and Long-Term Support:** Co-Impact provides multi-year financial support along with extensive non-financial support that helps build the internal capacity of its partners.

3. **Strategic Alignment:** For Co-Impact, strategic coherence and holistic plans are essential for the work on systemic change. For Co-Impact, strategic alignment and holistic planning are critical to its work in systemic change. Co-Impact has managed to align its values, priorities, capabilities, and resources with its goal of creating systemic changes.

4. **Respect for Partners' Time and Resources:** Co-Impact strives to keep application requirements simple and predictable, allowing partners to focus on their core work.

5. **Learning and Adaptation:** Co-Impact actively uses data to continuously assess and adjust its initiatives in collaboration with partners, ensuring that projects improve over time.

6. **Close Partnerships:** Co-Impact focuses on building close relationships based on mutual respect and trust, where they listen to and learn from their partners, collectively steering the course of their work.

Lesson from the case study: The case illustrates that the decision to contribute to systemic change significantly impacts how a foundation or philanthropic organization operates and collaborates. It is equally important to be mindful of the roles one takes on in the process of systemic change and ensure these roles align with the organization's goals and ambitions.

Sources: Co-Impact, 2021; Co-Impact, 2024; Shifting Systems Initiative, 2022

Board Support is a Necessary Prerequisite

The board plays a crucial role in the functioning of foundations. It is responsible for setting the strategic direction, and in most foundations, the board makes the decisions about what the foundation supports and how.

87% consider board support as important for systemic change

Note: *How important is board support for your organization's efforts to create systemic change?* N=41 (foundations)
Source: Survey on contributions to systemic change, 2024

"It is vital to be aligned with the board. It requires a strong internal drive within the organization that understands what it means to work systemically."

— Manager, Foundation

Nearly nine out of ten foundations in the survey indicate that support from the foundation's board is an important prerequisite for contributing to systemic change. Several foundations also point out that the board's interpretation of the foundation's statutes or strategy can contribute to maintaining a short-term focus, which makes it difficult to work on changing the conditions that sustain a problem.

Solution | The board must support the work on systemic change

It is therefore crucial that the board understands and supports the foundation's focus on a more long-term, systemic approach if the foundation wishes to engage in solving large, complex societal problems.

The board's support is vital because it provides the foundation with legitimacy and the freedom to act, enabling it to make bolder decisions. The board can, for example, facilitate a more expansive interpretation of the foundation's statutes, offering greater flexibility in taking more systemic change-oriented actions. Foundation boards can vary in their organization and composition, which can influence the collaboration with foundation management. For example, some boards are elected through membership democracy, while others are appointed or self-perpetuating. Regardless of the type of board, it is crucial to establish a dynamic, dialogue-based collaboration with the board and remain open to the board's priorities, which may focus on some areas over others.

The foundation's governance must support efforts to address complex societal challenges

At the same time, the foundation's governance—including internal control mechanisms, processes, rules, and guidelines—can either facilitate or hinder its ability to contribute to systemic change. If the foundation's decision-making processes are slow and rigid, it can hinder its ability to make continuous adjustments to initiatives as it learns more about the issue. Furthermore, requirements for reporting results to the board can limit the foundation's capacity to engage in longer-term efforts, especially if there is too much focus on short-term and measurable results. Isolated workflows, with a lack of coordination or knowledge-sharing between staff members, can also prevent an effective approach to systemic change, which often requires cross-functional efforts.

Solution | Governance must support contributions to systemic change

Once the foundation has actively decided which roles it can and will play and ensured that its charter and strategy align with these roles, it must ensure that its internal governance effectively supports its ability to contribute to systemic change. Governance encompasses many aspects, but for a foundation, it is essential to ensure that ongoing follow-ups on initiatives and reporting to the board support a systemic approach with a focus on the long-term perspective, continuous learning, etc. At the same time, it is important to ensure that reporting requirements are not too rigid or resource-intensive. Strict requirements can shift focus away from the actual work and make it unnecessarily resource-heavy for partners to engage in collaborations. Internal governance must also support the foundation's ability to work more cross-functionally and facilitate flexible workflows.

Several Foundations Lack Competencies to Contribute to Systemic Change

Working with systemic change introduces new requirements for the competencies foundations need, which differ from those required for more traditional, application-driven foundation operations. The necessary competencies for a foundation vary depending on the role it chooses to take in working with systemic change. A more active, guiding role in systemic change requires employees who can navigate complex and dynamic environments, foster collaboration among actors, and manage uncertainty. It also requires the ability to engage diverse stakeholders and ensure everyone works toward common goals. The ability to build and maintain strong partnerships may also be important. If a foundation chooses to take an active role as a facilitator, it must have the competencies to facilitate collaborations and ensure that the efforts of different actors are coordinated and complementary.

Lacking competencies can present a significant obstacle to foundations' ability to contribute to systemic change. Our survey shows that one in four foundations feels they lack competencies, knowledge, and/or expertise to contribute more effectively to systemic change.

"We lack competencies, methodological awareness, and knowledge of how to understand complex problems from a systemic perspective."

— Manager, Foundation

24% consider the lack of skills and knowledge as a barrier to contributing to systemic change

Note: *In your opinion, what are the biggest internal barriers preventing your organization from contributing more to systemic change?* N=37 (foundations)
Source: Survey on contributions to systemic change, 2024

Foundations express a need for greater knowledge about the effectiveness of initiatives and skills for navigating across systems. Furthermore, a misalignment between the competencies the foundation possesses and the role it wishes to play in systemic change can create challenges for its ability to contribute.

Solution | Competencies must align with the foundation's roles

It is essential that the foundation, based on its charter and strategy, considers which competencies are necessary to support the overarching roles it aims to play in driving systemic change. These competencies could include (i) thinking Systemically (ii) building bridges and facilitating Collaboration (iii) Identifying, Analysing, and Solving Complex Problems (iv) Innovating and Developing New Solutions At the same time, the foundation must consider which competencies should be internal and which should be sourced externally. For example, the foundation can engage or collaborate with experts who have specialized knowledge in areas crucial to the foundation's strategic goals. The foundation may also choose to acquire competencies related to facilitation, capacity building, and more.

Foundations Lack Tools to Measure the Results of Systemic Change Initiatives

Uncertainty about the effectiveness of initiatives aimed at systemic change is cited as the biggest barrier for foundations in their efforts to contribute to systemic change. Initiatives addressing complex societal problems often involve interwoven issues, making it difficult to predict how an intervention will affect the entire system.

Moreover, systemic changes typically take many years to fully materialize. Some changes have delayed and cumulative effects, making it difficult to isolate and measure their impact on the system. The complexity of systemic changes increases further because they often involve many interacting factors and actors, making it challenging to distinguish between causes and effects. Often, multiple factors contribute to a given outcome, complicating the isolation of the specific impact from individual changes. Foundations may also be unsure whether they will see concrete results within a foreseeable timeframe, which can make them hesitant to invest in such initiatives.

Figure 5: *The Biggest Internal Barriers Foundations Face in Contributing More to Systemic Change*

30%	27%	24%	14%	11%
Uncertainty about the impact of initiatives	Focus on competing agendas	Lack of skills, knowledge, & expertise	Lack of willingness to take risks	Lack of strategic direction
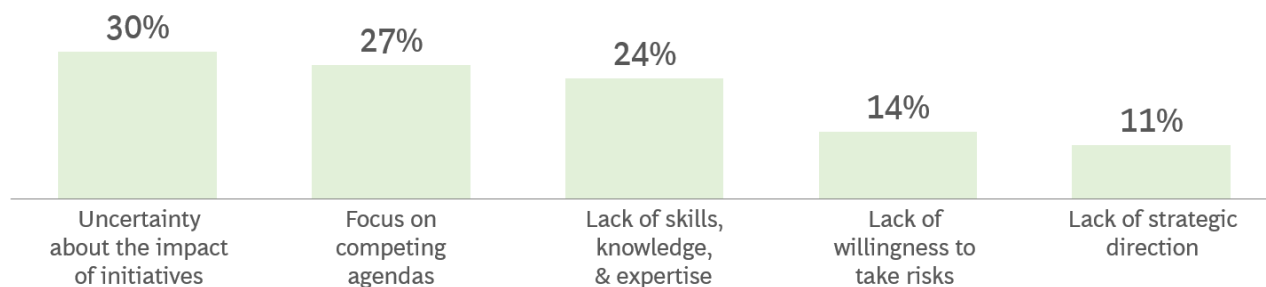
Note: *What do you consider to be the biggest internal barriers preventing your organization from contributing more to systemic change?* Multiple options can be selected.
N=37 (foundations)
Source: Survey on contributions to systemic change, 2024

Many foundations also face challenges in measuring and evaluating the impact of systemic efforts. A full 67% of the foundations surveyed consider measurement, evaluation, and learning to be crucial for creating systemic change. However, many still primarily rely on traditional impact assessments, which are not well-suited for systemic change initiatives. Traditional evaluation methods rarely capture the long-term and indirect effects of systemic approaches.

"Foundations must recognize that impact in relation to complex societal problems requires a more flexible approach to how goals are achieved."

— Manager, Public Organization

Some foundations report that they lack the necessary tools and methods to measure impact accurately, while others acknowledge that they measure indicators that are not supportive of long-term, systemic change efforts. Foundations may face expectations from boards and other stakeholders to deliver measurable results quickly. This expectation can create pressure to opt for more short-term and less risky projects rather than long-term systemic changes, where the effects are harder to quantify.

Foundations recognize the importance of measurement and evaluation…

67% consider measurement, evaluation, and learning as important for contributing to systemic change
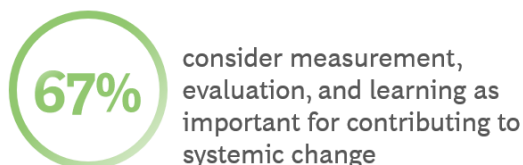
Note: *How important is measurement, evaluation, and learning for your organization's efforts to create systemic change?* N=30 (foundations)
Source: Survey on contributions to systemic change, 2024

…but only a few foundations extensively measure impact
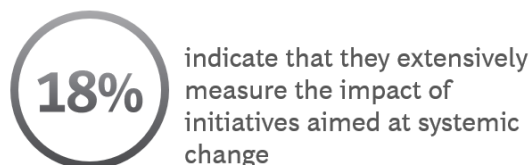
18% indicate that they extensively measure the impact of initiatives aimed at systemic change

Note: *To what extent do you measure and evaluate the impact of initiatives aimed at systemic change?* N=38 (foundations)
Source: Survey on contributions to systemic change, 2024

Lack of knowledge and tools for measurement can perpetuate uncertainty about the impact and outcomes of efforts. Therefore, as part of a shift towards a systemic approach, it is important to rethink the understanding and measurement of impact.

"Measuring impact is very important, but we have faced challenges in effectively measuring systemic change."

— Manager, Foundation

Solution | Increased focus on long-term outcomes and learning as a goal in itself

To support a systemic approach, foundations should focus on learning and long-term outcomes. This may require a shift in mindset but will help overcome barriers related to uncertainty about the effectiveness of initiatives.

Specifically, foundations can consider expanding the definition of impact and reporting setups to better support systemic change initiatives. The evaluation of initiatives should increasingly reflect systemic indicators. Success should not be measured using traditional KPIs, such as short-term outcome goals, but instead focus on longer-term results and the more "intangible and invisible" effects of interventions (e.g., culture, capacity, power dynamics, relationships, etc.). In planning initiatives, it is essential to reflect on what specific and expected changes the foundation aims to create. Measurement points should be tailored to the specific needs and goals of each project, ensuring they measure the changes and results that are sought in the given initiative. This aspect is not necessarily different from more traditional, application-driven foundation work, but it is especially important to be aware of impact from a systemic perspective, as long-term effects and complex changes often require a more holistic understanding of impact.

At the same time, learning should be a goal in itself. Foundations should set goals for how the organization learns and adapts its efforts over time, and how these lessons are shared with relevant actors to promote knowledge sharing and the improvement of future initiatives.

It is important to distinguish between measuring and evaluating the impact of individual efforts and the impact on the overall system. System-level goals and measurement points can be challenging and often require years of data to demonstrate results, as seen in the case of youth well-being. System-level measurement points could include indicators such as reductions in youth crime, improvements in educational outcomes, or long-term changes in mental health among young people.

De små børns Bornholm [The Children's Bornholm] – Measuring with a Long-Term Perspective

De små børns Bornholm [The Children's Bornholm] is a comprehensive initiative focused on improving the well-being and development of children on the island of Bornholm. The program, supported by Egmont Fonden [The Egmont Foundation] and Bornholm Regional Municipality, focuses on early interventions and intensified support for families with young children. The program works with a holistic approach that includes strengthened collaboration between midwives, health visitors, daycare providers, Pædagogisk Psykologisk Rådgivning [Pedagogical Psychological Counselling] (PPR), and authorities in the early childhood sector.

As part of the project, Det Nationale Forsknings- og Analysecenter for Velfærd leverer viden [The Danish Centre for Social Science Research] (VIVE) has been responsible for measuring and evaluating the effort with the primary goal of supporting learning to develop the effort. The evaluation draws on three methods, including Real-Time Evaluation (RTE), which involves continuous feedback through workshops and iterative development of change theories, register analysis that examines socio-economic characteristics and enables long-term follow-up, and surveys that have enabled long-term impact assessment through a multi-year collection of survey data from all families in Bornholm who had children during the study period.

Bornholm's relatively isolated ecosystem, with around 300 annual births, allows for precise measurement of the initiative's long-term effects. However, other initiatives can still find valuable insight and inspiration in how to structure measurement and evaluation of long-term efforts.

Lesson from the case study: The experiences from Bornholm demonstrate that RTE can contribute to the continuous adaptation of initiatives based on feedback, while survey and register studies enable follow-up on long-term goals. The case shows how long-term and holistic methods can be considered when evaluating efforts aimed at addressing complex societal problems.

Sources: De små børns Bornholm [The Children's Bornholm], 2024; Det Nationale Forsknings- og Analysecenter for Velfærd leverer viden [The Danish Centre for Social Science Research] (VIVE), 2023a

Prerequisite #3:
Understand Problems In Depth And Engage In Collaborations

Complex societal problems are often characterized by differing perceptions of the problem's nature and underlying causes. To work systemically with such problems, it is therefore crucial to start by ensuring a deep understanding of the issue and the systems it is embedded in. Questions to consider include: Who are the relevant actors? What dynamics are at play? What power structures and resources influence the problem? What knowledge and data already exist?

Foundations can play a critical role here by investing in acquiring the necessary knowledge to ensure a deep understanding of the problem. To gain a comprehensive understanding of the problem, it is also important to incorporate perspectives from other actors, such as citizens, authorities, and relevant public organizations, who experience and engage with the problems from different angles in daily life.

A deep understanding of the problem also helps identify the most appropriate way to organize collaboration around the issue: Which actors should be involved? How should the collaboration be organized? Different actors bring diverse perspectives and competencies to the table, which can be crucial for a successful intervention.

Here, foundations can play an important role by identifying the right partners and investing in long-term and committed collaborations driven by a shared understanding and vision.

GUIDING PRINCIPLES: Invest in Creating a Deep Understanding of the Problem and Engage in Long-Term, Committed Collaborations with a Shared Vision

A deep understanding of the problem and the system is central to the work on systemic change

Addressing complex societal problems requires a thorough understanding of the underlying mechanisms and causal relationships that drive the issue. A systemic perspective provides a better understanding of what shapes and sustains the problem, which groups of actors are involved, and who experiences the problem first-hand, and how.

"In-depth analysis of the nature of the problem is a prerequisite for working systemically."

– Manager, Foundation

Figure 6: *Three Levels for Understanding Complex Societal Problems*

Societal problems can be understood at three levels:

Actor lens

The system level: Focus on how actors across the entire system are connected and interact within the ecosystem

The organization level: Focus on how organizations or groups of actors contribute to or work against a given problem

The individual level: Focus on individuals or users who work with or experience the problem personally

Physical lens

The national level: Focus on national legislation, structures, and frameworks that affect the problem at a national level

The regional level: Focus on regional conditions affecting the problem in a specific municipality or region

The local level: Focus on local conditions and initiatives that affect the problem in a specific town or community
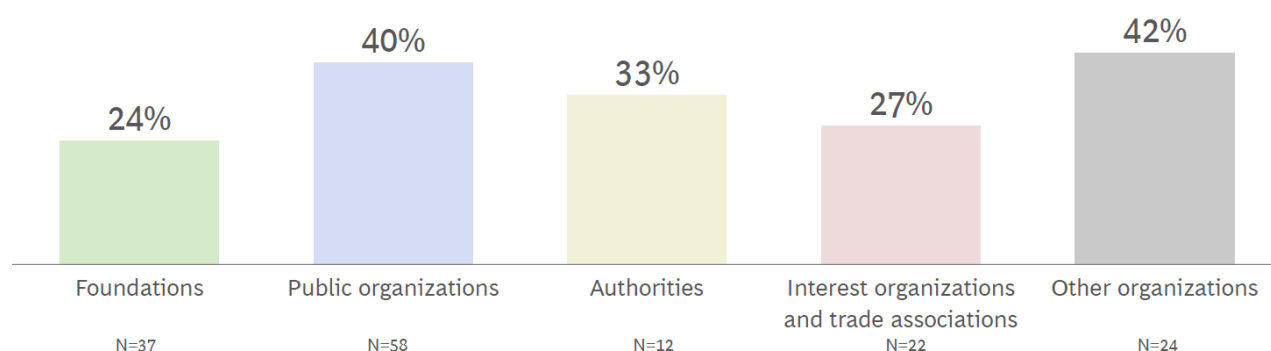
Foundations often have the competencies, prior knowledge, and financial resources to provide a deep understanding of problems that many other systemic change actors cannot access

As illustrated in Figure 7, 40% of public organizations report lacking the knowledge and competencies to contribute more effectively to systemic change. Many organizations indicate that knowledge is primarily used to create an understanding of the problems and the systems they are part of.

"Foundations have great potential to step in and shape the space for systemic change. Foundations can finance knowledge to ensure a better shared understanding of problems."
– Former politician

Figure 7: *Proportion of Actors Reporting that Lack of Competencies, Knowledge, and Expertise is a Barrier to Contributing More to Systemic Change*

Foundations	Public organizations	Authorities	Interest organizations and trade associations	Other organizations
24%	40%	33%	27%	42%
N=37	N=58	N=12	N=22	N=24

Note: *In your opinion, what are the biggest internal barriers preventing your organization from contributing more to systemic change?* Multiple options can be selected.
Source: Survey on contributions to systemic change, 2024

Currently, only about half of the surveyed foundations report using knowledge and other non-financial support to support systemic interventions aimed at complex societal problems, as shown in Figure 8. Thus, there is significant potential for foundations to play a larger role in providing knowledge to ensure a deep understanding of the problem.

Figure 8: *The roles of foundations in working for systemic change*

Note: *Which role best describes your organization in relation to systemic change?* Multiple options can be selected.
N=41 (foundations)
Source: Survey on contributions to systemic change, 2024
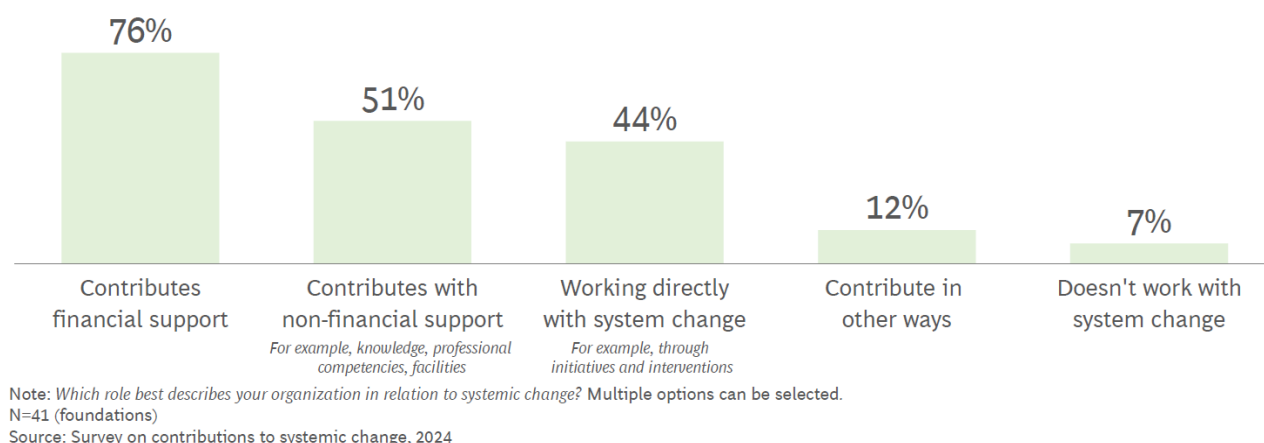
**Solution |
Foundations can create a deep understanding of problems through knowledge**

Foundations can play a significant role in ensuring a deep understanding of problems and strengthening the knowledge base regarding specific issues and the systems they are part of. This can involve clarifying, for example, which target groups are affected by a given problem and how, as well as which interventions have been attempted and with what results.

It also involves clarifying the ecosystem, including which actors are involved, the relationships between different actors, as well as the collaborations and alliances that already exist or have been attempted. Foundations' analyses can further help create an overview of the prevailing frameworks, power structures, and funding flows, which can increase the understanding of what sustains a given problem. Policy Lab, an initiative aimed at developing political recommendations to strengthen the conditions of fostered youth, has been successful in this[3]. At the same time, it is important for foundations to engage perspectives from other actors, such as citizens, authorities, and public organizations, to ensure a holistic understanding of the problem. Other actors in the system often experience the problems from different perspectives, which can enrich the problem analysis.

"There are many actors who have stakes in how a problem is defined, and therefore in what the solutions should be. Problems can be difficult to solve if you don't involve different actors in understanding them."

– Manager, Public Authority

To understand what defines and sustains a given problem, an overview and understanding of the systems as a whole is required[4]. There are various methods for mapping a given system. In the previous chapter, we introduced an understanding of a system's constitutive elements through the five Rs: framework conditions, resources, and results, as well as the roles and relationships of actors[5].

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[3] Bikubenfonden [The Bikuben Foundation], 2024b
[4] Danish Design Center, 2023
[5] USAID Learning Lab, 2016

USAID – Implementing the "5R" Framework in the Market Project in Honduras

USAID (United States Agency for International Development) works globally to promote economic development, improve health, and strengthen democratic institutions. In Honduras, USAID has launched the project *Transforming Market Systems (TMS)* to address complex issues such as economic marginalization and migration out of the country.

USAID integrated the 5Rs framework (regulatory frameworks, resources and results, roles and relationships) into the TMS project to promote systemic change within Honduras' market system.

The framework was applied in three phases and served various purposes in supporting systemic change:

- The 5R framework was used to establish expectations for a systemic approach. This included guidelines on how Honduras' market system should be analysed and understood.

- In the implementation phase, the 5Rs were used to train staff and partners in systems thinking. This created a shared understanding of what a market system entails and how to engage with it. The framework also helped develop the project's theory of change and a mapping of the system, where actors identified the system's 5Rs, how they should be changed, and what measures would be required to achieve this.

- Finally, the 5Rs were used to create a measurement and evaluation design for the project. Instead of relying on traditional linear models, system diagrams were used to better track complex changes. The use of an innovative diagnostic method allowed the TMS project to analyse shifts and patterns in the broader system's behaviour. For example, it became possible to understand whether, and how, the entire market system became more inclusive, competitive, and resilient.

Lesson from the case study: The project resulted in several key findings: The use of the 5R framework made it easier to communicate complex system concepts to actors and stakeholders. The framework contributed to a more holistic understanding of the issues, providing enhanced insights into where interventions could be made to influence the problems effectively. The biggest challenge in the project, however, was defining and measuring systemic changes.

Source: USAID Learning Lab, 2018

At the same time, foundations can use a strengthened knowledge base to actively work to change and redefine the understanding of specific issues, thereby bringing new problems to the forefront that would normally not receive attention.

Bo Trygt [Stay Safe] – A New Understanding of a Problem

Bo Trygt [Stay Safe] is an initiative created by TrygFonden [The Safe Foundation] and the Realdania association in collaboration with Videnscenteret Bolius [The Bolius Research Center] and Det Kriminalpræventive Råd [The Crime Prevention Council]. The aim is to reduce the number of burglaries and thus increase safety in local communities across the country. Traditionally, burglary has been the responsibility of the police, but for many years it has been difficult to tackle the problem effectively. With the recognition that the problem had gotten "out of hand", the intention behind Bo Trygt [Stay Safe] was to bring multiple actors to the table for a collective effort aimed at reducing burglaries.

The initiators therefore primarily focused on **creating a deeper understanding of the underlying causes behind the stagnated efforts to combat burglaries. As a result, the parties attempted to redefine the understanding of the problem** to also be about "safety" rather than focusing solely on "burglaries". By framing the problem in this way, the understanding of the issue was expanded, which in turn opened up the possibility for a broader involvement of relevant partners. The collaboration now includes a wide range of stakeholders, such as the Ministry of Justice, the National Police, Insurance & Pension, municipalities, researchers, and industry representatives.

Lesson from the case study: The case illustrates the importance of working with a deep understanding of the problem and using this understanding actively to open up new solution possibilities for complex issues.
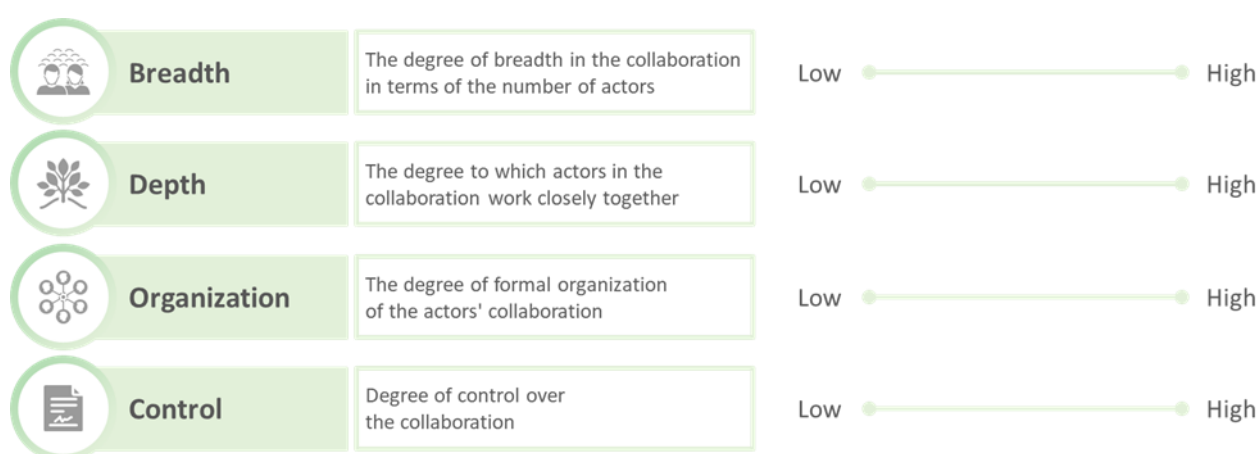
Sources: Interview; Realdania, 2024a; Realdania, 2022; TrygFonden [The Safe Foundation], 2024a

Deep Problem Understanding Informs Collaboration Design

A deeper understanding of the problem forms the foundation for organizing the specific collaboration around it. Which actors should be involved? How should the collaboration be organized? Where should the focus be? A deep understanding of the problem is used to inform how the specific collaboration should be structured.

Our survey shows that collaborations for systemic change can be organized in many ways. There is no one-size-fits-all collaboration model for complex societal issues; instead, there is a variety of organizational forms that differ across several dimensions. As shown in Figure 9 below, collaborations on systemic change can generally vary across four dimensions: breadth, depth, organization, and governance.

Figure 9: *Dimensions in Organizing Collaborations for Systemic Change*

Breadth	The degree of breadth in the collaboration in terms of the number of actors	Low ———————— High	
Depth	The degree to which actors in the collaboration work closely together	Low ———————— High	
Organization	The degree of formal organization of the actors' collaboration	Low ———————— High	
Control	Degree of control over the collaboration	Low ———————— High	

Solution |
Collaborations should be tailored to the specific issue and context

It is important that collaborations are always designed to address the specific issue at hand. Therefore, for each dimension, consideration must be given to what is most appropriate for the particular context and issue.

The breadth of the collaboration: The first decision a foundation must make is which actors to involve and how large the collaboration should be. There are several factors that a foundation should consider when choosing partners: Should municipalities or government agencies be involved to ensure local or national anchoring? Should citizens who are directly affected by the issue be included, or user organizations? Involving public organizations can be beneficial for ensuring broader engagement and local perspectives. Additionally, research institutions can be considered to strengthen the knowledge base, or businesses can be included to ensure support for practical implementation.

The number of actors involved can vary greatly across collaborations. For issues where there is a lack of consensus on the understanding or solutions, broad collaborations can be advantageous in fostering a shared understanding of the problem and each other's positions. An example could be the Danish Business Council for Welfare, which develops recommendations for the welfare society of the future and includes over 50 actors from both the public and private sectors[6]. Other collaborations involve only a few actors, such as

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[6] Danish Chambers of Commerce, 2022

Social Sundhed [Social Healthcare] and Novo Nordisk Fonden [The Novo Nordisk Foundation], which work in a one-to-one partnership to reduce health inequalities[7]. This can be an advantage when there is high consensus on the understanding of the problem, allowing for closer and more in-depth work within a specific area.

The depth of collaboration among actors can also vary. Here, it is important to consider how close the collaboration should be. Again, this will be driven by the specific problem and its context. Typically, narrower collaborations with fewer actors are characterized by a high degree of co-creation, where the actors are deeply involved in the collaboration with both time and resources. This is, for example, the case in the collaboration between Lær for Livet [Learning for Life], Esbjerg Municipality, and Lauritzen Fonden [The Lauritzen Foundation], who are working together to prevent societal problems and vulnerability by providing 30 disadvantaged children from Esbjerg Municipality with extra support to perform better in school and participate in recreational activities [8]. This allows for close coordination and faster decision-making, but it is also important to include perspectives from other actors who are essential in tackling complex issues. Other collaborations, such as Aarhus Alliancen [The Aarhus Alliance], primarily focus on coordination and knowledge sharing without close co-creation. Here, companies meet in an open network 3-4 times a year to share knowledge and inspiration for social initiatives and recruitment of employees with special needs[9]. This model can be advantageous if the goal is broader network formation and quicker dissemination of best practices.

Organization of the Collaboration: The nature of the problem, especially the number of actors involved and the degree of consensus on the understanding of the problem, can influence how the collaboration should be organized. Broad collaborations often require a higher degree of formal organization and management to ensure adequate coordination and clear expectations regarding roles and reporting frequency. This can include the use of a steering committee, project administrative headquarters, and working groups. A more formally organized collaboration helps create structure and clear boundaries, which can be crucial when operating in a complex actor landscape. Hjem til Alle Alliancen [The Home for All Alliance], which works on homelessness among young people, is an example of a highly formalized collaboration between a wide range of actors. This includes the establishment of a board that holds the overall responsibility for the alliance's development and strategy, as well as an administrative headquarters that supports the work of the alliance partners[10]. Other collaborations are less formally organized, where management, facilitation, and coordination are instead carried out continuously and as needed, as seen in Aarhus Alliancen [The Aarhus Alliance].

Management of the Collaboration: Finally, consideration must be given to the degree of management in the collaboration. For example, should clear management mechanisms be set, such as fixed reporting forms and meeting schedules? Or should less clearly defined processes be used, where the group meets and follows up as needed? A high degree of management can be beneficial when many actors are involved, and coordination is crucial for success, while less formal management mechanisms can be an advantage when flexibility and rapid adaptation are necessary, or when the collaboration is based on trust and closer relationships.

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[7] Social Sundhed [Social Healthcare] , 2024
[8] Lær for Livet [Learning for Life], 2024
[9] Aarhus Alliancen [The Aarhus Alliance], 2024
[10] Hjem til Alle Alliancen [Home to All Alliance], 2024a

The great diversity in collaboration models shows that the way collaborations are most appropriately organized will always be context-dependent, based on the problem being addressed and the actors involved.

It is also important to continuously assess the organization of the collaboration and be open to making adjustments along the way. Changes in context, problem understanding, or other insights may require changes in the organization of the collaboration, such as in terms of anchoring the initiative, involved parties, the location of the administrative headquarters, or overall management.

Gates Foundation – Ongoing Organizational Adjustments

The Gates Foundation, an international philanthropic organization tackling poverty, disease, and inequality globally. In 2013, the foundation was involved in establishing the *International Decision Support Initiative* (iDSI), which is a platform aimed at promoting evidence-based prioritization in health systems in developing countries. Over the past 10 years, the Gates Foundation has played a central role as a key source of funding, supporting the development of iDSI's capacity building and global collaborations.Among other achievements, iDSI has established strong international partnerships that have improved coordination and knowledge sharing across developing countries.

iDSI is an example of a long-term system-changing collaboration, which has continuously evolved and made adjustments in both its efforts and its organization based on gained knowledge and changes in problem understanding and context.

Specifically, iDSI has undergone an organizational transformation, shifting from a centralized structure in the United Kingdom to a more localized approach. This is evident, for example, in how iDSI initially operated primarily out of the United Kingdom with a UK-based administrative headquarters responsible for planning coordination and key supporting activities. However, the centralized organization faced limitations in addressing local challenges. Additionally, the UK-based administrative headquarters hindered the legitimacy and effectiveness of engaging directly with decision-makers in low- and middle-income countries (LMICs), increased operational costs, and reduced resources available for regional network development. In response to this, iDSI established regional hubs and networks, such as HTAsiaLink in Asia and AfroHTA in Africa, which could lead regional efforts and ensure their anchoring. Looking ahead, iDSI plans to relocate its administrative headquarters to Africa, with African regional partners taking on a more prominent Managership role in the initiative's governance and operations.

Lesson from the case study: A key lesson from the Gates Foundation's work with iDSI is that finding the right organizational structure for a partnership takes time—and sometimes, the optimal structure will need to evolve over time. Flexibility and openness to adjustments based on ongoing learning and dialogue are crucial when addressing complex societal challenges. Foundations and their partners must be willing to adapt frameworks, roles, and structures to ensure that collaborations remain effective and relevant.

Source: Baker et al., 2023

High Demand for Foundations in Systemic Change Collaborations

The importance of collaboration for achieving systemic change is widely recognized — both among respondents in this study and in systemic change literature. As shown in Figure 10 **84%** of the responding foundations indicate that they have experience in entering into collaborations focused on systemic change.

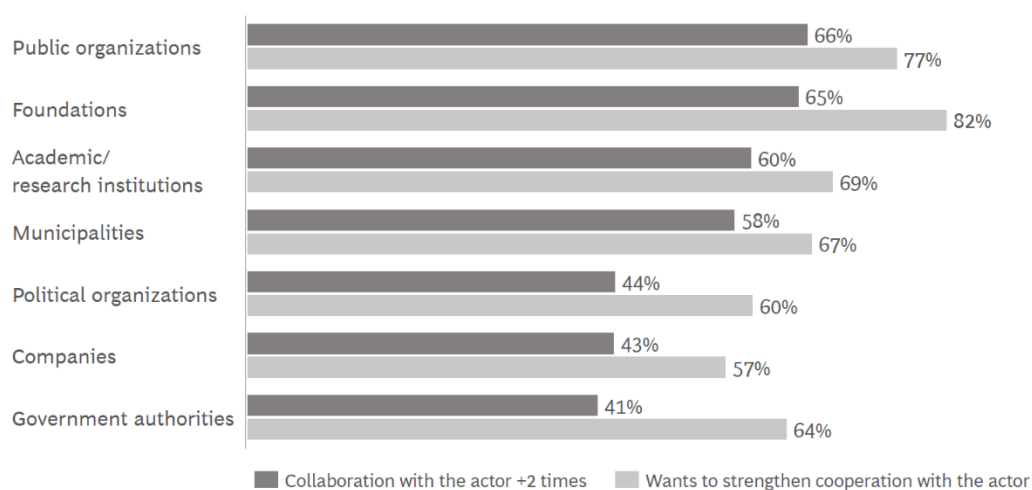**Figure 10**: *Percentage of actors with experience in system-change collaborations*
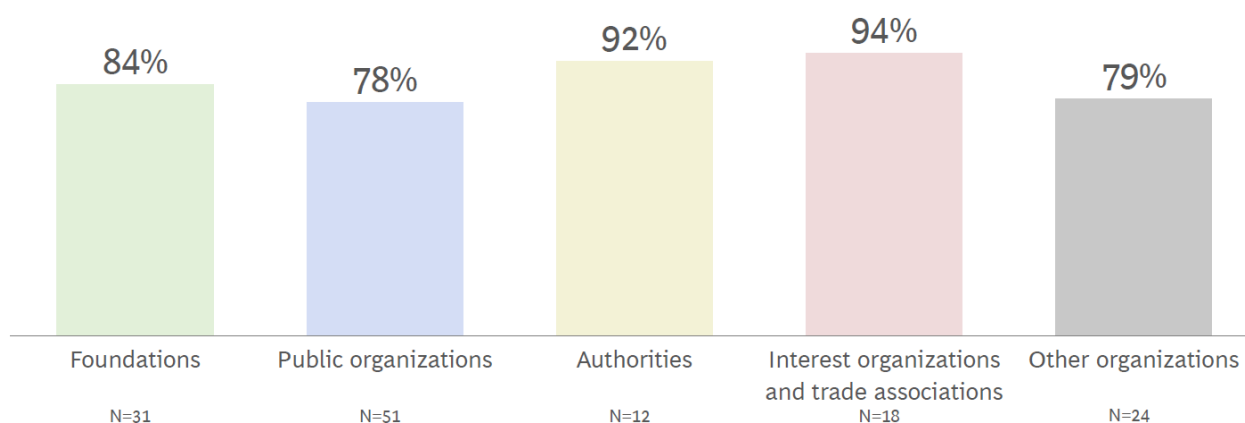
Note: *To what extent does your organization have experience collaborating with other actors regarding systemic change?*
Source: Survey on contributions to systemic change, 2024

The study also highlights that foundations, along with public organizations and research institutions, are already among the most frequently utilized partners in tackling complex societal problems. As shown in Figure 11 below, nearly **2/3** of the respondents indicate that they have collaborated more than twice with foundations on initiatives aimed at systemic change. At the same time, **over 80%** of the respondents indicated that they wish to strengthen their collaboration with foundations further with a focus on systemic change. Among public organizations, the number is as high as 95%[11], who want to strengthen collaboration with foundations. This demonstrates that foundations already play a central role in system-change collaborations, while also suggesting a significant demand for them to take on an even more prominent role in the future.

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[11] Note: *To what extent does your organization want to strengthen cooperation with the following actors?* N=51 (public actors). Source: Survey on contributions to systemic change, 2024

Figure 11: *Actors' experiences with partners and their desire for strengthened collaboration*

Actor	Collaboration +2 times	Wants to strengthen
Public organizations	66%	77%
Foundations	65%	82%
Academic/research institutions	60%	69%
Municipalities	58%	67%
Political organizations	44%	60%
Companies	43%	57%
Government authorities	41%	64%

■ Collaboration with the actor +2 times   ■ Wants to strengthen cooperation with the actor

Note: How often has your organization engaged in collaborations with the following actors? To what extent does your organization want to strengthen collaboration with the following actors? N=124-139 (all)
Source: Survey on contributions to systemic change, 2024

Power Asymmetry as a Barrier to Collaboration

Unequal power distribution among actors can significantly impact collaborations, influencing decision-making, access to influence, and resource allocation. This dynamic is often evident in partnerships where foundations act as donors, particularly in relationships with smaller public organizations that rely on funding to sustain operations.

Several public organizations in the survey indicate that they have designed interventions and evaluation methods to meet implicit or explicit needs and demands from foundations, rather than being determined by what is most appropriate for solving a given problem. When it comes to public organizations, **48%** report that they have had to compromise on systemic change goals in order to meet donor requirements. For interest and trade associations, this applies to **64%** of those surveyed.

"It can be challenging for smaller public organizations to resist the pressure from foundations wanting them to follow specific directions to support their strategic choices and goals."

– Manager, Public Organization

Figure 12: *Proportion of actors who agree/strongly agree that they have had to compromise systemic-change goals to meet donor requirements*
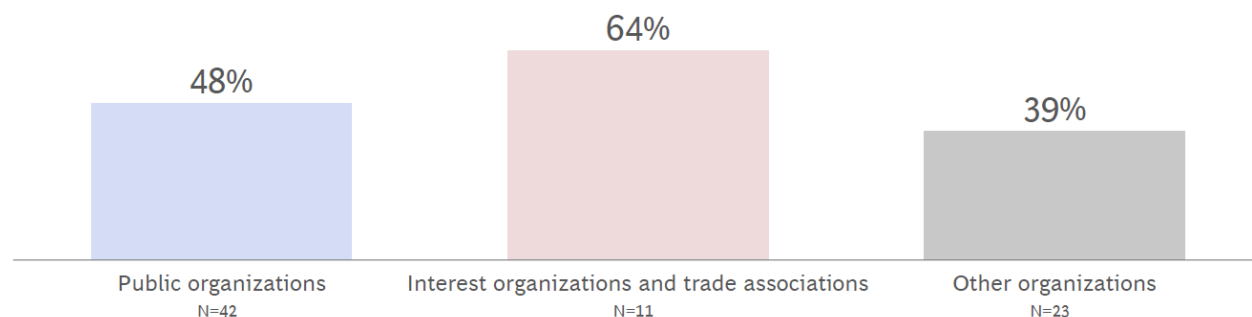
Note: *Has your organization experienced having to compromise on the goal of systemic change in order to meet donor requirements?*
Source: Survey on contributions to systemic change, 2024

Solution | Foundations must be aware of power dynamics in collaborations

To mitigate power imbalances in collaborations, foundations must first acknowledge their existence and understand that they can be a barrier to successful partnerships. Furthermore, foundations can seek to mitigate the inherent power asymmetry. There are three key guidelines for how foundations can address inherent power dynamics in collaborations with other actors:

1. As a foundation, it is essential to be aware of sharing power with those best positioned to drive systemic change. This includes recognizing that in a partnership, different actors bring various resources, competencies, and capabilities, all of which are crucial for solving a given problem. Foundations can, for example, delegate decision-making authority to partners, such as in relation to the specific use of funds or the implementation of a strategy.

2. Where possible, foundations should aim to establish a non-hierarchical, flat structure and governance in their collaborations, where decisions are made jointly.

3. Foundations should focus on giving a voice to those who are often unheard. This can be achieved by involving marginalized groups or overlooked actors in collaborations. While it can be challenging to identify and engage the relevant actors, doing so can lead to a greater diversity of perspectives on problems and foster more inclusive discussions.

Applying these guidelines in collaborations can, in itself, foster systemic change, as partners in a more equal partnership will be more willing to bring forward new ideas and push back if demands or actions are proposed that are not appropriate for addressing the given issue. At the same time, foundations can strategically relinquish control to reduce power asymmetries in collaboration and achieve greater positive impact. This can occur, for example, when several foundations come together, where each foundation's relative control and influence is reduced, but the potential to achieve impact is increased.

Partnership between Social Sundhed [Social Healthcare] and Novo Nordisk Fonden [The Novo Nordisk Foundation] – Mitigating Power Asymmetry

Social Sundhed [Social Healthcare] is a public organization aimed at reducing social inequality in healthcare through an initiative where volunteer healthcare students are trained to accompany and support vulnerable and marginalized individuals to their appointments in the healthcare system. The aim of the initiative is, among other things, to create systemic change by giving the healthcare students insight into the social inequality challenges within the healthcare system. This is meant to ensure that future decision-makers and cultural leaders in the healthcare system are aware of the issues the system faces. As part of this work, Social Sundhed [Social Healthcare] has entered into a close partnership with Novo Nordisk Fonden [The Novo Nordisk Foundation], which shares the ambition of reducing health inequality. The specific focus of the collaboration is to develop Social Sundhed's [Social Healthcare] organization to contribute to the scaling and further development of the work they have already started, with the aim of creating lasting improvements in healthcare interventions at a systemic level.

"There is an acknowledgement that both parties bring something equally valuable to the table."
– Manager, Social Sundhed [Social Healthcare]

The partnership between Social Sundhed [Social Healthcare] and Novo Nordisk Fonden [The Novo Nordisk Foundation] is characterized by a mentality where both parties acknowledge that they are equal partners, each bringing important, albeit different, competencies and capabilities to the table. This helps to tone down the "giver-receiver" roles that often exist between a foundation and its partners.

Lesson from the case study: The focus on the equal partnership has allowed Novo Nordisk Fonden [the Novo Nordisk Foundation] to engage closely in the collaboration without exercising control or power. Overall, this has contributed to a more fruitful collaboration in creating systemic change.

Sources: Interview; Social Sundhed [Social Healthcare], 2024

Systemic change takes time and requires persistent effort

Systemic change is about altering the conditions and underlying structures that sustain a problem. It takes time and requires sustained efforts. However, many partners emphasize that foundations are often too short-term focused in their collaborations. This creates unfavourable and difficult conditions for succeeding in efforts aimed at changing the systems that produce and sustain problems.

"Foundations need to do more to bring stakeholders together in long-term program partnerships with a shared mission to solve complex societal problems."
– Manager, Cross-sector partnership

"Foundations focus too much on short-term projects, where a good story can be told or something can be showcased."
– Manager, Public Organization

Systemic change focuses on changes to basic structures and should be considered a continuous process that must be constantly adapted based on changes in context and problem understanding. New lessons and perspectives from initiatives contribute to a deeper understanding of the problem and create the framework for new and improved actions.

To support work on complex societal problems, foundations should engage in long-term collaborations that are aligned with the problem they seek to address. A long-term perspective allows stakeholders time to work deeply on the issue and adjust initiatives based on experiences and gained knowledge.

The long-term perspective also demands mutual commitment between partners, which is why trust is crucial when entering into long-term collaborations[12].

"Some of the problems we are dealing with require closer involvement of civil society in partnerships, and in this area, foundations may be able to contribute in ways that are different from what we can do within public bureaucracy."

– Manager, Public authority

97% have trust in their partners

Note: *In your opinion, what are the biggest internal barriers preventing your organization from contributing more to systemic change?* N=153 (all)
Source: Survey on contributions to systemic change, 2024

94% experience trust from their partners

Note: *In your opinion, what are the biggest external barriers preventing your organization from contributing more to systemic change?* N=153 (all)
Source: Survey on contributions to systemic change, 2024

Solution | Collaborations should be long-term, trust-based, and incorporate sustainability early on

A total of 97% of the surveyed actors indicated that they trust their partners in the current work on systemic change. At the same time, 94% reported that their partners trust them. It is therefore largely about building on the trusting relationships that already exist today.

It is important for foundations to consider the anchoring of initiatives early in the collaboration to ensure their long-term success. Initiatives aimed at systemic change are an ongoing process that continues even after the foundation concludes its collaboration on a specific effort.

Without involving the actors who will carry the initiative forward, there is a risk of lacking ownership and skills, which can cause the system-changing process to fail. Both foundations and their partners highlight in the study that foundations can indeed improve in thinking about how projects are anchored once the collaboration ends.

"Foundations need to be much more anchoring-oriented in their initiatives than they are today."

– Manager, Trade Association

"Foundations should better support bottom-up processes, as systemic changes require anchoring at the local level."

– Manager, Foundation

Anchoring initiatives can happen in various ways. Depending on the problem and the nature of the initiative, foundations should identify whether anchoring is best done locally through, for example, local public organizations or municipal authorities, or nationally, where anchoring can be achieved through the establishment of new regulations, initiatives,

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[12] Senge et al., 2015; Philea & Copenhagen Institute for Future Studies, 2024; Danken et al., 2016

or legislation that support the initiative and ensure its continued effect at the national level. It may be beneficial initially to develop a strategy that outlines how the foundation's support should be gradually phased out.

The strategy should include guidelines for how the change-driving actors will gradually take on more responsibility and control. However, it is important to be open to adjusting anchoring plans along the way. A strengthened understanding of the problem or knowledge gained about the effectiveness of initiatives may change where or how the initiative is best anchored.

Future Sustainable Landscapes 2014-2022 – A Collective Impact Partnership Transforming Land Use Mindsets in Denmark

The philanthropic association Realdania launched the initiative Collective Impact: Future Sustainable Landscapes 2014–2022, fostering collaboration among 15 stakeholders connected to Denmark's land use, including agriculture, forestry, nature and environmental protection, outdoor recreation, renewable energy production, drinking water protection, and rural development.

Partners: Realdania, Landbrug & Fødevarer [Danish Agriculture & Food Council], Danmarks Naturfredningsforening [Danish Society for Nature Conservation], Dansk Skovforening [Danish Forest Association], KL, Dansk Ornitologisk Forening [BirdLife Denmark], Friluftsrådet [Danish Outdoor Council], Danmarks Sportsfiskerforbund [Denmark's Sports Fishing Association], Danmarks Jægerforbund [Denmark's Hunters' Association], Landdistrikternes Fællesråd [The Community Council of Denmark's Rural Districts], Bæredygtigt Landbrug [Sustainable Agriculture], DGI, Økologisk Landsforening [National Ecological Association], Dansk Vand- og Spildevandsforening [Danish Water and Wastewater Association] (DANVA), and Green Power Denmark.

The example shows the value of a long-term, targeted, and patient partnership, which over eight years has designed and tested solution models for how agricultural and natural areas can be used in new ways as a key tool in the green transition. The core focus was on how national climate, nature, and environmental goals could be met while creating benefits for local residents and farmers.

A key component of the collaboration was gathering knowledge and experience from local pilot projects, where traditional sector-based solutions were replaced with a holistic approach. The tool, multifunctional land redistribution, was developed as part of the collaboration and has been a central, unifying mindset and concrete working method. The partnership concluded with proposals for a land reform offering solutions on how innovative land development could help address the climate crisis, biodiversity crisis, food crisis, and energy supply crisis. Two years later, it is evident that the mindset, methods, and partnership have been institutionalized at the national and political levels through the Green Tripartite Agreement (2024).

Lesson from the case study: Realdania's philanthropic contribution to Future Sustainable Landscapes included funding for a small, highly skilled administrative headquarters and a budget for analyses, study trips, and pilot projects. This setup provided a neutral meeting ground for the partners—a space for understanding problems, fostering innovation, and building trust in new ways of collaborating and conceptualizing solutions. These efforts became firmly anchored both locally and nationally.

Sources: Interview; Realdania, 2022

Levers

As a foundation or other philanthropic actor, there are many ways to contribute to systemic change. Some foundations choose to focus on a single type of intervention, while others apply a broader range of tools. Regardless of the approach, it is essential to select interventions that are tailored to the specific problem context and aligned with the foundation's role and capacity to create value within the partnership. This chapter begins with a general introduction to how foundations use interventions to address complex societal problems. It then presents specific tools available to foundations that are particularly effective in driving system transformation forward.

> **GUIDING PRINCIPLES:** Select the appropriate interventions to promote system transformation based on the nature of the problem and the foundation's role in the partnership.

Six Categories of Tools

Foundations' tools can be grouped into six overarching categories: Funding, Knowledge, Facilitation of Collaborative Processes, Capacity and Competence Building, Advocacy, and Evaluation and Learning. Each category represents a distinct approach to supporting and advancing the work on complex societal challenges using a systemic perspective: Funding includes direct financial support for projects or actors, while Knowledge involves the use of research, studies, and knowledge-sharing by foundations to drive systemic change. Facilitation of collaborative processes focuses on bringing diverse actors together to collaborate effectively. Capacity and capability building aims to strengthen the skills and abilities of involved actors. Advocacy encompasses political and public engagement, such as influencing legislation and shaping societal perceptions among stakeholders, while evaluation and learning ensures the continuous collection and use of data, insights, and experiences to improve future initiatives.

Figure 13: *Overview of the Tools Used by Foundations*

Financing   Knowledge   Facilitating collaboration processes   Capacity and competence building   Advocacy   Evaluation and learning

Funding remains the primary and most utilized tool for foundations in driving systemic change. 92% of surveyed foundations indicate that they use financial support to contribute to systemic transformation. The study also reveals that most foundations supplement funding by employing a combination of various tools to advance systemic change.

Figure 14: *Most commonly used tools by foundations in their work to create systemic change*
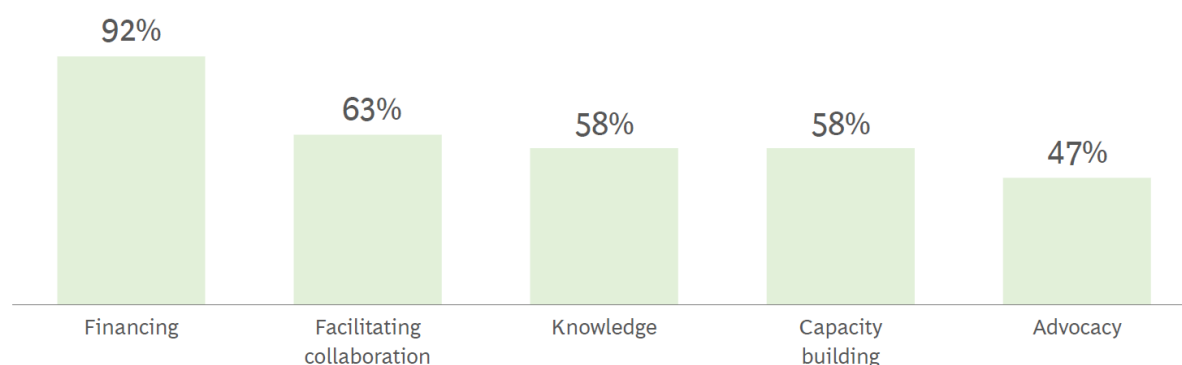
Tools Must Be Chosen Based on the Problem's Context and the Foundation's Role

Tools should be selected strategically, considering the context of the problem being addressed and the role the foundation aims to play in a given collaboration. Applying tools effectively cannot be formulaic, as each context and issue requires a tailored approach. Tools that prove effective in one scenario may be ineffective—or even counterproductive—in another. This is why all initiatives must be grounded in a deep understanding of the specific problem and its underlying causes. Such understanding helps guide the selection of tools and interventions needed. At the same time, foundations must remain open to adjusting and adapting their use of tools as circumstances evolve. Flexibility and the ability to respond to unforeseen challenges and opportunities are critical for foundations' success in driving systemic change.

Three Strategies for Using Tools

We have identified three different strategies that foundations can choose in their work with interventions,[13] as illustrated in Figure 15. These strategies—"Make It Happen," "Help It Happen", and "Let It Happen"—are based on the specific problem and stakeholder landscape in question. Each involves different roles, opportunities, and requirements for the foundation's approach. It is important to emphasize that these three strategies are ideal types, and approaches and tools should always be selected pragmatically and tailored to the specific issue at hand. In practice, foundations often employ various strategies across different initiatives within their portfolio. Fundamentally, all types of tools can be applied across all three strategies, though their execution will vary.

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[13] Greenhalgh et al. 2004

Figure 15: *Archetypes for foundations' approach to using interventions*

Archetypes	Make it happen	Help it happen	Let it happen
Role of the Foundation	Change leader	Facilitator	Platform
Problem Area and System Characteristics	Stable Predictable Fewer actors Solid knowledge available	Partially stable Less predictable Several actors Knowledge less certain	Emerging Unpredictable Several actors with capacity Knowledge more uncertain
Approach to Change	Executing Planned and managed	Catalytic Collaborative & facilitating	Supportive Organic & self-directed

One can "**make things happen**" through planned interventions with specific goals and active change management from the foundation's side. In this approach, they often set clear objectives independently and play a more active role in implementing programs and projects with specific outcomes in mind. This strategy requires a high degree of control and management, which demands the foundation's own competencies. For example, the foundation may be responsible for providing project staff or ensuring ongoing monitoring and evaluation of the project's progress.

When a foundation "**helps make things happen**", it facilitates collaborations between various actors in order to create change through social interactions and relationships. In this role, the foundation acts as a facilitator or catalyst, influencing and enabling the achievement of results without direct, active involvement. The foundation brings together various stakeholders, contributes to capacity and skill-building, and creates an environment where collaboration can thrive to establish the right conditions for systemic change. This approach requires strong facilitation skills, professional knowledge, insight, and the ability to navigate complex issues in a diverse stakeholder environment.

Finally, as a foundation, one can "**let things happen**", by supporting self-organized and spontaneous processes within the actor field that the problem encompasses. In this case, the foundation acts more as a platform, allowing other actors to take the initiative and develop solutions organically. This can create opportunities for experimentation and innovation by providing flexible funding and minimizing reporting requirements. The risks of this approach include the potential lack of results if self-organizing processes do not evolve as expected. Thus, the foundation must be willing to accept a certain degree of uncertainty.

By understanding these three strategies, foundations can effectively tailor their tools to the most suitable approach for different types of problems, actor systems, and contexts. It is crucial that foundations do not choose their approach to using tools arbitrarily but instead assess which approach best fits the given situation and the systems in which they operate.

Tools Can Be Used Both Directly and Indirectly

Foundations can both apply and support the use of tools. This means that foundations do not only use their own resources and capacities to directly promote systemic change, but also support other actors in effectively utilizing specific tools. In some cases, foundation employees conduct research and analysis themselves, but there are also many examples where foundations finance, for example, research institutions to provide a specific knowledge base. The decision to be the executing actor or to support others may depend on factors such as the foundation's own resources and competencies, as well as how deeply they wish to engage in a given collaboration.

Below are several concrete solutions for each of the six types of tools, with recommendations on how foundations can support and strengthen their contribution to systemic change.

1. Financing

As mentioned, providing financial support to projects, initiatives, or actors is currently the most commonly used tool for foundations in the study. However, many foundations' current grant structures and distribution policies are not designed to promote systemic change. There is therefore immense potential for foundations to strengthen their contribution to systemic change if they prioritize long-term, trust-based, and risk-tolerant funding to a greater extent. This would provide foundations' partners and the overall ecosystem of actors with better conditions to tackle the large, complex societal challenges we face.

Foundations' Grant Structures Can Limit Opportunities for Long-Term Efforts

Today, many foundations mainly use activity-based project grants in their funding policy. These can be effective in achieving results in the short term within specific areas. However, this type of financial support is less relevant for addressing complex societal challenges, which require more long-term efforts. Our study shows that nearly 9 out of 10 public organizations report that the lack of accessible long-term funding is a barrier to contributing to systemic change.

Figure 16: *The proportion of actors indicating missing types of funding as barriers*
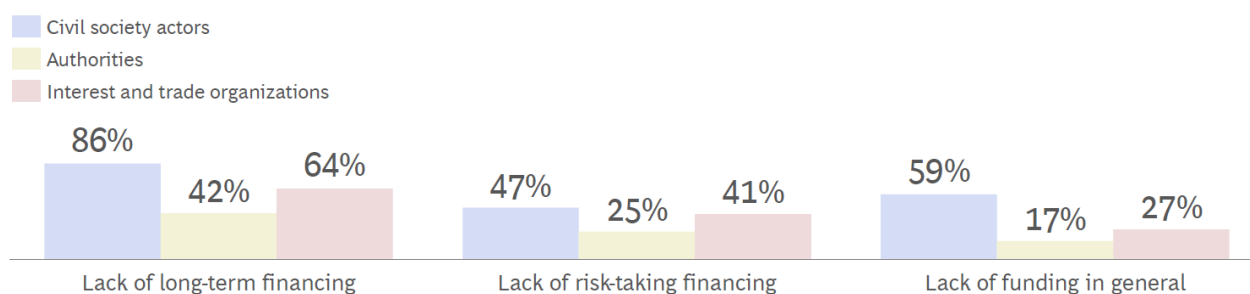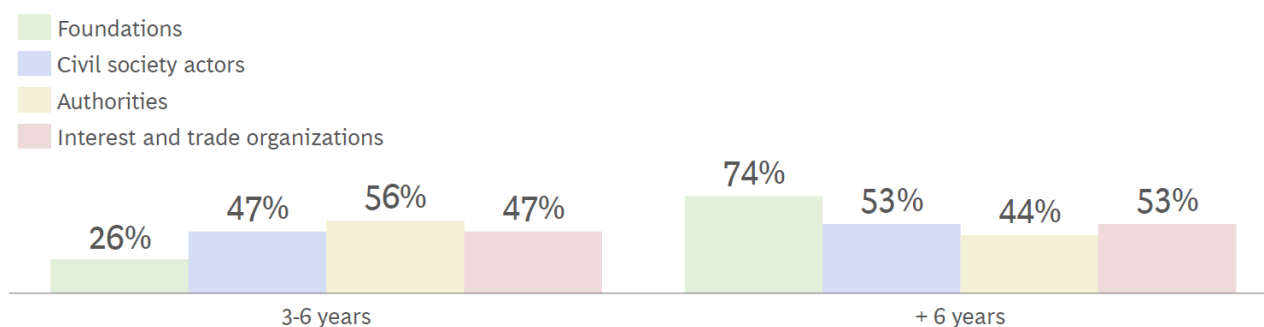

Note: *In your opinion, what are the biggest external barriers preventing your organization from contributing more to systemic change?* Multiple options can be selected. N=58 (civil society actors); 12 (authorities); 22 (interest and trade organizations)
Source: Survey on contributions to systemic change, 2024

Long-term funding can mean many things. In the survey, all surveyed public organizations indicated that a minimum of three years of financial support from foundations is required to effectively support initiatives aimed at systemic change – over 50% believe that more than five years of continuous support is needed. There is no significant difference in responses across public organizations when controlling for size, focus areas, and previous

experience with financial support from foundations. The majority of authorities state that 3-5 years of financial support from foundations is needed to work with systemic change. These answers are largely consistent with previous studies, which also indicate that it generally takes more than five years of financial support to achieve systemic change.[14] [15]

Figure 17: *Number of years of financial support from foundations that actors consider necessary for initiatives aimed at systemic change.*

Foundations
Civil society actors
Authorities
Interest and trade organizations

26%   47%   56%   47%   74%   53%   44%   53%

3-6 years   + 6 years

Note: How many years of financial support from foundations or other contributors do you generally consider necessary for initiatives aimed at systemic change?
N=31 (foundations); 53 (civil society actors); 9 (authorities); 17 (interest and trade organizations)
Source: Survey on contributions to systemic change, 2024

Nearly 50%[16] of the surveyed public organizations have experienced having to compromise on their goals for systemic change in order to meet the requirements and grants of foundations. Instead of being able to focus on the long-term, many public organizations feel forced to "jump from one project to the next" in order to secure funding, which, for many of the smaller organizations, is critical for their survival.

At the same time, nearly half of all public organizations state that the current financial

"Foundations should increasingly contribute with long-term, flexible funding that supports concrete initiatives, policy work, and capacity-building within organizations."

— Manager, Public Organization

"Risk capital is necessary to tackle the challenges we face. Foundations have a unique opportunity to make a significant impact — but doing so demands taking risks."

— Manager, Foundation

support from foundations is not sufficiently risk-tolerant to support initiatives aimed at systemic change, as illustrated in Figure 18 below.

In many cases, foundations have capital that is not bound by legal conditions or short-term return requirements, and therefore, in principle, they can afford to operate with greater risk tolerance than public and commercial capital when it comes to supporting experimental approaches and scaling new initiatives. However, this requires foundations to be willing to take greater risks. Of the surveyed foundations, 40% agree that the current financial

"Foundations can run experimental trials on a smaller scale, test things out, and bring in other parties — that's what they're really good at."

— Manager, Public Authority

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[14] Ashoka, 2020
[15] Philea & Copenhagen Institute for Futures Studies, 2024
[16] Note: *Has your organization experienced having to compromise on its goals for systemic change in order to meet the requirements of donors?* N=42 (public organizations). Source: Survey on contributions to systemic change, 2024

support from foundations is sufficiently risk-tolerant to support systemic change — this is only true for 16% of public organization actors and 25% of public authorities. This highlights the lack of alignment between the foundations themselves and their partners.

Figure 18: *Assessment of Foundation's Financial Support as Sufficiently Risk-Tolerant*

Note: *Do you think that the financial support from foundations is sufficiently risk-tolerant to support systemic change? N=33 (foundations); 55 (civil society actors); 12 (authorities)*
Source: Survey on contributions to systemic change, 2024
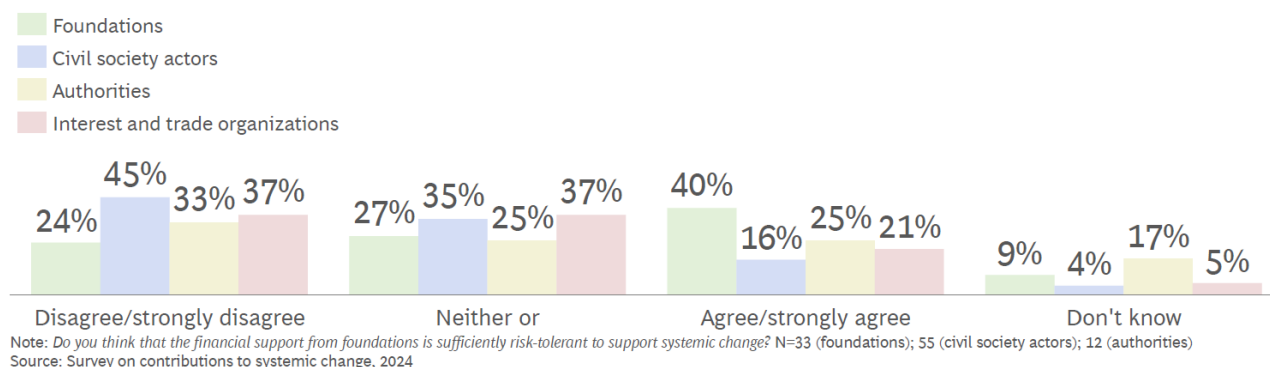
Another significant challenge with the current financial support from foundations, in relation to supporting long-term initiatives aimed at systemic change, is the lack of funding for the ongoing operation of projects. Experience with systemic change shows that investing in ongoing operations and governance is a key prerequisite for long-term success.

"Foundations need to provide much more operational support, rather than focusing so narrowly on the implementation of individual projects."

— Manager, Public Organization

This is primarily because funding for ongoing operations can support the anchoring of initiatives and allows organizations to focus more long-term on achieving their goals without being constrained by the restrictions typically associated with project funding. Promising initiatives risk stagnating once a project is well-established, as securing funding for ongoing operations presents a structural challenge.

Foundations May Be Limited by the Desire to Show Quick Results Through Short, Well-Defined Projects. Operating long-term initiatives often requires a new approach to funding, one that focuses more on sustained, continuous support.

Foundations can more effectively use long-term, flexible, and risk-tolerant financing to support systemic change.

If philanthropic foundations and other relevant associations with philanthropic tools and collaboration models are to play a larger role in the future in accelerating and strengthening systemic change, the increased use of long-term, flexible, and risk-tolerant financing is one of the strongest levers in the foundation's toolkit.

Long-Term Financing

Long-term financing provides recipients with greater security and stability, enabling them to plan and carry out longer-term projects that do not necessarily yield short-term results. A more long-term approach with "patient capital" allows a focus on long-term goals without being hindered by the short-term demands that typically accompany project funding.

Flexible Financing

Flexible financing means that funds can be adjusted to changing needs and challenges, which is necessary when working with complex societal problems. Flexible financing allows ongoing adjustments to the scope of a project and can give recipients the opportunity to adapt their strategies and actions based on experiences and changing circumstances encountered along the way. Flexible financing can also involve openness to dynamically adding and removing partners over time to ensure the most relevant mix of actors as the issue at hand evolves.

Risk-Tolerant Financing

Risk-tolerant financing means that foundations invest in experiments and initiatives that have not yet demonstrated clear results. More risk-tolerant funding supports innovation and new learning, which is central to finding new solutions to complex problems. To consciously manage uncertainty and risks, foundations can consider increasing the use of scenario models and risk management plans.

Long-Term, Flexible, and Risk-Tolerant Financing Can Be Implemented in Four Actions

More long-term, risk-tolerant, and flexible financing can be implemented in several concrete solutions. Below are four specific actions that foundations can apply when organizing their allocation of financial support.

Solution | Multi-year grants with flexible frameworks	As a foundation, one should consider adjusting its allocation policy to allow for multi-year framework grants that are not earmarked for specific initiatives or activities, but instead focus on achieving a more overarching goal. Multi-year grants can be adjusted to changing needs and other focus areas as more insights are gained into the problem and the effectiveness of various solutions. Thus, multi-year, flexible grants are also

more dependent on trust-based partnerships.

Algorithms, Data, and Democracy Project – Long-Term, Flexible Financing

The Algorithms, Data, and Democracy project (ADD project) aims to strengthen democracy in line with digital development. The project is supported by Villum Fonden [The Villum Foundation] and Velux Fonden [The Velux Foundation] with a grant of DKK 100 million over 10 years.

By combining research and active dissemination, the ADD project seeks to deepen understanding of how data and algorithms can be used to digitize Danish society based on humanistic and democratic values, while addressing the risks and challenges posed by digital development.

With the long-term grant, Villum Fonden [The Villum Foundation] and Velux Fonden [The Velux Foundation] demonstrate a commitment to long-term engagement and change. The long-term funding has made it possible to hire more than 30 researchers from 6 different universities and establish a powerful Outreach Unit that has succeeded in forming an alliance with currently 105 partners, contributing to various educational and communication activities and policy labs. Without long-term funding, the project would not have achieved the level of impact it has had.

Lesson from the case study: The ADD project highlights the importance of long-term and flexible funding in addressing complex societal problems. It demonstrates the value of combining research with a strong communication and engagement strategy. The project thus serves as inspiration for other foundations in terms of how to create favourable frameworks that enable long-term efforts, which are crucial for systemic change.

Sources: Interview; Algorithm, data and democracy, 2024

It is important to emphasize that foundations do not need to abandon shorter-term, direct project grants. From a holistic portfolio perspective, traditional, short-term project grants can play an important role alongside more long-term efforts. It is relevant to maintain a pluralistic approach to projects, including both short and narrowly focused projects as well as large and long-lasting initiatives. This balance between short- and long-term projects allows foundations to address both urgent needs while also supporting more long-term efforts, creating a more robust and adaptable strategy in addressing complex societal issues.

<table>
<tr><td>

Solution |
Funding for
ongoing
operations

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Funding for ongoing operations is crucial for ensuring the long-term anchoring of initiatives, and it allows for a focus on more long-term goals. In some cases, it may be relevant for the funds to be used for less visible but necessary aspects, such as ongoing administration, personnel costs, and infrastructure maintenance.

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Hjem til Alle Alliancen [The Home for All Alliance] – Long-term Funding for Operations to Drive Systemic Change and End Youth Homelessness

Hjem til Alle Alliancen [The Home for All Alliance] is a collaboration between 22 partners from various sectors working together to end youth homelessness. The alliance was formed in 2016 when Bikubenfonden [The Bikuben Foundation], Realdania, Helsefonden [The Healthcare Foundation], and Copenhagen Municipality brought together actors who are all, in different ways, involved in addressing the issue of youth homelessness. The alliance advocates for a shift in the homelessness approach to a "Housing First" model, where the homeless are provided with housing, accompanied by other social support.

To address the structural barriers obstructing the shift in homelessness efforts, the alliance initially focused on promoting a political reform of the area. In 2021, they succeeded in reaching a political agreement that allocated DKK 1 billion for housing for the homeless and amended legislation to ensure municipalities now have the frameworks and incentives to offer a Housing First approach instead of prolonged stays in shelters. The alliance is now working to support the implementation of the reform in municipalities by continuously demonstrating the transformation in concrete projects, mobilizing support, sharing knowledge, and working politically to constantly improve the structural frameworks for the initiative.

Bikubenfonden [The Bikuben Foundation] played a key role in initiating the alliance work by gathering the relevant actors and defining the direction for the project. It has subsequently taken an important role as a funding partner by providing resources for establishing and maintaining the Hjem til Alle Alliancen [The Home for All Alliance] administrative headquarters. By covering operational costs, the alliance can focus on developing and implementing sustainable solutions rather than constantly seeking new funding sources. Financing the ongoing operations ensures continuity and stability in the efforts.

Lesson from the case study: The case demonstrates that long-term funding for, for example, a project administrative headquarters, can be crucial in creating stable frameworks that enable challenging the established structures that sustain complex societal problems. Solving complex issues often starts with a well-run organization,

and foundations can play an important role in ensuring that the organizations they work with have the foundational strengths needed to implement systemic change initiatives.

Sources: Interview; Hjem til Alle Alliancen [The Home for All Alliance], 2024a; Hjem til Alle Alliancen [The Home for All Alliance], 2024b

Solution | Funding for experiments

At the same time, it is important for a foundation to be open to investing in experiments and initiatives that have not yet demonstrated visible effects. Foundations typically have capital that is less tied to specific conditions than public authorities, giving foundations a unique opportunity to support more experimental initiatives aimed at systemic change.

Vindmøllen [The Windmill] – Funding for the development and testing of new solutions to help vulnerable young people in employment and education

Vindmøllen [The Windmill] was created through a partnership between Esbjerg Municipality, the local business community, Den Sociale Kapitalfond [The Social Capital Foundation], SUS, and Lauritzen Fonden [The Lauritzen Foundation]. They came together to ensure that young people in vulnerable positions in Esbjerg Municipality receive the right support to move forward in employment or education within frameworks tailored to their needs.

To find new ways to support young people in vulnerable positions, the partnership launched a pilot project in 2020, which Lauritzen Fonden [The Lauritzen Foundation] helped finance. The goal of the project was to create a new approach and a new space for young people – outside the traditional job center offerings, with more flexible frameworks and additional resources. Through the project, young people in need of extra support were helped to develop the necessary skills to succeed in a job or in school, based on a relational approach. The initiative was placed in a local cultural and community house to create the most welcoming and informal environment for the young people. The initiative has shown positive results, with over half of the young people referred to Vindmøllen [The Windmill] having entered employment or education. What started as an experiment has therefore continued as part of Esbjerg Municipality's offerings to young people in vulnerable positions. Moreover, it has inspired a broader transformation of the municipality's entire youth services, which has now been initiated.

Lesson from the case study: The case demonstrates that funding pilot projects and experiments can be an effective tool for driving systemic change by creating or supporting new solutions that otherwise wouldn't be developed or implemented.

Sources: Social Development Center, 2023; Kronprinseparrets Stjernedryspris [Crown Prince Couple's Starry Sky] Prize, 2023; Esbjerg Municipality, 2024

Solution | Social impact investing

Foundations have great potential to more closely integrate philanthropy with investment thinking through, for example, social impact investing. Impact or effect investments not only seek financial returns but also aim for social or environmental impact. The repayment of these investments is tied to achieving specific social impact goals, ensuring that resources are used effectively to create positive change. The strength of social impact investments lies, among other things, in the fact that the strategy for anchoring efforts is integrated from the beginning as part of the concrete outcome goals. By blending philanthropy with an investment approach, foundations can help develop self-sustaining initiatives that continue to deliver value long after the initial investment. However, it is important to be mindful of the often demanding reporting requirements inherent in the investment mindset. These requirements can be resource-intensive and pose a barrier to the system-oriented focus on learning, rather than predefined goal and outcome requirements.

Den Sociale Investeringsfond [The Social Investment Foundation] – Social Impact Investments

Den Sociale Investeringsfond [The Social Investment Foundation] (DSI), anchored within Denmark's Ministry of Social Affairs, Housing, and Elderly Affairs, works to create a sustainable welfare society by investing in well-documented and effective social interventions that can improve the quality of life for individuals while also generating economic benefits for both authorities and investors.

DSI uses social impact investing as an approach to solving complex problems, where welfare actors, due to economic or social barriers, do not have the incentive or opportunity to implement the necessary interventions. This can be the case, for example, where costs and benefits are unevenly distributed across departments and sectors, or when the economic benefits only materialize after several years.

DSI invests in projects where they can identify a willingness and ability to pay from authorities if the established goals are met, and where it is possible to measure the social and economic outcomes of the intervention. An example of this is DSI's investment in a Housing First initiative for the most vulnerable young homeless individuals in Aarhus Municipality. Here, DSI has invested in a specific intervention but has also helped establish a series of outcome goals that focus on the young people's housing situation, self-management, and employment, which can then be used to assess the success of the project. Other examples of DSI's investments include employment projects for individuals with mental health challenges and the prevention of long-term complications from type-2 diabetes.

Lesson from the case study: The use of social impact investments can inspire other philanthropic and commercial foundations to integrate a similar approach that combines philanthropy with investments. This approach may be particularly relevant for foundations that wish to focus on prevention. Here, authorities are often one of the key actors to involve, but they can be difficult to engage as there is often a skewed distribution between the costs and benefits of preventive measures.

Sources: Interview; Den Sociale Investeringsfond [The Social Investment Foundation], 2024

Solution | Investments in social or green enterprises and start-ups

Direct investments in social enterprises and start-ups allow foundations to use their capital more long-term to address complex societal problems. By directly supporting innovative businesses focused on creating social or environmental value, foundations can promote sustainable solutions with the potential to drive system-wide change. This approach enables foundations to stimulate innovation and economic growth in sectors that are working to solve social challenges. These investments provide the necessary resources and support for early-stage development, where traditional financing may be unavailable. This creates a foundation for new solutions and business models that can scale and have a significant long-term impact.

Realdania's and TrygFonden's [The Safe Foundation] Investment in The Footprint Firm Fund

Realdania and TrygFonden [The Safe Foundation] have invested in The Footprint Firm Fund, which invests in companies developing sustainable solutions in areas such as energy, food and agriculture, the built environment, climate technology, and circular economy.

For Realdania, this investment is part of their strategy for mission-driven investments that support solutions for the green transition. Realdania has long worked with philanthropic initiatives in the built environment, and the investment in The Footprint Firm Fund is a natural extension of this work.

The goal of the investment is a double bottom line, where both a financial return is achieved while supporting the same agendas from the foundation's philanthropic efforts. The double bottom line is ensured by the philanthropic approval of an investment being made by the executive board according to philanthropic grant principles, while the investment decision is made by the executive board following investment decision principles.

Lesson from the case study: Realdania and TrygFonden's [The Safe Foundation] investment in The Footprint Firm Fund demonstrates that supporting lasting systemic change can be achieved by combining financial returns with backing for innovative solutions and, for example, social or green initiatives.

Sources: Interview; Realdania, 2024b; Den Sociale Investeringsfond [The Social Investment Foundation], 2024
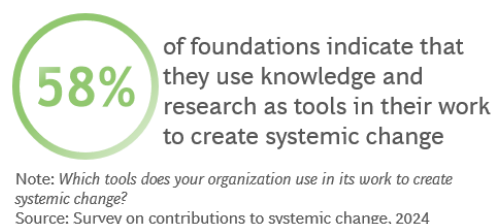
2. Knowledge

Knowledge is a key tool for foundations in the work on systemic change. Through research, data collection, and analysis, foundations can contribute to creating a shared understanding of complex issues, sharing knowledge on the effectiveness of specific methods, and helping to identify effective solutions to address complex societal problems. Although many foundations already actively create and use knowledge today, our survey shows that there is significant potential for foundations to use knowledge even more effectively to create systemic change.

Knowledge as a Key Tool in Addressing Complex Societal Problems

Many foundations today actively leverage knowledge generation and sharing as tools to drive systemic change. In our survey, **58%** of respondents from foundations stated that they actively use knowledge and research in initiatives aimed at achieving systemic change.

58% of foundations indicate that they use knowledge and research as tools in their work to create systemic change

Note: *Which tools does your organization use in its work to create systemic change?*
Source: Survey on contributions to systemic change, 2024

At the same time, foundations are widely regarded as strong partners with the resources to generate new insights. They possess financial resources and a solid base of experience and knowledge from previous projects, making them attractive partners. Public organizations, in particular, highlight foundations' potential to bring deep and specialized knowledge, often unavailable to smaller organizations.

"Foundations should take joint responsibility for facilitating new knowledge and driving change that seeks to solve unprioritized and complex problems."

— Manager, Public Organization

"Foundations can, for example, invite actors to joint knowledge-sharing days for idea exchange and project development across actors."

— Employee, NGO

Many foundations have internal knowledge environments that lead at the national level (and in some cases the international level), and these can provide highly specialized insights to relevant actors. Research institutions are also the most commonly used partners for foundations, as shown in Figure 19, indicating their important role in establishing and disseminating the deep knowledge base required to understand complex societal problems in depth.

Figure 19: *Actors foundations report having collaboration experience with*
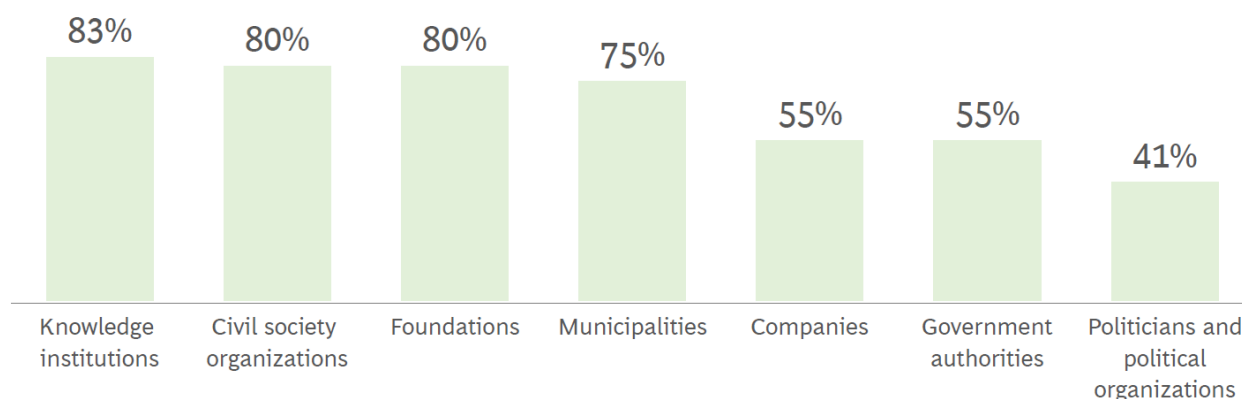
Note: *How often has your organization engaged in collaborations with the following actors to create systemic change?* N=27-30 (foundations)
Source: Survey on contributions to systemic change, 2024

Foundations Can Use Knowledge in Three Ways

Foundations can use knowledge as a tool to support systemic change in three specific ways, listed below.

Solution | Building a Shared Understanding of Challenges Through Knowledge

Foundations can play a pivotal role in building a shared knowledge base and fostering a collective understanding of complex societal challenges across stakeholders. Through research, data collection, analysis, etc., foundations can contribute to creating a shared understanding of complex issues and potential solutions, which can be crucial for mobilizing action. For example, this can be done through analyses that highlight the effectiveness of various interventions or mapping legislation and frameworks in a particular area.

Foundations can either generate this knowledge themselves or collaborate with research institutions and experts to provide the depth of insight that other organizations rarely possess or have the resources to generate.

Egmont Fonden [The Egmont Foundation] & Børns Vilkår [Children's Rights] – Combating School Absenteeism through Knowledge and a Shared Understanding of the Problem

In 2019, Børns Vilkår [Children's Rights] and Egmont Fonden [The Egmont Foundation] entered into a five-year partnership focused on reducing children's school absenteeism. For the partnership to succeed, there was an initial focus on creating a deep and shared understanding of the causes of school absenteeism and potential solutions. One of the objectives of the collaboration was to gather and spread knowledge about how children experience absenteeism and the reasons behind it. Furthermore, actors in the education and social sectors were brought together in a network to identify key challenges and possible solutions related to school absenteeism.

"Partnership has contributed to changing the political and professional understanding of absenteeism. Absenteeism is not voluntary 'skipping', but arises when young people find themselves in difficult situations. It required knowledge and dialogue across sectors to reach that realization and change the fundamental understanding of absenteeism" – Manager, Foundation

Lesson from the case study: The case inspires how to enter collaborations focused specifically on creating a shared understanding of problems, and how it can be important for one's own organizational standpoint to take a backseat in order to be open to how problems can be understood and solved. Finally, the case shows how different actors can work together to challenge simplified understandings or "mental models" of a problem to create better and more nuanced insights. This can be a key contribution to the development of new solutions and frameworks for solutions.

Sources: Interview; Altinget, 2019

Realdania – Building and Implementing a Common Framework and Knowledge Base for Municipal Climate Action Plans

As part of the DK2020 and Klimaalliancen [The Climate Alliance] initiatives, Realdania has invested significant resources to establish a common foundation for municipal climate action planning through the Climate Action Planning Framework. KL, Realdania, the five regions, CONCITO, and C40 Cities have collaborated on these two projects. The purpose of DK2020 was to support municipalities in developing climate action plans, while the current climate alliance helps municipalities implement these plans in line with the Paris Agreement's goal of becoming climate-neutral by 2050.

To establish a shared knowledge base and coordinated action across Danish municipalities, Realdania facilitated the creation of a framework and knowledge foundation through the DK2020 initiative. This was achieved by providing resources to a national administrative headquarters, led by the green think tank CONCITO, while also integrating methodologies from the international C40 collaboration and insights from various national stakeholders. Thus, DK2020 and Klimaalliancen [The Climate Alliance] ensure a shared framework, data, and CO2 accounting methods, ensuring that actors speak from the same foundation.

Lesson from the case study: A key insight from this collaboration has been that the shared knowledge base across municipalities has been essential for mobilizing collective action on a contentious and highly politicized area like climate action. Realdania's role in DK2020 and Klimaalliancen [The Climate Alliance] illustrates how foundations can concretely contribute to solving complex, cross-sector societal problems by initiating the creation of generic knowledge and methodological approaches.

Sources: Interview; Realdania, 2022; Realdania, 2024c

Solution | Practice-oriented knowledge building through initiatives such as experiments

Foundations can also leverage their knowledge through practice-oriented knowledge building and sharing. By financing experimental and innovation-oriented projects, foundations can help generate new knowledge that is beneficial not only to the foundation itself but also to other actors across the ecosystem. Foundations can apply more risk-tolerant capital to support projects that have yet to demonstrate visible impact and would have difficulty securing funding from public sources. This type of support allows testing new solutions and methods that can significantly contribute to systemic change. By taking chances on innovative projects, foundations help develop new "next practices" and document promising results that others can learn from and build upon. This creates a feedback loop, where learning from practice turns into new knowledge, which in turn informs future efforts. In this context, it is important that foundations are not only willing to share knowledge about what has worked. It is equally important to share insights from failed initiatives and unintended effects.

Novo Nordisk Fonden [Novo Nordisk Foundation] – National initiative for the well-being and learning of vulnerable children post-COVID-19

The national initiative for the well-being and learning of the most vulnerable children after COVID-19 was launched to support the children who were hardest hit by the consequences of the pandemic. The initiative aims to help vulnerable children catch up academically and improve their well-being through targeted interventions such as small group teaching, additional teachers or resource persons, and intensive learning programs. The government, the Kommunernes Landsforening [Local Government Denmark], and several foundations, including the Novo Nordisk Fonden [Novo Nordisk Foundation], invested in the initiative. The Novo Nordisk Fonden [Novo Nordisk Foundation] contributed DKK 50 million.

The Novo Nordisk Fonden's [Novo Nordisk Foundation] contribution focused on enabling experimental initiatives that could improve children's learning and well-being in the long term. The partnership prioritized projects based on evidence-based methods that had not yet been documented on a large scale in a Danish context. This included support for practice-oriented projects that not only helped children in vulnerable positions but also generated new knowledge about effective learning methods and interventions.

Lesson from the case study: The case demonstrates how investment in experimental and practice-oriented projects can contribute to generating new knowledge and improving initiatives for vulnerable groups. Although the timeline is short and the scope relatively limited, it is a system-changing initiative because it has helped create new knowledge and changes in how well-being interventions are implemented and evaluated. The initiative has the potential to influence future policies and practices, ensuring a lasting effect at the system level.

Sources: Interview; Novo Nordisk, 2021; Denmark's Ministry of Social Affairs and Housing, 2021; Det Nationale Forsknings- og Analysecenter for Velfærd leverer viden [The Danish Center for Social Science Research] (VIVE), 2023b

Solution | Strengthening the broader knowledge base through knowledge dissemination

Thirdly, foundations can use knowledge as a tool to strengthen the knowledge base surrounding specific societal challenges. This can be achieved through broader dissemination of knowledge, which is not necessarily tied to a single initiative or partnership, or by mobilizing knowledge networks.

By systematically sharing knowledge gained on effective interventions, measurement and evaluation, and collaboration methods, foundations can strengthen the common knowledge base and inspire other actors to take action. Foundations can organize conferences, workshops, and seminars where researchers, practitioners, and decision-makers exchange knowledge and experiences. Additionally, foundations can publish reports, white papers, and articles to share research findings and best practices with a broader audience. New knowledge can be turned into toolkits and method collections, which provide practitioners with concrete tools for action. By making these resources available online, foundations ensure that knowledge is widely spread and used by various actors to improve their efforts.

Finally, foundations can support the creation of knowledge centres or platforms that gather and disseminate knowledge on specific topics such as climate change, health, or social inequality. These centres function as hubs for research, education, and practical application, ensuring that knowledge is used to create real change in society. Examples from Denmark include the Novo Nordisk Fonden's [Novo Nordisk Foundation] support for the Steno Diabetes Center and the Rockefeller Foundation's Bellagio Center[17]. The Bellagio Center serves as an international hub for knowledge and innovation, bringing together researchers, policymakers, and practitioners to discuss and develop solutions to global challenges such as climate change, health, and social inequality.

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[17] Novo Nordisk Fonden [Novo Nordisk Foundation], 2024a; The Rockefeller Foundation, 2024

3. Facilitating collaboration

Collaborations are essential to solving complex problems. However, system-changing collaborations are often perceived as resource-intensive to enter, and many of the surveyed actors call for neutral platforms where collaborations can take place. Foundations can play a vital role as facilitators, bringing together actors across sectors and areas, and helping ensure proper organization and coordination of activities.

Collaborations on complex issues can be resource-intensive.

Many stakeholders in the study point out that engaging in binding, system-changing collaborations can be resource-heavy. For some, this alone can be a barrier to engaging in collaborations at all.

This perception is especially prevalent among public organizations, which often have limited resources, and among public authorities, which typically have most of their funds tied to statutory initiatives and often work under time pressure due to shifting political agendas. Several actors also report that collaborations are resource-heavy to start, and that ongoing coordination and follow-up across actors during the collaboration can be time-consuming and burdensome.

Some stakeholders also point out that collaborations with foundations can often be resource-intensive, as they require involvement from top leadership from start to finish. When entering into collaborations, it is important to consider which specific people to involve from the partners' side in order to optimize resource use. It is important to strike a balance, on the one hand, by creating buy-in from the top of the involved organizations, while also involving more operational staff who have knowledge and expertise about the specific problem being addressed.

"It requires an investment on our part to enter into collaborations – we need to allocate resources to build a community. These resources can be difficult to find, which is why collaborations with foundations are often deprioritized."

– Manager, Public Authority

"Collaborations are often resource-intensive to engage in. They require extensive planning and coordination. Not everyone has the financial means and other resources required to enter these collaborations."

– Manager, Public Organization

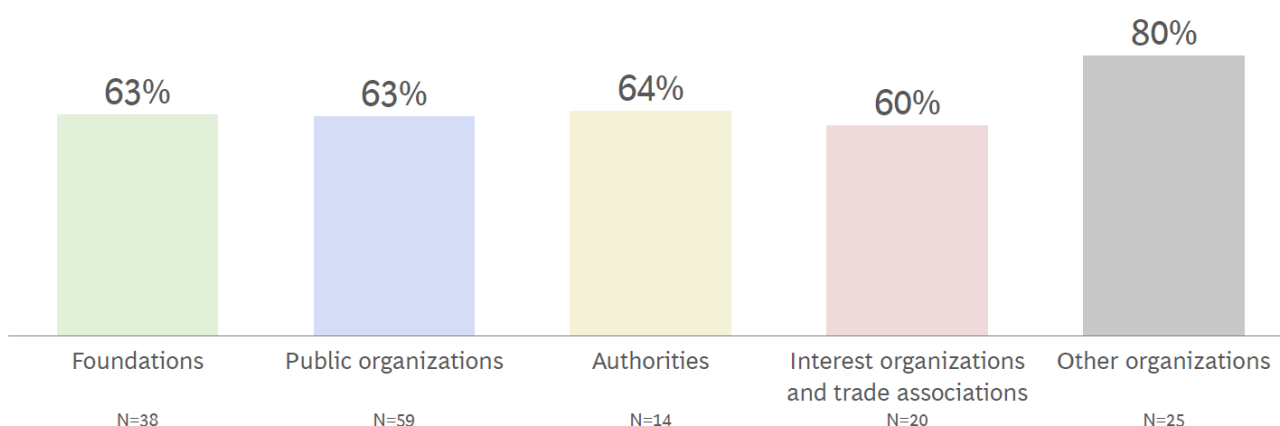## Foundations Can Play an Important Role as Facilitators of Collaborations

The analysis shows that many organizations are seeking better facilitation of collaborations. **64%** of the respondents indicate that support for network and partnership building is important to them in working towards systemic change. Therefore, supporting these aspects can be an important tool for foundations to ensure effective collaborations.

However, it is observed that foundations do not differ from other stakeholders when it comes to the extent to which they use partnership facilitation as a tool. 65% of all actors use partnership facilitation as a tool in their work for systemic change. Among foundations, public organizations, public authorities, and interest groups, 60-65% of respondents report using partnership facilitation as a tool.

64% of all actors view support for network and partnership building as important/very important
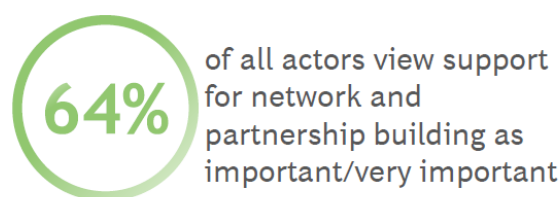
Note: *How important is network and partnership building as a tool in your organization's work to create systemic change?* N=139 (all)
Source: Survey on contributions to systemic change, 2024

Figure 20: *The proportion of actors who indicate that they use facilitating partnerships as a tool to create systemic change*

Foundations	Public organizations	Authorities	Interest organizations and trade associations	Other organizations
63%	63%	64%	60%	80%
N=38	N=59	N=14	N=20	N=25

Note: *Which tools does your organization use in its work to create systemic change?*
Source: Survey on contributions to systemic change, 2024

Foundations have the potential to take on a greater role in facilitating and financing collaborations, which could reduce the resource burden that systemic change partnerships can impose on their partners.

"Foundations must acknowledge that it can take time to 'find each other' and that resources should be allocated to facilitate this."
– Manager, Public Organization

"The more conflicting interests that need to be brought together, the more is required of the facilitator."
– Manager, Trade Association

Partners in a collaboration often have different understandings of the problem and varying interests in the solution, which can conflict with each other. Without a facilitator to create a shared, legitimate platform for the collaboration, there is a risk of conflicts of interest and mistrust that can prevent the collaboration from forming or hinder its success.

Solution | Foundations can play a key facilitating role in collaborations

Several respondents highlight that foundations can play a unique and important role as a facilitating partner in collaborations. Here, many actors highlight foundations' large networks, free capital, and legitimacy as neutral actors as especially valuable traits that position foundations well to both bring actors together and facilitate collaborations along the way.

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Foundations can play an important facilitative role by, for example, providing administrative headquarters support, which can help ensure central organization, as well as the planning and coordination of activities. This assistance can include offering shared resources such as meeting rooms, technological equipment, and administrative services, making it easier for the foundation's partners to focus on their core tasks related to systemic change. By doing so, foundations create a "third space" for actors, enabling focused interaction around systemic change.

"Foundations can help bring important actors together."
– Manager, Public Authority

"Foundations can fund meeting places, infrastructure, and ecosystem-building, and act as an 'honest broker' in collaborations to avoid misunderstood competition between actors."
– Manager, Cross-sector Partnership

"Foundations need to be careful about how much they interfere in collaborations, but it can be very helpful for foundations to facilitate and, for example, act as an administrative headquarters."
– Manager, Think Tank

Grundfos Fonden [The Grundfos Foundation], Novo Nordisk Fonden [The Novo Nordisk Foundation], Lego Fonden [The Lego Foundation], and Denmark's Ministry of Foreign Affairs – Facilitating Collaboration

Grundfos Fonden [The Grundfos Foundation], in collaboration with Novo Nordisk Fonden [The Novo Nordisk Foundation], Lego Fonden [The Lego Foundation], and Denmark's Ministry of Foreign Affairs, has launched an initiative to improve the refugee situation in Kenya at a systemic level, in partnership with the Kenyan authorities. The collaboration between the three foundations and Denmark's Ministry of Foreign Affairs aims to support Kenya's efforts to tackle the complex challenges and create a more modern refugee response.

Each partner contributes different competencies , and it is precisely this multifaceted approach that is crucial when the challenges are as complex as they are in this case. LEGO Fonden [The LEGO Foundation] contributes its extensive experience with children and education, Novo Nordisk Fonden [The Novo Nordisk Foundation] adds its health expertise, and Grundfos Fonden [The Grundfos Foundation] brings its knowledge of water programs.

Grundfos Fonden [The Grundfos Foundation] highlights the importance of cross-sector collaboration and being aware of each party's expertise to create resilient systems and ensure interoperability between the involved actors and local stakeholders. The foundation stresses the need for a shared vision and early clarification of processes and approaches among the partners. **The partnership requires persistent follow-up and the involvement of all parties at the table to coordinate and connect the various actors and resources,** which helps ensure effective workflows and synergies among the partners.

Lesson from the case study: This case demonstrates how foundations can play a central role in supporting systemic change by taking responsibility for facilitating collaboration. By acting as a connector and coordinator, foundations ensure that actors in the collaboration contribute effectively to the effort. This multifaceted approach, where various expertise and resources are brought together, shows the way forward for tackling complex societal problems through cross-sector partnerships.

Sources: Interview; Grundfos Fonden [The Grundfos Foundation], 2024; Novo Nordisk Fonden [The Novo Nordisk Foundation] 2024b

4. Capacity and competence building

Working on complex problems requires specific competencies and capacities to contribute to the development and implementation of effective interventions. Many of the foundations' external partners – including public organizations, authorities, municipalities, and businesses – call for a boost in capacity and competencies to effectively contribute to systemic change. This is a boost that these actors often cannot finance or provide on their own. Several stakeholders even point out that a lack of resources for capacity and competency development is a barrier to contributing to systemic change.

Foundations can play a key role in equipping actors to tackle complex problems by ensuring they possess the necessary capacities and competencies. In other words, this is a central tool in foundations' efforts to create more and better systemic change.

Support for capacity and competency development is crucial for working on systemic change

The transition to working on systemic change and complex problems often presents new demands on organizations' competencies, which many actors struggle to meet. Several stakeholders, for example, highlight that they lack the competencies to understand complex problems from a systemic perspective, as well as knowledge about collaboration models and evaluation of systemic efforts.

"We need more staff and a competency boost for our employees to be able to make faster progress and take much more ambitious action on the agendas we are working with."
– Manager, Research Institution

Other actors indicate that they lack employees, time, and capacity to engage in long-term collaborations or to work in depth on the problems they are trying to solve.
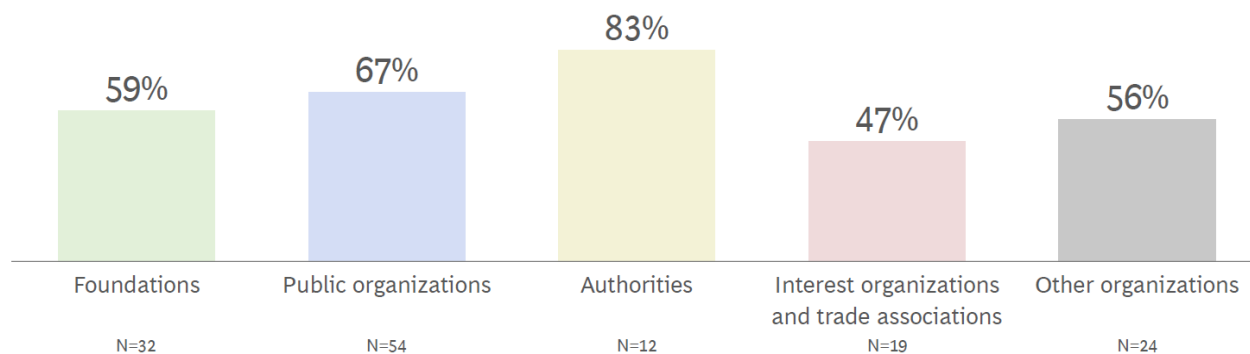
34%[18] of respondents across various stakeholder groups indicate that a lack of capacity and competencies to work systemically represents a significant barrier to addressing complex problems. At the same time, **69%**[19] of respondents across stakeholders say they view support for capacity and competency building as crucial for their ability to work on systemic change. This includes **83%** of the surveyed public authorities.

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[18] Note: *What do you see as the biggest internal barriers preventing your organization from contributing more to systemic change?* N=154 (all). Source: Survey on contributions to systemic change, 2024
[19] Note: *How important is support for capacity and competency building for your organization's work on systemic change?* N=109 (all excl. foundations). Source: Survey on contributions to systemic change, 2024

Figure 21: *The proportion who indicate that support for competency and capacity building is important/very important for contributing more to systemic change*

Foundations	Public organizations	Authorities	Interest organizations and trade associations	Other organizations
59%	67%	83%	47%	56%
N=32	N=54	N=12	N=19	N=24

Note: *How important is support for capacity and competence building in your organization's work for systemic change?*
Source: Survey on contributions to systemic change, 2024

Solution | Foundations can play an important role in contributing to capacity and competency building among their partners

Several stakeholders point out that foundations, with their knowledge and extensive resources, can play a crucial role in supporting capacity and competency building among their partners.

"Foundations can play a decisive role in building capacity and competencies in organizations that can support the work on wicked problems and systemic change."
– Manager, Public Organization

"We are very aware that we are not just providing money, but also offering competencies."
– Manager, Foundation

Foundations themselves are aware of this role. 58% of responding foundations indicate that they actively use capacity building as a tool in their efforts to create systemic change.

The type of capacity and competencies needed, however, will depend on the individual partner and the specific problem being addressed.

58% of foundations use capacity building as a tool in their work for systemic change

Note: *Which tools does your organization use in its work to create systemic change?* N=38 (foundations)
Source: Survey on contributions to systemic change, 2024

Foundations can contribute to their partners' competency development by offering targeted educational programs and training courses that enhance organizations' ability to lead systemic change processes. In addition, foundations can provide specialized advice and technical support that improves organizations' effectiveness in specific areas, such as data analysis, project management, and evaluation. Foundations can also initiate mentorship or fellowship programs that match experienced experts with less experienced actors, promoting knowledge sharing and building capacity in addressing complex issues.

Finally, foundations can also provide support for, for example, expanding the workforce and enhancing technical and physical infrastructure to increase the capacity of external organizations.

Factor D – Building Competencies Among Democratic Forces

Factor D is a transnational hub designed to promote democratic forces in Germany, Austria, and Switzerland. The project is a collaboration between several organizations, including the German Robert Bosch Stiftung [Robert Bosch Foundation], the Swiss Mercator Foundation, and the Austrian ERSTE Stiftung [ERSTE Foundation], which serve as the key philanthropic supporters. Factor D aims to build competencies, foster knowledge exchange, and organize joint efforts to strengthen democracy across sectors, including civil society, public administration, politics, business, and media.

Factor D organizes a series of workshops and events designed to promote knowledge exchange and the development of competencies among democratic actors. For example, they initiate innovation processes where participants can learn from each other and develop new skills and strategies for democratic work. Their approach with mission-driven projects also includes capacity building by bringing together actors around specific themes and challenges. This provides participants the opportunity to develop new competencies in practice through involvement in concrete projects aimed at strengthening democracy.

Lesson from the case study: Factor D's strategy for creating systemic change demonstrates that capacity and competency building can be a crucial lever. By equipping democratic actors with the necessary tools and knowledge to work effectively and collaborate across sectors and borders, Factor D enables these actors to contribute to driving systemic change.

Sources: Robert Bosch Stiftung [Robert Bosch Foundation], 2024; Philea & Copenhagen Institute for Futures Studies, 2024

5. Advocacy

Advocacy involves influencing decision-making processes and societal perceptions among the actors shaping a particular problem area. It encompasses various activities aimed at influencing political decision-makers, legislators, the public, and other stakeholders to advance specific goals or policy changes.

Advocacy can be an effective tool for systemic change—especially when combined with other philanthropic instruments. However, some foundations view advocacy with caution due to political considerations, and as a result, not all Danish foundations have integrated advocacy into their systemic change efforts today. Under the right conditions, though, advocacy holds significant potential to contribute effectively to addressing complex societal problems.

There are varying views on the active role foundations should play – several foundations are reluctant to appear political.

Traditionally, several foundations have been cautious about actively using advocacy as a tool in their philanthropic toolkit. This has often been due to concerns about appearing political or biased. This hesitation is especially pronounced in areas characterized by political polarization, where the risk of being perceived as partisan is higher.

Some foundations even believe that they should not engage in advocacy at all, fearing it could compromise their 'neutral' and 'political' role and reputation.

"If you want to work on systemic change, the prerequisite is to clearly define what you want to change. By doing so, you become a participant in a conversation, and for many foundations, that's a step that can be difficult to take."

– Manager, Foundation

However, there seems to be a growing recognition among foundations in the survey that foundations, by definition, act politically and have an agenda-setting power—simply through how they distribute funds and the issues they focus on. Systemic change is nearly always political, as it involves influencing societal development in a specific direction.

Foundations have become more open to using advocacy actively, although its use is still not widespread.

The use of advocacy as an active tool for creating change is increasing among foundations, suggesting that more foundations are becoming open to taking an active stance.
However, there is still a long way to go before advocacy becomes a widespread and integrated part of foundations' work in driving systemic change. Less than half of the foundations surveyed indicate that they use advocacy as a tool in their work on systemic change.

47% of foundations use advocacy as a tool

Note: *Which tools does your organization use in its work to create systemic change?* N=38 (foundations)
Source: Survey on contributions to systemic change, 2024

Solution | Advocacy as an Effective Tool to Influence the Agenda, Behaviour, and Attitudes

Foundations can generally play two roles when using advocacy as a tool. They can either support other organizations' advocacy efforts or initiate advocacy actions themselves. Foundations, through their resources and status as credible knowledge partners, have a unique legitimacy that allows them to shape public debates and set important issues on the agenda. By virtue of their position, foundations can target their advocacy efforts at three primary audiences: the general public, the political system, or specific individual actors.

Foundations can use advocacy to direct campaigns at the **general public** to inform, raise awareness, or mobilize support for particular issues and drive cultural changes. This can shift the way the broader population perceives a problem. Examples include public health campaigns or initiatives aimed at promoting safety and well-being in society.

TrygFonden [The Safe Foundation] – Systematic Advocacy Work

TrygFonden [The Safe Foundation] is an example of a foundation that actively uses campaigns and awareness-raising efforts to change attitudes and behavioural patterns that contribute to perpetuating societal problems. These can include everything from public health campaigns to initiatives that promote safety and well-being in society.

One of the most notable initiatives is the Fuld af Liv [Full of life] campaign, which TrygFonden [The Safe Foundation] launched in collaboration with the Danish Cancer Society. Fuld af Liv [Full of life] focuses on creating a healthy alcohol culture among young people, including by working to delay alcohol initiation and reduce alcohol consumption among young people through education and awareness. The foundation has chosen to strategically work on changing attitudes within the population as part of creating effective systemic change.

Advocacy work is not without challenges. Political polarization can be an obstacle, and TrygFonden [The Safe Foundation] is very mindful of how the foundation operates in areas that may be perceived as political. TrygFonden [The Safe Foundation] emphasizes the importance of relying on solid expertise to avoid misunderstandings about bias. The foundation underscores the need to build public support to ensure broad acceptance and backing for change before engaging the political sphere to alter legislation, regulations, or other frameworks.
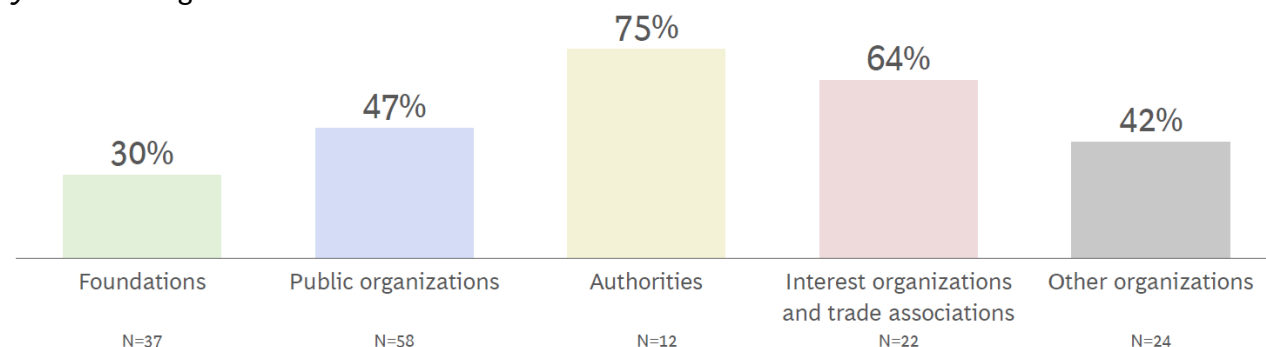
Lesson from the case study: The case shows that advocacy work requires strategic considerations regarding both the target audience and how to handle the politicization of agendas. Key takeaways include the need to base public awareness campaigns on solid knowledge. For TrygFonden [The Safe Foundation], it is also a strategic choice to involve the broader public to gain widespread support.

Sources: Interview; TrygFonden [The Safe Foundation], 2024b

Foundations can direct advocacy efforts at the **political system** to more directly influence rules and frameworks, which several surveyed actors perceive as barriers to their work with systemic change.

Figure 22: *Proportion of actors who identify framework conditions as one of the biggest barriers to systemic change*

Foundations — 30% — N=37
Public organizations — 47% — N=58
Authorities — 75% — N=12
Interest organizations and trade associations — 64% — N=22
Other organizations — 42% — N=24

Note: *In your opinion, what are the biggest internal barriers preventing your organization from contributing more to systemic change?*
Source: Survey on contributions to systemic change, 2024

Foundations particularly mention a lack of political will, driven by short-term budget processes and the desire for quick political wins, as framework conditions that act as barriers to working with systemic change. Authorities primarily highlight rapidly changing and diverse legislation as barriers under framework conditions.

> *"I experience that short-term public budgets, short-term thinking among politicians, and pressured actors in the public sector are barriers to our work on systemic change."*
> – Manager, Foundation

> *"The general approach of 'legislation at speed' and varying legislation across sectors are significant barriers."*
> – Manager, Public Authority

Therefore, foundations can actively work to influence legislation and political frameworks to create more favourable conditions for systemic change. This often involves collaboration with political decision-makers at both the national and local levels, as well as other key actors in the political system.

Policy Lab – Influencing the Political System

Policy Lab is an initiative aimed at strengthening the transition of young people in foster care to adulthood. It is a collaboration between social pedagogues, the Dansk Socialrådgiverforening [Danish Social Workers' Association], De Anbragtes Vilkår [The Rights of the Placed], Børns Vilkår [Children's Rights], Foreningen af Døgn- og Dagtilbud [The Association of Residential and Daycare Facilities], and Bikubenfonden [The Bikuben Foundation].

Policy Lab actively works with advocacy to influence the political frameworks regulating the field of placed young people. The initiative has developed a shared vision for the transition from foster care to independent living and operates on the premise that realizing this vision can only be achieved through a series of systemic shifts affecting both politics and practice.

Policy Lab has initiated extensive research and analysis, which is used to support proposals for legal changes and new political initiatives. The initiative is also in direct dialogue with political decision-makers through meetings and conferences where the results of their studies are presented to politicians and civil servants. In addition, Policy Lab works on identifying other cultural and structural barriers to realizing their overall vision.

Lesson from the case study: Policy Lab has managed to formulate a shared vision for the transition from foster care to independent living, which all specific recommendations and proposals align with. This creates a cohesive thread in the advocacy work, thereby increasing its impact. Policy Lab includes both the perspective of young people and the professional practitioners. This richness of perspectives is essential for creating a comprehensive understanding of the barriers that maintain the system and prevent the realization of the shared vision for the placement field.

Sources: Bikubenfonden [The Bikuben Foundation], 2024b

Finally, foundations can target advocacy and awareness-raising efforts at **specific actors** with the aim of changing attitudes and behaviours that contribute to addressing particular issues. This could be aimed at, for example, the business sector or civil society actors.
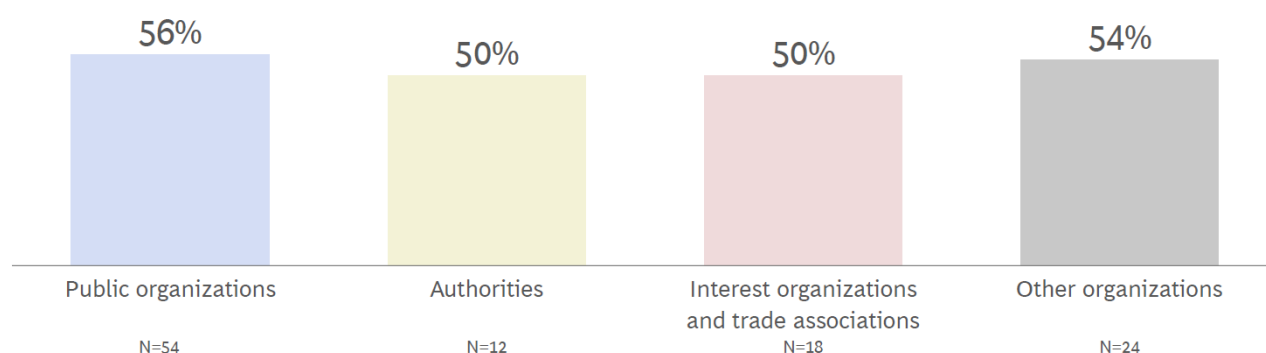
6. Evaluation and learning

A systemic approach to problems requires seeing measurement and evaluation in a new light. When the focus is on solving the underlying causes of problems rather than just alleviating the symptoms, the requirements for what should be measured and how to evaluate efforts change. At the same time, learning is a key part of a systemic approach to problems. There is a focus on long-term initiatives where there is significant uncertainty about both the goal and the means. Therefore, learning is important to continuously improve efforts and collaborations.

Foundations can play a key role by actively incorporating lessons and relevant evaluation methods as tools in the collaborations they engage in.

Learning as an Independent Goal

To solve complex problems, it is important to focus on learning as an independent goal. This learning can be an important contribution to creating a deeper understanding of the problems being addressed. To make sufficient use of past lessons, it is essential to have the right methods for evaluating efforts and continuously integrating lessons into new collaborations. The importance of measurement, evaluation, and learning is also reflected among foundations' potential partners, with ~**50%** of the respondents indicating that support for measurement, evaluation, and learning is important for their work with systemic change.

Figure 23: *Proportion indicating that measurement, evaluation, and learning are important/very important in systemic change efforts.*

Public organizations	Authorities	Interest organizations and trade associations	Other organizations
56%	50%	50%	54%
N=54	N=12	N=18	N=24

Note: *How important is support for measurement, evaluation, and learning in your organization's work for systemic change?*
Source: Survey on contributions to systemic change, 2024

However, it is also evident that fewer than half of the surveyed actors actively measure and evaluate the impact of their systemic change efforts, as shown in Figure 24 below.

Figure 24: *The proportion who indicate that they extensively measure and evaluate the impact of initiatives aimed at systemic change*

	Public organizations	Authorities	Interest organizations and trade associations	Other organizations
	19%	15%	40%	36%
	N=58	N=13	N=20	N=25

Note: *To what extent do you measure and evaluate the impact of your organization's initiatives aimed at systemic change?*
Source: Survey on contributions to systemic change, 2024
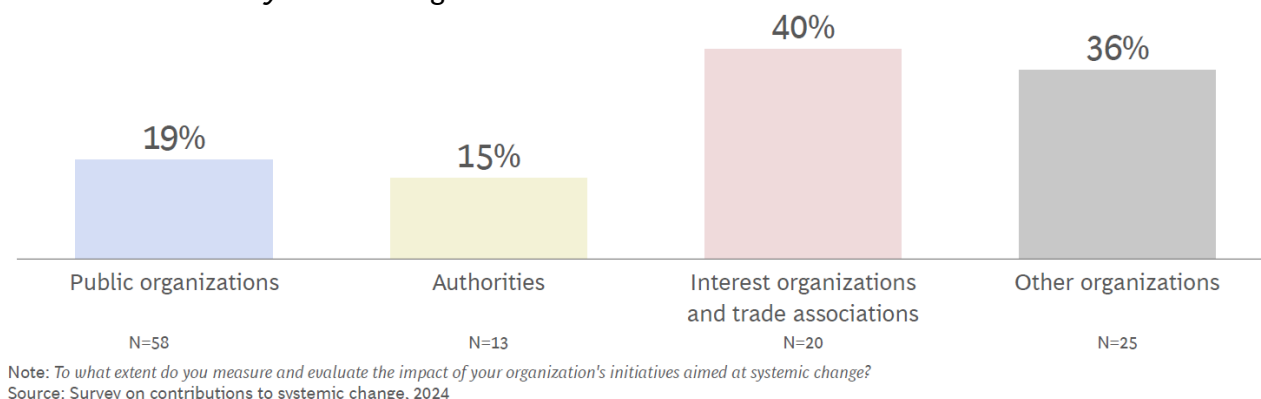
The relatively low percentage of actors who measure and evaluate the effects of their efforts may be due to general uncertainty about how to best conduct measurements and evaluations of system-changing work, as well as how to collect and share learning. This indicates a significant potential for capacity-building among foundations' partners in this area.

"We haven't done enough evaluations, but we haven't been able to find researchers who accept the premises required for evaluating systemic change."
– Manager, Public Organization

"We want to measure and be rigorous in measuring impact, but it's a different approach that is needed when working with systemic change."
– Manager, Public Authority

The lack of focus on evaluation and learning hinders dynamic adjustments and further development of initiatives based on ongoing experiences, which are crucial in addressing complex societal problems that often span many years. Ultimately, this can lead to suboptimal initiatives.

Solution | Foundations can contribute to establishing robust learning circles

Foundations should focus on learning rather than control. This includes, for example, a new approach to evaluation and reporting, more trust-based Managership, and self-managing teams where employees take more responsibility for their tasks and goals. Specifically, foundations can strengthen the focus on learning by implementing learning circles in their collaborations. These circles can be organized in the following steps, beginning at the start of a new initiative.

1. Learning from previous initiatives is actively incorporated when starting new initiatives

2. Knowledge is continuously gained from ongoing efforts through experience exchanges with both implementing partners and affected target groups.

3. What was learned is analysed, implications are drawn, and the initiative is adjusted accordingly

Points 2 & 3 run in an iterative learning loop as long as the collaboration is ongoing.

4. Final evaluation of the effort, focusing on gaining knowledge and collecting information with attention to the overarching goals of the initiative.

Figure 25: *Model for the use of learning circles*
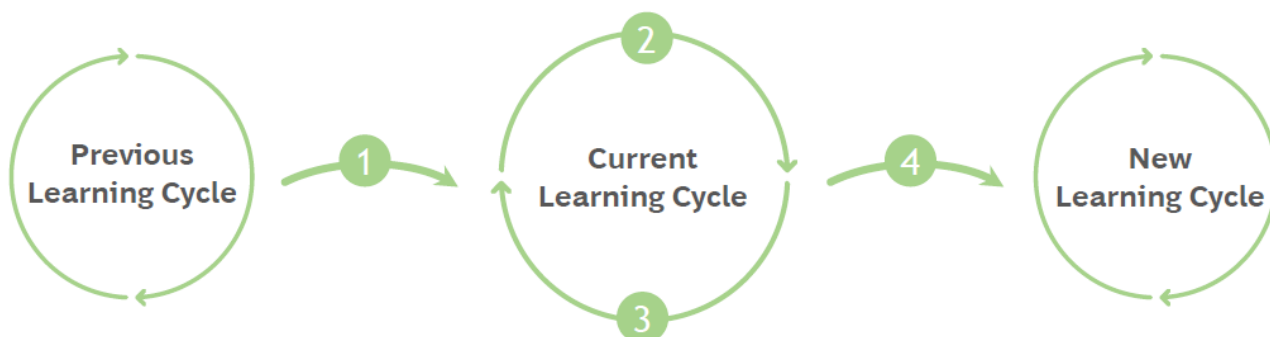
In addition to gaining knowledge that feeds back into the initiative itself and contributes to adjustments and improvements of the specific effort, it is important that foundations work actively to establish learning loops that can feed knowledge back into the organization and the system itself. Gained knowledge can be fed back into one's own organization, where it can be used to strengthen future initiatives, and shared with the entire ecosystem across actors, which contributes to a broader knowledge base and a deeper understanding of the specific issue.

Co-Impact – A Systemic Approach to Evaluation and Learning

Co-Impact is a global philanthropic organization that brings together local change-makers and philanthropists from around the world. They offer flexible grants to locally rooted partners working on long-term changes to health, education, and economic systems with the goal of making them stronger and more inclusive. Their focus on promoting gender equality and women's Managership is central to this goal.

Co-Impact places great emphasis on measurement serving learning and action, meaning that measurement should not be done just for the sake of the donors. As a result, the foundation does not require a specific set of indicators or prioritize one evaluation method over another. Instead, the foundation prioritizes ongoing learning and adaptation in their projects, as they believe it is more important to effectively handle changes and project needs than to strictly follow a pre-set plan. This approach involves learning from both successes and failures and adjusting processes at the individual, organizational, and system levels to achieve better results. To promote efficiency and collaboration, Co-Impact has reduced the frequency of formal reports and works to align reporting requirements with other funding sources to ease the burden for their partners.

Co-Impact also invests in collecting and sharing knowledge from initiatives so that Co-Impact, their partners, and other actors in a given area can benefit from valuable insight that can be used to promote stronger and more inclusive systems.

Lesson from the case study: Co-Impact's work with measurement and evaluation shows that it can be important to rethink how and why we measure and evaluate efforts. Fewer and more context-specific reporting requirements could be concrete steps that other foundations can draw inspiration from.

Sources: Co-Impact, 2024; Co-Impact, 2021; Shifting Systems Initiative, 2022

An Invitation to Collective Action

In light of the growing interest in supporting systemic change to address complex societal challenges, this white paper has aimed to illuminate the unique roles philanthropic organizations can play and the potential to strengthen and expand systemic approaches across sectors and levels.

The white paper highlights that philanthropic foundations and associations in Denmark can play an even more pivotal role in tackling society's most complex issues. It sheds light on the unique opportunities, barriers, and lessons associated with systemic change, pointing to the distinctive potentials and collaborative possibilities for Danish philanthropic organizations.

In a world where complex problems require systemic solutions, the key to lasting change lies in the interplay between philanthropic organizations, public institutions, private enterprises, and civil society. By fostering cross-sector collaboration and forging robust partnerships, we can develop innovative solutions to address the deeply rooted challenges our societies face.

The future of philanthropy is about more than financial contributions. It's about being flexible, risk-taking, and open to new approaches. It's about investing in long-term solutions and embracing the complexity of the problems we seek to solve. By shifting focus from short-term, activity-based funding to a long-term, collaborative, and supportive approach, we can lay the foundation for sustainable and systemic changes.

This white paper demonstrates how experiments and new forms of collaboration can lead to remarkable results. But the potential remains largely untapped. There is a need to strengthen the capacities of foundations and other actors, share knowledge, and continue the dialogue on how best to navigate this complex world. It demands courage and the willingness to learn from mistakes, adapt strategies, and continually strive for improvement.

Three key dilemmas emerge throughout the white paper:

1. How can foundations best engage the political and administrative levels within public institutions to unlock optimal and mutually enriching collaboration?

2. How can we constructively address power asymmetries, particularly those stemming from foundations' financial resources, which might hinder some actors' ability to create maximum value?

3. What are the governance implications of systemic change efforts, and what new infrastructure might be needed to support cross-foundation and cross-sector collaboration?

This white paper is not the conclusion but rather the beginning of a more ambitious, thoughtful, and impactful approach to societal challenges. It offers a foundation to bridge sectors, strengthen partnerships, and commit to collective, long-term action.

Let us therefore face the future with optimism and determination. Let us leverage our resources and influence to create positive, lasting changes in society. Together, we can make a difference—not only for today's challenges but also for future generations. Together, we can make a difference—not only for today's challenges but also for future generations. Philanthropy's power is immense when we work together toward shared goals. Let us embrace these opportunities and redouble our efforts to create a better future for all.
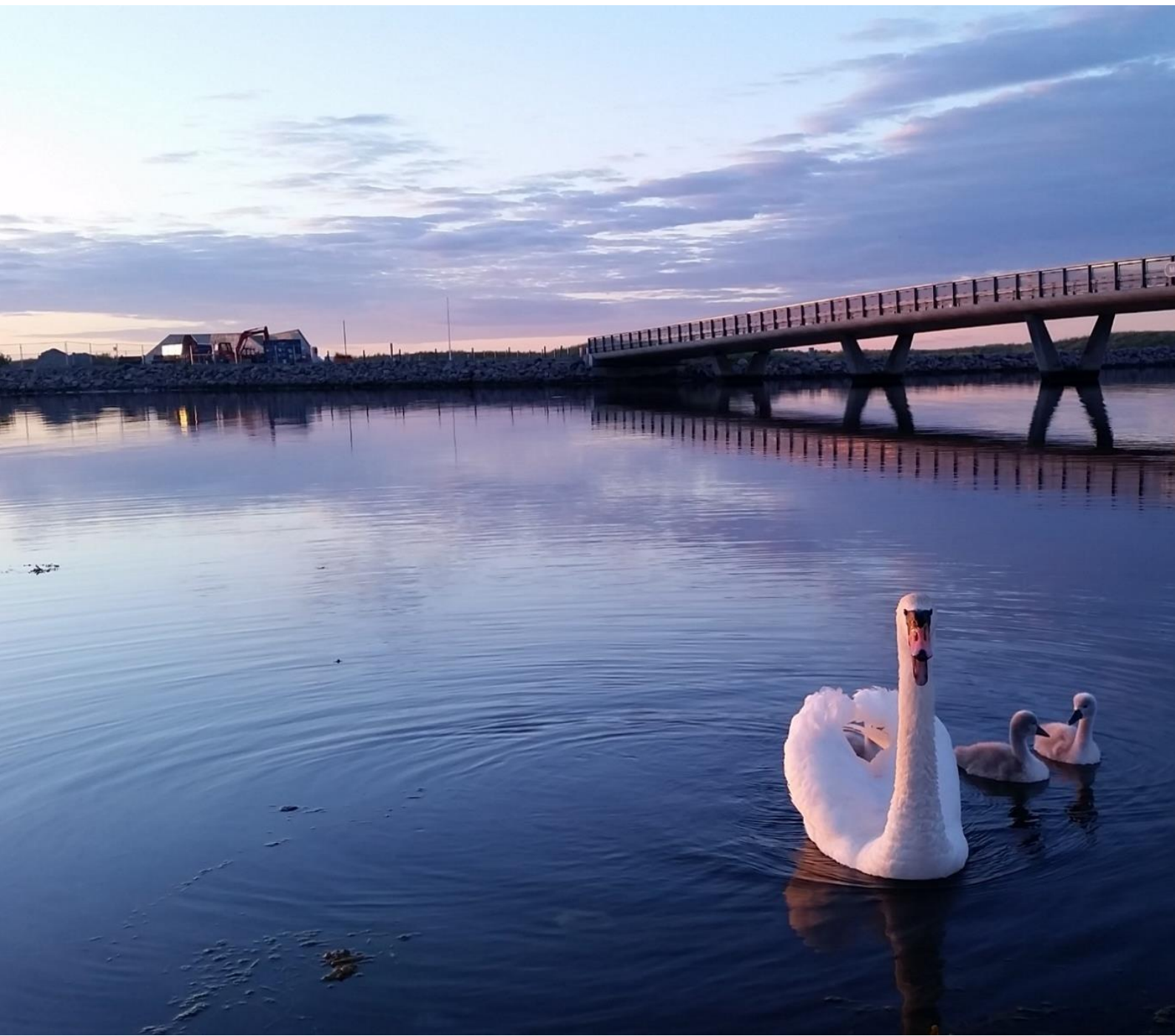
Appendix 1: Glossary

Advocacy: Active efforts to influence decision-makers and public opinion in favour of a cause or issue.

Actor level: The level at which individual actors within a system are influenced or change their behaviour.

User group level: The level at which specific groups of users or target audiences are influenced or engaged.

Direct investments: Investments where the investor allocates capital directly to a project or enterprise without intermediaries.

A systemic approach: Addressing complex problems by understanding and influencing the underlying structures and relationships within a system.

Evaluation: Systematic assessment of a project's, initiative's, or program's effectiveness, relevance, and impact.

Experiments: Testing new methods and solutions on a smaller scale to evaluate their effectiveness before broader implementation.

Flexible financing: Funding models that allow for adjustments and adaptations as projects and needs evolve.

Founding Charter: The foundational rules and regulations governing a foundation's operations.

Governance: Processes and structures used to guide and control organizations or systems.

Infrastructure: The fundamental physical and organizational structures necessary for a system's operation.

Complexity: Characteristics of problems that are unpredictable and intertwined, making them difficult to solve.

Learning: The process by which actors gather knowledge and experience from their activities and apply them to improve future efforts.

Meeting places: Physical or virtual locations where actors can gather and collaborate.

Framework conditions: External factors that define what is possible and permissible within a system.

Resources: The means and materials provided to and used by a system to achieve its goals.

Risk-tolerant financing: Investments that accept a higher level of risk in expectation of potentially greater returns or societal benefits.

Societal problems: Challenges within society requiring coordinated efforts from multiple actors and a deep understanding of the problem's root causes.

Social impact investments: Investments aimed at generating both financial returns and positive social or environmental outcomes.

System: A collection of actors interacting within the framework of roles, relationships, conditions, resources, and outcomes.

Systemic change: Transforming the conditions that sustain a problem rather than merely addressing its symptoms.

System level: The overarching level at which systemic changes influence the structures and processes of an entire system.

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Appendix 3: Methods

This white paper is based on a mixed methods research design consisting of both qualitative and quantitative sources. The purpose of the combined research design has been both to build upon existing research and literature on complex societal issues and systemic change and also to generate new data and knowledge about the experiences, needs, barriers, and potentials among foundations and other key societal actors in addressing complex societal problems in Denmark. Below is an overview of the different data sources used and their purposes. Note that all interview and survey respondents participated anonymously in the analysis, and therefore, specific names of individuals or organizations are not provided below.

Data sources

Literature review

A comprehensive literature review and desk research were conducted to identify the most relevant research, theories, and mappings of previous experiences with complex societal problems and systemic change, both in Denmark and globally. We have used the existing literature in the field to generate initial hypotheses about foundations' work with systemic change and to refine the understanding of how foundations and other actors can contribute to addressing complex societal issues.
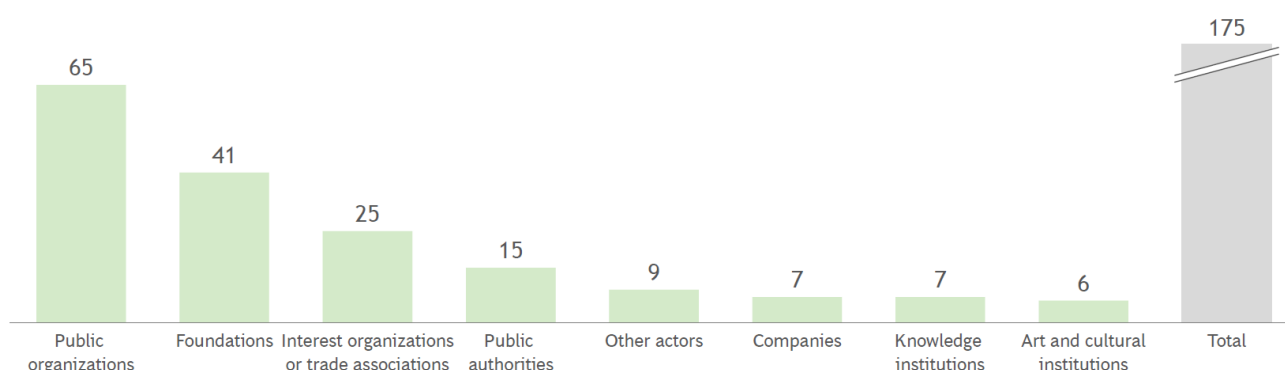
Survey

An online survey was distributed to a broad selection of foundations, public authorities, public organizations, businesses, interest and trade associations, and cross-sector partnerships. The survey aimed to collect quantitative data on the actors' experiences with complex societal problems and systemic change, including the needs, barriers, and potentials they have encountered in their work. The survey was developed with inspiration from best practices in survey design to ensure precise and reliable measurements of respondents' attitudes and experiences.

The survey was structured around five main themes, asking questions about respondents' understanding of the terms "complex societal problems" and "systemic change", their organization's experience with working systemically, the needs and barriers they have encountered in addressing complex societal issues, and how foundations, in particular, can play a larger role in supporting systemic change efforts. The survey included both *multiple choice* questions and open-ended formats, and all questions were optional to answer.

The survey was sent to 410 respondents, and we received a total of 175 responses. Not all respondents answered all questions, so the response rate varies across questions. The percentage values we report in graphs and statistics throughout the white paper refer to the total number of responses per question. In Figure 26 below, a summary overview of the distribution of respondents in the survey is provided.

Figure 26: *Distribution of Survey Respondents by Type of Organization*

Note: *Distribution of survey respondents by organization type*
Source: Survey on contributions to systemic change, 2024

Survey data were analysed using statistical methods to quantify attitudes, needs, and barriers among the actors. Descriptive statistics were applied to summarize the data, and inferential statistics were used to examine relationships between different variables.

Interviews with Key Actors
Semi-structured interviews were conducted with over 25 representatives from philanthropic foundations, public organizations, public institutions, politicians, and businesses. The informants were selected based on their organization, role, and previous experience with systemic change. We have aimed to ensure a broad representation of foundations and other actors with varying levels of experience with complex societal problems and systems thinking. The purpose was to gather in-depth insight into the practical experiences and challenges the actors face in working with systemic change. All interviews were analysed inductively to identify key themes and patterns, as well as concrete examples of systemic change work in Denmark.

Interviews with experts in systemic change
To supplement the data collection and gain a deeper understanding of systemic change work, interviews were also conducted with experts in this field. These experts were selected based on their extensive knowledge and experience with systemic change both nationally and internationally. The interviews focused on uncovering theoretical and practical perspectives on systemic change, as well as identifying the most effective strategies and methods for achieving lasting change. The experts' insights contributed significantly to understanding the complex dynamics and challenges associated with implementing systemic changes in various sectors and contexts.

Inspiration Cases
Based on the overall data, a number of cases were selected for further analysis to highlight concrete examples of successful approaches to systemic change. These cases were chosen in dialogue with the involved foundations and based on a thorough analysis of documents and interviews with key individuals involved in the case projects. All case descriptions have been validated by the mentioned organizations.

Ongoing Stakeholder Involvement

Throughout the analysis process, workshops were held with the involved foundations to continuously qualify, challenge, and validate insights and conclusions. In addition, a seminar was held with a broad range of stakeholders from other foundations, public organizations, public authorities, etc. The purpose was to discuss the results and recommendations of the analysis and to explore how the analysis can best be applied. The invited stakeholders provided feedback and suggestions for improvement, which sharpened the analysis and conclusions. This ongoing stakeholder involvement ensured that the focus of the analysis remains relevant and practice-oriented, and that the final recommendations are grounded in the concrete needs and challenges of the actors.