

## FINANCIAL AND IMPACT REPORTING FOR GOOD

THE FIRST ISSUE OF A TWO-PART SERIES

From disclosure to decision: what the impact investment advisory sector and the third sector must get right, and why it matters now



EDITORIAL: WHY IMPACT INVESTING MATTERS TO CLIENTS – AND WHY REPORTING MUST EARN THEIR TRUST



EDITORIAL: MONEY FOR GOOD: PURPOSEFUL WEALTH LEADING TO A NEW KIND OF ADVICE



RE-FRAMING CAPITAL THROUGH ORIGIN, DESTINY, MORALITY AND PURPOSE



HOW WOMEN ARE RESHAPING PHILANTHROPIC GIVING

# CONTENTS



## Editorial – Why Impact Investing Matters to Clients – and why Reporting Must Earn Their Trust

Emilie Shaw – [www.cazenovecapital.com](http://www.cazenovecapital.com)

Impact investing is increasingly important to clients who want their wealth to support positive social and environmental change alongside financial returns. This editorial argues that transparent impact reporting is essential for showing how investments contribute to real-world outcomes and building trust in sustainable investing.



## Editorial – Money for Good: Purposeful Wealth Leading to a New Kind of Advice

John Pepin – *Philanthropy Impact*

Wealth management is undergoing a major transformation, as a new generation of investors increasingly expects their money to create both financial returns and positive social impact. This editorial argues that changing client values, evolving regulation, and improved impact reporting are pushing advisors to treat purpose-driven investing and philanthropy as a core part of modern financial advice rather than a niche add-on.



## Re-framing Capital Through Origin, Destiny, Morality and Purpose

Rebecca Cretney – *Nedbank Private Wealth*

Every portfolio already reflects a moral stance whether or not its managers acknowledge it. Rebecca Cretney uses four bold questions - origin, destiny, morality, purpose - and three unforgettable illustrations (London's Great Stink, the Rana Plaza collapse, Norway's sovereign wealth fund) to argue that purpose doesn't constrain financial returns. It sharpens them.



## How Women Are Reshaping Philanthropic Giving

Isabelle Hayhoe – *Barclays Private Bank*

Barclays research shows 67% of wealthy women now give £10,000 or more to charity, outpacing men. Women's emphasis on values, structure, and long-term impact is reshaping modern philanthropy. The article calls on advisors and charities to meet this demand through deeper, more transparent and purpose-driven partnerships.



## From Disclosure to Decision: What Trustees and Funders Actually Need from Impact Reporting

Hermina Popa – *Better Society Capital*

Disclosure and decision-utility are not the same thing and for trustees and funders, only one of them matters. Drawing on managing the Schroder BSC Social Impact Trust, Hermina Popa argues that governance, independent verification, and honest reporting of gaps build more real confidence than polished compliance. A compelling story, she warns, is not the same as a credible one.



## Still Not Trusted: Why Impact Reporting Fails Decision-Makers – and What Needs to Change

Thomas Conway – *ValidAid*

Despite two decades of progress, impact reporting still fails to generate the trust decision-makers need. Conway diagnoses defensive governance, non-reusable verification, and a structural equity problem for Global South NGOs. He argues what is missing is shared evidence infrastructure not more stories, but systems that make those stories safe to act on.



## The Annual Report Is Dead. Long Live Transparency

Tomos Rees – *Philanthrify*

UK charitable giving fell nearly 10% in 2025; donor trust has halved over a decade. Rees argues the annual impact report is the sector's most expensive habit - too slow, too static, and structurally disconnected from how donors now consume information. Real-time, automated transparency is both technically available and strategically essential. One Uganda school project proved real-time transparency raised 51% more.



## Bridging the Gap Between Charities and Funders on Impact Reporting

Maddy Gazzard & Dr Lauren Bellaera – *ImpactEd Group*

67 funders were asked to rate the quality of charity reporting. The results are uncomfortable: while 98% found Trustees' Annual Reports satisfactory, only 60% rated them good or excellent - a 38-point gap. Gazzard and Bellaera explain what's missing, what SORP 2026 demands, and the three building blocks every charity needs to close the gap before the next funding round.



## From Impact Reporting to Knowledge Sharing: The Next Step Forward for the Impact Industry

Chiara Andreoli & Arnau Picón – *ESADE Center for Social Impact*

Impact reporting standards have matured. So why does one expert describe the field as 'a small community of priests, jealous of their knowledge'? Andreoli and Picón argue the sector has done enough on transparency and must now build collective knowledge infrastructure - a shared European platform, already under construction, that turns reporting into action rather than just evidence.



PAGE 29

### When the Work Is Relational: Reporting That Supports Real Pivots

*Florencia Guerzovich — Accountability Lab*

Your portfolio reports look on track. But are they? Florencia Guerzovich draws on three World Bank cases to expose a dangerous blind spot: standard reporting sees activity, not the relational mechanisms - coordination, feedback, trust - that actually drive value. The consequence is not just poor decisions. It's organisations defunded not for underperformance, but for illegibility.



PAGE 32

### Go for Green: How Charity and Private Sector Partnerships Can Strengthen Your Sustainability Goals

*Athina Fokidou — Action Planning*

Charities that adopt sustainability practices and measurable ESG metrics can reposition as strategic corporate partners rather than grant recipients. The article examines DAF transparency, ESG-aligned reporting, and case studies including GALVmed, ACEVO, and the Church of England, showing how aligned data unlocks mutual benefit and stronger philanthropic outcomes.



PAGE 34

### Blockchain Tokens Allow Impact to Be Audited Like Finance: A Case Study

*Luna Kim & Arun Maharajan — UNICEF Office of Innovation*

UNICEF proposes 'impact credits' — blockchain-recorded, independently verified certificates of social outcomes, modelled on renewable energy credits. The article argues technology can make social impact as trustworthy as financial instruments, potentially creating a functioning market for social outcomes analogous to the existing compliance carbon market.



PAGE 36

### The 'Right' Approach to Impact Reporting in Arts and Culture

*Dr Matthew Ross — Royal Academy of Music*

Data-driven philanthropy has real value, but in arts and culture over-engineered metrics can damage what they measure. Ross argues for proportionality: use evidence where it genuinely informs, fund core artistic practice unreservedly, and build honest partnerships where intangible outcomes are acknowledged rather than forced into unsuitable frameworks.



PAGE 39

### Bridging the Governance Gap: Restoring Authenticity and Fiduciary Duty to Impact Reporting in the Age of AI

*Epaminondas Farmakis — Philanthropy 360 Advisors*

As AI saturates philanthropic reporting, a dangerous governance gap has opened between technical efficiency and mission-aligned ethics. Epaminondas Farmakis identifies three emerging threats - synthetic stewardship, the Authenticity Tax on AI-generated donor communications, and Digital Colonialism against grassroots leaders and argues that fiduciary duty in 2026 demands a human-in-the-loop mandate, not algorithmic compliance.



PAGE 41

### No One Will Protect What They Don't Care About: Collaboration, Experience and Impact in the 2026 SORP Era

*Catherine Gage — Hunters Law*

'No one will protect what they don't care about.' David Attenborough's words open a compelling argument from Hunters Law. Using the Cambridge Conservation Initiative as a model, Gage argues that physical co-location and shared environments help small charities build collaborative capacity, reduce overhead, and meet SORP 2026's proportionate reporting requirements. Trustees retain full legal responsibility, but collaboration — properly governed — strengthens rather than dilutes purpose and accountability.

# PHILANTHROPY IMPACT

Philanthropy Impact is the only organisation in the UK working exclusively at the intersection of wealth advisory, philanthropy, and impact investing and it has been doing so for 27 years. A WealthBriefing Wealth for Good Thought Leadership Award winner, its mission is to increase the flow of capital for good, enhancing the impact economy.

It is not a membership organisation that runs marketing campaigns. It is a system-change platform building the knowledge, confidence, networks, and culture that enable professional advisors across private client, wealth management, private banking, tax, and legal sectors to have richer, values-based conversations with their HNW and UHNW clients. Every interaction - a training completed, a convening joined, a framework applied - moves an advisor closer to the confident, purpose-led practice their clients demand and their regulator expects.

Through CPD-accredited, CISI-endorsed training including its Purpose-Driven Advising micro-credential, sector-defining research on Gen Z, Millennials, and Women of Wealth expectations, a rich programme of thought leadership, events, podcasts, and publications, and its 23 Impact platform, Philanthropy Impact provides the tools, insight, and

ecosystem connections that transform technical advice into meaningful client partnerships. Working with Philanthropy Impact enables firms to reach new clients, retain meaningful relationships across generations, and reinforce their reputation as advisors genuinely committed to matching clients' values, goals, and ambitions.

Beyond advisors, it serves as a trusted convener across the full spectrum of capital connecting philanthropists, impact investors, trusts and foundations, and charities and social enterprises with the people, networks, and resources that turn intent into action.

The cumulative effect is measurable. Firms offering philanthropic and impact investment advisory services achieve six times the median assets under management, three times the organic growth, and 1.3 times more new money than those that do not (Fidelity Charitable Research). Its member ecosystem represents between £1 and £3 trillion in client assets globally, with an 89% membership renewal rate and 39% year-on-year growth in new members.

For professional advisors seeking to close the capability gap, and for wealth holders who want their capital to reflect their values, Philanthropy Impact provides the knowledge, networks, and frameworks to move from intent to impact.

## Centre of Excellence

- Training for professional wealth and finance advisors: bespoke CPD Certified and CISI Endorsed training courses including eLearning and in person training, providing training across the spectrum of capital from impact investing to philanthropy designed to enhance an advisor's ability to support their clients on their values-based journey.
- 23 Impact: The new platform to enable online networking opportunities.
- Events: a comprehensive programme of self-certified CPD events, including networking among professional advisors, philanthropists and impact investors.
- Podcasts: focused on philanthropy, impact investing, and sustainability.
- Training for major donor and corporate fundraisers: bespoke CPD self-certified training for high-value fundraisers working with (U)HNWI, to help them understand the role of their professional advisors and to strengthen professional relationships that will transform their fundraising.

## Publications and Research

- Developing our 'body of knowledge'
- How-to best practice guides
- Technical content and analysis
- Market research and case studies
- Philanthropy Impact Magazine

## Philanthropy Impact Public Affairs

- Advocacy: lobbying for policies and regulations that encourage philanthropic giving and impact investment
- Engagement with government and key policy stakeholders

**Chief Executive and Editor:** John Pepin

**Co-Editors:** Rachele Menditto, Director, Communications and Relationships and Morgan Axinn Cattai, Director, Membership and Development

Philanthropy Impact, Third Floor, 20 Old Bailey, London EC4M 7AN

**Tel: +44 (0)20 7407 7879 / +44 (0)780 305 1674**  
**[www.philanthropy-impact.org](http://www.philanthropy-impact.org)**

**✉ @PhilanImpact**

**in [linkedin.com/company/philanthropy-impact](https://www.linkedin.com/company/philanthropy-impact)**

**▶ [www.youtube.com/channel/philanthropyimpact](https://www.youtube.com/channel/philanthropyimpact)**

**f [www.facebook.com/PhilanthropyImpact](https://www.facebook.com/PhilanthropyImpact)**

The purpose of the magazine is to share information about philanthropy and impact investment in a domestic and international context. We welcome articles and other forms of contribution, and we reserve the right to amend them.

Please contact the Editor at [editor@philanthropy-impact.org](mailto:editor@philanthropy-impact.org)  
©2026 Philanthropy Impact.

*The views expressed in Philanthropy Impact Magazine are not necessarily those of Philanthropy Impact and readers should seek the guidance of a suitably qualified professional before taking action or entering into any agreement in reliance upon the information contained in this publication. Whilst Philanthropy Impact has taken every care compiling this publication to ensure the accuracy at the time of going to press, we do not accept liability or responsibility for errors or omissions therein however caused. Philanthropy Impact does not endorse or approve any advertisement and has no liability for any loss caused by the reliance on the content of any such advertisement.*


Philanthropy Impact is supported by its members, donors and sponsors.

Magazine design and artwork by [antmadethis.co.uk](http://antmadethis.co.uk)

BECOME PART OF THE EVER GROWING  
PHILANTHROPY IMPACT NETWORK BY  
BECOMING A CORPORATE MEMBER TODAY.

 **Philanthropy  
Impact**

Inspiring Philanthropy and Investing for Impact



Philanthropy Impact is a membership organisation committed to fostering collaboration across philanthropy, social investment, ESG, and impact sectors, amplifying capital flow for social good.

## COME AND JOIN PHILANTHROPY IMPACT TODAY:

### FOR SUPPORT

Philanthropy Impact offers guidance to support your clients through the challenges faced in their philanthropy and impact/ESG investment journey.

We offer a programme of training and educational events.

We support your team to ensure you are offering your clients a high quality service for philanthropy and impact/ESG investment advice to help them achieve their goals and ambitions.

### TO ACCESS

As a Philanthropy Impact member, you will have access to an active network of professional advisors to (U)HNWI including private client advisors, wealth managers, private bankers, tax and legal advisors, as well as philanthropists, impact/ESG investors, and charities and trusts.

Benefits include free access to networking events both online and face to face and priority to present at events.

### TO DEVELOP

Our extensive resource hub will give you the skills and knowledge to develop your client service offer, empowering you to have values based conversations with your clients and support them on their philanthropic and impact/ESG investment journey.

Philanthropy Impact members automatically receive our online magazine subscription and are able to access information from many of our partners at a discounted rate.

### TO ENGAGE

Philanthropy Impact members can actively engage in topic discussions and by providing content for our newsletter and contributing to our magazine.

As a member you will improve your firm's visibility in the philanthropy and impact/ESG investing space by being featured on our website and through various platforms.

We give you a space to share your best practice experience, innovations and learnings with others in the network.

### OUR REACH

Our audience continues to grow daily. Current numbers are:

- **6,500+** active on our contact list
- **15,700+** CEO connections on LinkedIn
- **11,000+** connections on PI LinkedIn page
- Over **50 countries** across Europe, Asia, North America and Latin America

### JOIN US TO:

- Expand Your Professional Network
- Stay Informed and Educated
- Enhance Your Visibility
- Join a Supportive Community

Get in touch with the team today to learn more:

E: [membership@philanthropy-impact.org](mailto:membership@philanthropy-impact.org)



## EDITORIAL

# WHY IMPACT INVESTING MATTERS TO CLIENTS – AND WHY REPORTING MUST EARN THEIR TRUST

EMILIE SHAW – WWW.CAZENOVECAPITAL.COM

For many clients, investment capital is no longer viewed solely as a source of financial return. It is also an expression of purpose, responsibility and long-term stewardship. This is particularly true when assets are intended to support both present and future generations. For these clients, the question is not simply: ‘What return did my portfolio generate?’ It is also: ‘What kind of world is my capital helping to shape?’

Impact investing matters because it directs capital towards businesses and projects that contributing to solutions – from renewable energy and social housing. However, intention alone is not enough. If impact investing is to retain the confidence of clients, it must be supported by credible and decision-useful reporting.

Impact reporting should not be seen as a ‘nice to have’. It is essential for demonstrating whether the positive outcomes being targeted are being achieved. Good reporting helps clients understand how their capital is being allocated, what outcomes it supports, and the limitations behind the data.

At Cazenove Capital, we have produced annual impact reports for our sustainable strategies for the past six years. We began doing so because clients wanted more than broad statements of intent. They wanted tangible evidence of outcomes.

Good reporting brings investment decisions to life: the number of people reached through essential services, renewable energy generated, carbon emissions avoided, and progress achieved through engagement activity.

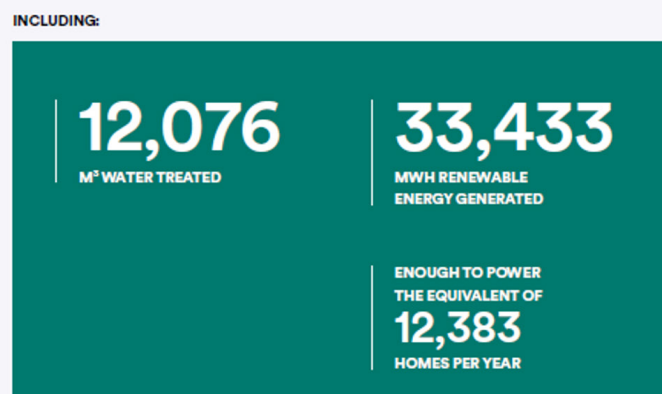
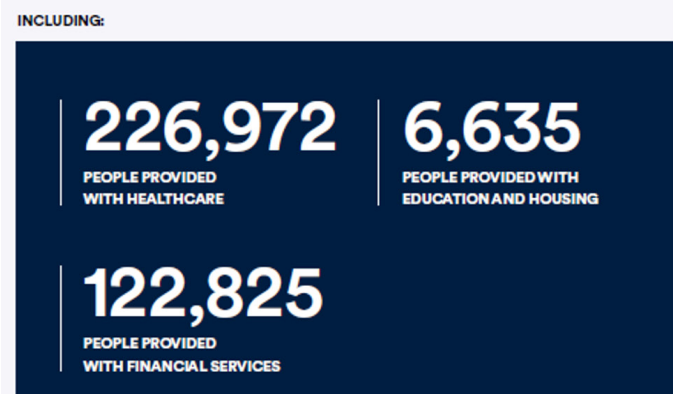
This matters because impact investing is often deeply personal. Clients may be motivated by concerns about climate change

and inequality or the legacy they leave to future generations. Reporting helps connect those concerns with the real-world activity of the companies and projects in which they invest. One example is the Postal Family Fund. The trustees wanted their portfolio to contribute to solving environmental and social challenges. For them, impact reporting was valuable because it made the portfolio’s contribution visible and understandable.

Their reporting expressed that, through £7 million of invested capital, the portfolio reached an estimated 910 people through services such education and housing, while avoiding 469 tonnes of carbon emissions through renewable energy generation. For the trustees, this was more than data; it was a reflection of the kind of world they wanted children to grow up in.

**INVESTORS DO NOT REQUIRE PERFECT DATA TO MAKE DECISIONS; THEY REQUIRE HONEST DATA, CLEARLY EXPLAINED.**

However, the credibility of impact investing depends on transparency about what the data can – and cannot – demonstrate. Our methodology seeks to answer a practical question: what positive outcomes could an investment be generating for people and planet? We track environmental outcomes such as carbon emissions avoided and renewable energy generated, alongside social indicators including access to healthcare, housing, education and financial services. To make technical data more relatable, we use equivalencies, translating outcomes into measures such as homes powered with clean energy or trees grown over time.



**Source:** Data shown reflects the notional aligned outcomes calculated for the positions held in The SUTL Cazenove Sustainable Multi-Asset Fund based on the value of assets as at the 31 December 2025.

You can see our impact reporting first hand here: [Annual Sustainability and Impact Reports 2025 - Cazenove Capital](#)

However, we are explicit that these figures are estimates. Impact reporting remains at an early stage, with significant variation in disclosure, limited standardisation and risk of double counting. Methodologies vary, and data may be unaudited or reported with considerable lag.

These limitations do not mean reporting should be abandoned. Investors do not require perfect data to make decisions; they require honest data, clearly explained. Methodology, assumptions and coverage gaps must be disclosed openly.

This is also essential in addressing concerns around greenwashing. Investors are increasingly focused on whether products marketed as sustainable are supported by credible evidence. Reporting that is vague undermines trust. Reporting that is transparent about achievements and limitations strengthens it.

In 2023, Cazenove Capital sought independent verification from BlueMark, a specialist in impact investing and reporting, for our reporting capabilities. This external review demonstrated our commitment to industry standards and gave clients additional confidence in the figures being reported.

Impact investing matters because it aligns capital with purpose. Impact reporting matters because it turns that purpose into evidence. The data is not yet perfect, but waiting for perfection would delay progress. The better approach is to disclose, improve continuously and work collectively to raise standards.

Ultimately, clients want confidence that their wealth is not only preserving value, but helping to create it — for society, the environment and future generations. Robust impact reporting is how we help them understand and trust that contribution.

If you would like to learn more about our approach, please get in touch via our website: [Wealth Management - Cazenove Capital](#). ■



**EMILIE SHAW**

Emilie Shaw is Head of Sustainable Solutions at Cazenove Capital. She has over 15 years' experience creating investment solutions for charities, foundations, universities and high-net-worth individuals. Emilie is passionate about helping clients align their investments with their values, enabling them to invest for the benefit of people, the planet and long-term financial returns. She is Vice Chair of the Sustainable Investment Committee and co-manager of the Charity Sustainable Multi-Asset Fund. Emilie holds the CISI Wealth Management Diploma.



## EDITORIAL

# MONEY FOR GOOD: PURPOSEFUL WEALTH LEADING TO A NEW KIND OF ADVICE

JOHN PEPIN - WWW.PHILANTHROPY-IMPACT.ORG

### Financial and impact reporting for good: what's broken, what's changing, and why HNW investors and their advisors and charity trustees should take notice

**T**here has never been a better moment to take seriously the idea that private wealth can do profound public good. Not because the impulse is new – the desire to use wealth well is as old as wealth itself - but because the infrastructure, the regulatory environment and the expectations of a rising generation of wealth holders are now converging in a way that makes systemic change genuinely possible.

For too long, the question of how wealthy individuals engage their capital for social and environmental good has been treated as a separate conversation, a sidebar to the 'real' business of wealth management. Impact investing, charitable giving, donor-advised funds: these have occupied the margins of client meetings, raised after portfolios are reviewed and estate plans are settled. That is changing, and the change is overdue.

### A GENERATIONAL SHIFT IN WHAT WEALTH IS FOR

The figures are striking. Trillions of pounds are passing to Millennials, Gen Z, and Women of Wealth inheritors with fundamentally different values from those who built the wealth. Research consistently shows that 65% of next-generation wealth holders plan to switch to an advisor who can speak meaningfully about purpose, impact and values alignment (Schroders, 2022). They are not looking for a token conversation about impact and investing. They want an advisor who genuinely understands that capital can be a tool for change and who can help them deploy it accordingly.

This is not sentiment. It is a structural shift in the wealth management market. The FCA's Financial Lives Survey found that 81% of UK adults would like their money to do some good as well as provide a financial return. Sixty-four percent of millennials already make investment decisions based on their

values (Allianz). And the SS&C Advent intergenerational wealth transfer research reports that 80% of millennial heirs will seek out a new financial advisor in place of their parents' wealth manager. For firms that have not yet invested in values-based capability, the commercial risk is as real as the professional one.

Crucially, this shift is not confined to younger generations. Camden Wealth's research on impact investing shows a growing demand among older wealth holders too, with more than half reporting that sustainable investing is bridging the gap between generations, and almost 70% saying it is being embraced by the generation currently in charge of the family's wealth. Values-based advice is not a niche offering for a future cohort. It is what a growing majority of clients across age, gender and wealth level are seeking.

The articles in this issue put flesh on that picture. Rebecca Cretney of Nedbank Private Wealth argues that every portfolio already reflects a moral stance whether or not its managers acknowledge it. Isabelle Hayhoe's analysis of Barclays research shows that 67% of wealthy women now give £10,000 or more annually to charity, outpacing men and that advisors and charities are still catching up with that demand.

### THE CAPABILITY GAP THAT CANNOT BE IGNORED

Research reveals a persistent gap between client expectations and advisor readiness. The 2026 TPI Study of the Philanthropic Conversation found that 80% of high-net-worth clients expect their advisor to engage in philanthropic and values-based discussions. Yet fewer than 40% of advisors feel equipped to have that conversation. When wealthy individuals were asked to rate the quality of support they receive from their advisors on their philanthropic journey, the average score was just 5.9 out of 10. The mismatch is not a minor inconvenience, it

represents a professional risk, a commercial vulnerability and a significant missed opportunity for capital to flow toward genuine social good.

The consequences are visible in the market. Fifty-four percent of advisors are already concerned their business could lose assets when wealth passes to the next generation (Schroders, 2022). Yet only 11% of advisory firms have a strategy to retain, attract, and advise women, a cohort that will hold 60% of UK wealth by 2025. The capability gap is widening precisely where the commercial opportunity is greatest.

The problem is compounded by the growing prominence of crypto wealth. This rapidly expanding cohort of high-net-worth individuals is among the most impact-motivated. Crypto wealth holders are often systems thinkers, accustomed to infrastructure logic and network effects. They understand leverage. They are attracted to the idea that capital deployed at the right point in a system can produce outsized outcomes.

The evidence base for acting is compelling. Fidelity Charitable research shows that firms offering philanthropic and impact advisory services achieve six times the median assets under management, three times the organic growth, and 1.3 times more new money than those that do not, alongside higher trust levels and stronger Net Promoter Scores. Values-based advice is not a cost to the business. It is a growth driver.

## POLICY IS CATCHING UP – AND MOVING FAST

The UK Government's Office for the Impact Economy has placed private wealth advisors at the centre of national renewal. Values-based advice is no longer a nice-to-have, it is increasingly part of what robust client suitability looks like under the FCA's Consumer Duty. Firms that embed impact and purpose driven advice now will be ahead of compliance requirements. Those that wait will find themselves scrambling to catch up, and their clients may not wait with them.

This is precisely why financial and impact reporting must improve. Decision-makers across the spectrum - investors, advisors, donors, and trustees - cannot direct capital confidently toward good if the information available to them is inconsistent, incomparable or disconnected from real-world outcomes. SORP 2026 makes impact reporting mandatory for all charities for the first time, a threshold moment explored by Joanna Elson of Independent Age in this issue, who asks what good reporting actually costs and who pays when expectations outpace capacity? Hermina Popa of Better Society Capital draws a sharp distinction between disclosure and decision-utility: for trustees and funders, only one of them matters.

Closing the reporting gap is not a technical nicety. It is a precondition for the kind of systemic shift that the moment demands.

## THE MULTIPLIER LOGIC OF SYSTEMIC INVESTMENT

What makes money genuinely powerful for good is the quality of the ecosystem through which capital decisions are made. A single well-trained advisor influences between 30 and 100 high-net-worth clients. Each client holds millions in investable



### JOHN PEPIN – CHIEF EXECUTIVE, PHILANTHROPY IMPACT

John Pepin has over 20 years' experience as a social entrepreneurial consultant working internationally with charities, social enterprises, infrastructure support organisations and professional associations. He spent over 15 years as a Chief Executive of a variety of Canadian and UK charities/ social enterprises/ associations.

He is Chief Executive, Philanthropy Impact. Philanthropy Impact is a capacity building non-profit organisation at the intersection between philanthropy, social investment, and impact investment. Its mission is to increase the flow of capital for good.

It achieves mission by building the will and capacity of professional advisors (private client advisors, wealth management, private banking, tax and legal sectors) to support their (U)HNW private clients on their philanthropic and impact investment journey.

Its means for realising our vision includes thought leadership and sharing intelligence, events, CPD Certified CISI Endorsed training, 23 Impact, podcasts, bespoke networking opportunities, campaigning, publications including a magazine, and resources for advisors and other stakeholders.

Its stakeholders also include philanthropists, impact investors, trusts and foundations, and charities and social enterprises.

assets. Scale that influence across thousands of advisors, and even a modest shift in how those conversations unfold represents capital flows many multiples greater than the cost of any individual investment in training or infrastructure.

Research from multiple sources confirms the referral dynamics that amplify this effect: 70% of the best new clients for advisors come through professional networks and introductions. The 2026 TPI Study found that 95% of advisors, up from 71% in 2018, say that incorporating values and purpose into client conversations is important to building relationships with clients' families. The network effect of a more capable, confident advisory profession compounds over time.

Thomas Conway of ValidAid diagnoses the structural challenge plainly in this issue: what is missing is not more stories, but shared evidence infrastructure with systems that make those stories safe to act on. Tomos Rees of Philanthrify adds urgency: UK charitable giving fell nearly 10% in 2025, and donor trust has halved over a decade. Real-time, transparent reporting is both technically available and strategically essential. The infrastructure for better capital allocation exists. What remains is the will, and the professional capability, to use it.

The demand is here. The regulatory momentum is building. The generation with the wealth and the will to use it differently is already asking the question. For wealth managers and trustees alike, the reporting infrastructure is catching up with the ambition and for those advising high-net-worth clients, engaging with financial and impact reporting as a serious professional discipline is now simply good practice. ■

*WE ARE AWARE THAT OUR HUMAN CONSTRUCTS CAN BRING DISEASE AND DEVASTATION AND THAT THERE ARE SOLUTIONS – BUT WILL WE ACT?*



# RE-FRAMING CAPITAL THROUGH ORIGIN, DESTINY, MORALITY AND PURPOSE

REBECCA CRETNEY - [WWW.NEDBANKPRIVATEWEALTH.COM](http://WWW.NEDBANKPRIVATEWEALTH.COM)

**F**our questions have plagued humans since the beginning of time. Where do we come from? Where are we going? Who determines what is right and wrong? What is the meaning of life?

All four of these questions relate to origin, destiny, morality and purpose.

It occurs to me that these same pivotal questions can be applied to financial markets with one distinct difference: we have far greater ability to influence the outcome. Yet instead, we tend to focus on risk, return and allocation.

Beneath every portfolio construction model lies a quieter set of questions, which are philosophical rather than financial. What are we building? Where did this system come from? Where is it headed? And who decides what is good?

As impact investing matures from niche strategy to structural force, it's worth considering these questions from a practical rather than abstract viewpoint. They should guide how money is invested, how businesses operate and how markets are designed. The meaning of life may seem far from investment committees, but in reality every investment decision reflects an answer to that question.

## ORIGIN: CAPITAL AS A HUMAN INVENTION

Capital markets began as tools for cooperation. They allowed strangers to pool risk, fund enterprise, and build shared prosperity. They were not designed only to maximise wealth, but to reduce friction between human ambitions.

Over time, abstraction crept in. Securities replaced stories. Quarterly results replaced long term outcomes. Investors became distanced from the real world consequences of their decisions.

A brief illustration: In the summer of 1858, London became almost uninhabitable. The River Thames, choked with untreated sewage, produced a stench so overwhelming that curtains in the Houses of Parliament were soaked in disinfectant to allow MPs to work. Cholera outbreaks had already killed tens of thousands. The crisis became known simply as the Great Stink.

Parliament responded by approving unprecedented public financing for a vast sewer system. The project was expensive, politically risky and offered no immediate financial return. Yet it was funded because the alternative, inaction, was morally and socially intolerable. The system is still largely in use today, having saved countless lives and reshaped London's development.

This was capital at its origin. Collective resources mobilised to solve a shared human problem. Today we face similar choices but at a larger scale. We are aware that our human constructs can bring disease and devastation and that there are solutions – but will we act? The opportunity of combined action could be as lucrative as the industrial revolution, so there are financial riches to be grasped as well as societal and humanitarian ones.

## DESTINY: THE FUTURE HIDDEN IN PRICES

Every price reflects a view of the future. Markets are always betting on a particular future, whether consciously or not. Traditional finance assumes that individual self interest leads to the best results, but issues like climate change, inequality and systemic risk challenge this belief.

Impact investing reframes destiny from maximising returns to shaping better long-term outcomes. This does not reject financial discipline; it looks further ahead and considers a broader range of risks.



A brief illustration: For years, coal assets looked cheap and profitable. Investors focused on cash flow, not consequences. When regulation, litigation and public sentiment shifted, prices fell fast. The ‘cheap’ asset had just been deferring its costs.

Systemic risks cannot be avoided through diversification. Climate, trust, governance and social cohesion behave like macro factors. Considering them isn’t about moral messaging – it’s smart planning.

## PURPOSE: WHAT IS CAPITAL FOR?

Purpose has often been treated as a constraint on fiduciary duty. Increasingly, it is understood as a way to clarify value over time.

Purpose driven investors ask simple but demanding questions:

- What outcomes does this capital enable?
- Who benefits, and who bears the hidden costs?
- Are returns durable or extractive?
- Is the investment aligned with its stated purpose?

These questions do not replace financial analysis; they deepen it. Investors who integrate them often discover distinct opportunities in companies building long-term trust, infrastructure aligned with societal trends, and innovations solving structural problems. Returns are also often more lucrative long-term, even if costs are higher shorter-term.

Purpose, then, becomes a source of insight and advantage.

A brief illustration: On the morning of 24 April 2013, garment workers in Bangladesh were ordered back into the Rana Plaza factory complex despite visible cracks in the walls. Within hours, the building collapsed, killing more than 1,100 people and injuring thousands more. Many of those workers were producing clothes for global brands held in mainstream investment portfolios.

For years, the factories had delivered low costs and reliable margins. The human risks were invisible in financial models, until they were not. The disaster forced investors to confront a stark question: what was their capital actually enabling?

In response, a coalition of global investors helped establish the legally binding Bangladesh Accord on Fire and Building Safety,

pressuring companies to fund inspections, remediation, and safer working conditions. Purpose did not replace financial logic; it corrected a blind spot. Unsafe factories were not just unethical, they were financially fragile.

Rana Plaza made clear what had always been true: capital deployed without regard to consequence still reflects a purpose. It simply chooses not to name it.

*THE FUTURE WILL NOT BE SHAPED BY A NEW ASSET CLASS ALONE, BUT BY A DEEPER UNDERSTANDING OF WHAT INVESTING IS FOR.*

## MORALITY: THE MYTH OF NEUTRALITY

Markets are not morally neutral. Choosing not to consider impact is itself a moral stance, because capital always creates effects.

Moral authority in markets emerges from four sources:

- Law and regulation
- Market pricing of risk
- Social norms
- Individual agency of decision makers

The challenge is not agreeing on one moral code, but building transparent, accountable frameworks for decision making. Clear principles and honest measurement matter more than ideological purity.

At scale, impact requires more than screening. It requires stewardship: engaging companies, shaping norms and redesigning incentives and reporting systems.

A brief story: In 2005, the world’s largest sovereign wealth fund, Norway’s Government Pension Fund Global, quietly made a decision that sent shock-waves through global markets. It excluded Walmart from its portfolio, citing ‘serious and systematic violations of human rights and labour rights’.

For decades, Walmart had been a textbook investment: scale, efficiency, low prices, strong cash flows. Millions of savers around the world were exposed to it through pension funds and



index products. Yet the Norwegian fund concluded that some ways of making money were incompatible with the values the capital was meant to serve, even if those practices were legal and profitable.

There was no universal moral authority compelling the decision. No global regulator forced it. The fund acted through its own ethical framework, established by parliament, acknowledging something uncomfortable: neutrality was not an option. Continuing to invest would itself be a moral choice.

The exclusion wiped tens of millions of dollars from Walmart's shareholder base overnight and triggered intense debate across the investment industry.

Was this politics intruding into markets, or markets finally admitting that they had always been political?

Two decades later, the Norwegian fund's ethics framework has become a global reference point. Hundreds of exclusions and observations have followed, not because morality is clear or uncontested, but because capital at scale cannot pretend it has no compass. When investors allocate capital, they do not just price risk; they legitimise behaviour.

The lesson is not that there is one correct morality. It is that every portfolio already contains one, whether declared or denied.

## THE INVESTOR AS A MORAL AGENT

Capital is a form of power. Power carries responsibility. Responsibility gains meaning when aligned with intentional purpose.

The future will not be shaped by a new asset class alone, but by a deeper understanding of what investing is for.

Origin reminds us markets are invented. Destiny reminds us outcomes can be changed. Purpose reminds us value is multidimensional. Morality reminds us that every decision implies a vision of the good.

In that sense, that's where the meaning of life and the meaning of capital meet – at the investment committee table. ■



### REBECCA CRETNEY

Rebecca Cretney is the Senior Investment Specialist at Nedbank Private Wealth, bringing over two decades of experience advising high-net-worth clients, trustees and families across sophisticated, multi-jurisdictional portfolios. She joined the firm in 2004 after relocating from Barcelona to attend the Isle of Man Business School.

Having spent more than 13 years as a private banker before becoming an Investment Specialist in 2019, Rebecca now provides technical investment expertise to private banking teams across the Isle of Man, Jersey and the UK. Her focus includes shaping discretionary investment strategies, guiding complex portfolio structures and elevating the consistency and integrity of client advice, including supporting colleagues through the development and delivery of a structured training programme designed to reinforce best practice and advice integrity.

Rebecca is an active member of Nedbank Private Wealth's Investment Committee and leads the bank's philanthropy proposition, reflecting her longstanding commitment to responsible wealth stewardship.

A Chartered Fellow of the Chartered Institute for Securities & Investment and a Chartered Wealth Manager, Rebecca also holds PCIAM, Cert PFS and CeMAP qualifications. Her insights on sustainable investing, philanthropy and the evolving responsibilities of wealth holders are regularly sought, with contributions featured in publications such as the STEP Journal and Spear's 500.



# LEARN WITH US

We offer a range of different training courses, designed to enhance your skills and support your professional development.

**Browse the list and find the one that best suits you and your needs.**



## FOR PROFESSIONAL ADVISORS

### eLearning

Philanthropy Impact's eLearning module 'Purpose-Driven Advising: Mastering Impact and Values-Based Wealth Management' is designed to help professional advisors understand the importance of supporting clients on their values based impact investing and philanthropic journey. Register for the course [here](#) or try the [free taster](#).

### IN-PERSON

Our in-person training is designed specifically for professional advisors to (U)HNW private clients to expand their expertise in the dynamic fields of impact investing and philanthropic advising and to make them aware of major drivers for providing this support to clients – to meet:

- *The growing client demand from GEN Z, millennials and women of wealth*
- *Regulatory issues (having values based discussions with clients to manage risks associated with Consumer Duty and customer centricity)*



## IN-HOUSE TAILORED TRAINING

**Philanthropy Impact's in-house bespoke training is designed to:**

- *Reflect a firm's needs, helping and services currently offered so making it applicable them to achieve their business outcomes more efficiently*
- *Effectively fit the products to a firm*

It creates an opportunity to learn in a familiar environment and interact with colleagues in a way that is conducive to effective learning. Training can be highly tailored to a clients needs.



## FOR HIGH VALUE MAJOR DONOR FUNDRAISERS

The purpose of the training for High Value Major Donor Fundraisers is to inform and educate fundraisers who work with (U)HNWI, to understand the role of private client professional advisors (private client advisors, wealth management, private banking, independent financial advice, tax and legal sectors, and family offices) to (U)HNWI; and how to strengthen professional relationships that will transform their fundraising.



For further information, please visit our [training page](#) or contact: [training@philanthropy-impact.org](mailto:training@philanthropy-impact.org)



P<sub>3</sub> U<sub>1</sub> R<sub>1</sub> P<sub>3</sub> O<sub>1</sub> S<sub>1</sub> E<sub>1</sub>

# HOW WOMEN ARE RESHAPING PHILANTHROPIC GIVING

ISABELLE HAYHOE - [WWW.PRIVATEBANK.BARCLAYS.COM](http://WWW.PRIVATEBANK.BARCLAYS.COM)

**P**hilanthropy is evolving. For many high net worth individuals (HNWIs), giving is increasingly shaped by the same care, reflection and intentionality that they bring to other aspects of their wealth. Rather than responding to requests as they arise, donors are asking more considered questions about where their money goes, what role it plays, and the difference it can make over time.

This shift is closely linked to a growing desire for visibility and understanding and a want to know not just that their capital is doing good, but how and why. Collaboration, too, is becoming more important, with donors seeking input from advisers, peers, family members and charities themselves.

Within this broader evolution, women are playing a particularly influential role. Our research shows that 67% of wealthy women now give £10,000 or more to charity, compared with around half of men. The significance, however, is not simply that women are giving more. It is the way in which many women are approaching philanthropy that is helping to reshape what modern giving looks like.

## THE BLUEPRINT FOR BETTER PHILANTHROPY

What we are seeing is not a rejection of traditional philanthropy, but a gradual move towards greater clarity, structure and intentionality. Many donors, particularly women, are taking time to reflect on their values, to seek a broader range of perspectives, and to explore structures that support long term impact rather than one off gifts.

This approach mirrors how capital is increasingly being deployed elsewhere, with an emphasis on purpose and outcomes. For some, this means moving towards multi year commitments. For others, it involves creating dedicated giving structures, such as foundations or donor advised funds, or engaging more deeply with the organisations they support.

While this way of giving is not new, it is becoming more visible and, for many, more appealing. It offers donors a sense of confidence and direction, helping them feel more assured that their giving is both meaningful and impactful.

*DONORS ARE BETTER INFORMED AND SUPPORTED TO GIVE WITH GREATER CONFIDENCE, WHILE PHILANTHROPY ITSELF BECOMES MORE COLLABORATIVE AND ULTIMATELY MORE IMPACTFUL.*

## A SYSTEM YET TO CATCH UP

Despite this growing appetite for more thoughtful and strategic giving, many donors still find the charitable landscape difficult to navigate. Our research highlights a clear gap between intention and experience. One-in-five (22%) HNWI's say they feel discouraged by the perceived complexity of setting up a giving vehicle, while others describe feeling overwhelmed by the breadth and intricacy of the sector.

For donors who are motivated but unsure where to start, this complexity can become a barrier. Too often, the energy to give is met with uncertainty about structures, governance or impact, creating friction at exactly the point where confidence is most needed.

## UNLOCKING MORE EFFECTIVE GIVING

Closing this gap is not about fundamentally redesigning philanthropy, but about meeting donors where they are. Many of the behaviours shaping modern giving are already emerging. The opportunity now is to recognise them, support them and help them flourish.



For advisers, this means moving beyond transactional support and creating space for thoughtful, values led conversations. For charities, it means greater transparency around impact, clearer communication, and an openness to deeper, longer term partnership.

When these elements come together, the complexity becomes more manageable. Donors are better informed and supported to give with greater confidence, while philanthropy itself becomes more collaborative and ultimately more impactful.

## REDEFINING THE FUTURE OF PHILANTHROPY

This conversation is not simply about the growing role of women in philanthropy. It is about the direction in which philanthropy itself is heading. As wealth continues to grow and transfer across generations, expectations around giving are evolving in parallel.

For many donors, philanthropy is no longer an add on. It is an integral part of how they think about capital, responsibility and legacy. The challenge, and the opportunity, for advisers and charities alike is to evolve alongside this shift, offering the insight, structures and relationships that enable donors to give with purpose, confidence and care. ■

*“FOR MANY DONORS, PHILANTHROPY IS NO LONGER AN ADD ON. IT IS AN INTEGRAL PART OF HOW THEY THINK ABOUT CAPITAL, RESPONSIBILITY AND LEGACY.”*



### ISABELLE HAYHOE

Isabelle Hayhoe has 15 years of experience in strategic philanthropy and grant-making, advising high-net-worth individuals, families, foundations, businesses, and family offices. She helps philanthropists give with confidence and impact – guiding wealth creators and inheritors to understand what their wealth and social capital mean to them, and how to use these resources for meaningful change.

An increasingly sought-after speaker at international conferences, client events and industry forums, Isabelle shares insights on philanthropy trends, foundation strategy, and best practices in giving.

In June 2025, Isabelle was recognised by WealthBriefing for her “outstanding contribution to wealth for good initiatives”. The judges said, “With academic rigour, deep sector experience, and a heartfelt commitment to empowering donors, this individual is redefining what it means to be a trusted philanthropy adviser – bridging generations, demystifying giving and driving forward a more informed, impactful and inclusive approach to wealth for good.” She is also included in Spear’s ranking of best philanthropy advisers.

Isabelle holds an MBA from Saïd Business School, University of Oxford, a MSc in Grantmaking, Philanthropy & Social Investment from Bayes Business School (formerly Cass), a PgDip in Charity Management from The Chartered Governance Institute UK, and a BSc from University of Bath.



# FROM DISCLOSURE TO DECISION: WHAT TRUSTEES AND FUNDERS ACTUALLY NEED FROM IMPACT REPORTING

HERMINA POPA – BETTER SOCIETY CAPITAL.COM

Impact reporting has come a long way. Frameworks have proliferated, verification has matured and regulatory requirements like SDR have brought formal disclosure obligations to the mainstream. The shift from measuring outputs to demonstrating outcomes has been genuinely significant and hard won.

But for all this progress, much of what is produced remains oriented towards meeting disclosure expectations rather than informing decisions. The two are not the same thing and for trustees, investors and funders who must actually use these reports, the gap between them carries real consequences – financial, reputational and legal.

I have spent years on both sides of this challenge, producing impact reports that must meet the bar, and receiving reports and having to judge whether they do. Managing the Schroder BSC Social Impact Trust (SBSI), a listed investment trust directing private market capital towards high-impact organisations supporting underserved people across the UK<sup>1</sup>, while also receiving impact reports from across our investee portfolio as a fund of funds manager, means I know what it feels like to need a report to actually tell you something, or, to find that it doesn't.

## REPORTS THAT SUPPORT DECISIONS, NOT JUST DISCLOSURE

Impact reports serve many purposes, but for the trustees and funders who must act on them, one question matters above all others: does this report give me what I need to make confident, defensible decisions?

In practice, that question turns on three things: whether the impact is genuinely intentional and embedded in strategy rather than bolted on for reporting purposes; whether the evidence is credible and independently verified; and whether the scale of impact is proportionate to the capital deployed. Most impact reports are structured to demonstrate framework compliance which is necessary, but not sufficient for a trustee who must approve an allocation, defend a decision, or compare fund managers.

## LOOK FOR GOVERNANCE NOT VOLUME

A long impact report is not necessarily a good one. More metrics and more pages can obscure the questions that matter just as easily as they answer them.

What builds genuine impact confidence is demonstrating how impact is governed in practice, specifically how it is managed, verified and improved over time. For SBSI, that means our reporting shows not just what has been achieved, but how it is overseen. Our independent board and investment committee have explicit responsibilities for monitoring our impact objectives and we hold Annual Impact Conversations with every fund manager in our portfolio covering both performance and process. Our impact management approach is independently verified through BlueMark every four years against the Operating Principles for Impact Management, a process in which BSC was recognised specifically for its learning approach and strong impact governance<sup>2</sup>.

Proper oversight, independent verification and a demonstrable commitment to improvement are what distinguish a genuinely useful impact report from a voluminous one.

<sup>1</sup> Schroder BSC Social Impact Trust. Available at: <https://betersocietycapital.com/portfolio/schroder-bsc-social-impact-trust-plc/>

<sup>2</sup> Schroder BSC Social Impact Trust, Annual Impact Report 2025. Available at: [https://bsc.hacdn.io/media/documents/SBSI\\_Impact\\_Report\\_2025\\_lQrbQH4.pdf](https://bsc.hacdn.io/media/documents/SBSI_Impact_Report_2025_lQrbQH4.pdf)



# C<sub>3</sub> H<sub>4</sub> A<sub>1</sub> N<sub>1</sub> G<sub>2</sub> E<sub>1</sub>

## STANDARDS AND VERIFICATION ARE ONLY AS VALUABLE AS THE RIGOUR BEHIND THEM

Impact labels, frameworks and verification schemes are, on balance, a positive development. But a label or verification is only as valuable as the rigour and thoughtfulness with which it is applied whether it genuinely exposes gaps and trade-offs or simply confirms what an organisation already claims.

At SBSI, each of the three standards processes we undertook over the past year revealed something we did not already know<sup>3</sup>.

1. The SDR process exposed a gap in our transparency around Liquidity Assets, something we learned through the process itself and addressed by adding a dedicated section to our most recent report.
2. Our second OPIM verification with BlueMark resulted in advanced ratings across seven out of eight principles, with one area identified for further development.
3. Participating in Impact Frontiers' Impact Performance Reporting Norms pilot led us to align this report with a defined set of content requirements covering everything from our impact thesis and management approach through to how we report on unintended impacts and methodology.

What matters is not which labels or verifications are held, but what those standards revealed and what changed as a result. Honest disclosure about gaps and learning curves builds more trustee and investor confidence than a polished report that leaves no room for doubt.

## CASE STUDIES ARE ONLY AS VALUABLE AS THE EVIDENCE BEHIND THEM

Case studies are often the most memorable element of an impact report, and rightly so. At their best, they do something data alone cannot: they show how impact happens in practice and create a genuine emotional connection between the investor and the people whose lives are being changed. That connection matters. It is part of how trust is built and how capital stays committed through difficult periods.

But what distinguishes a useful case study from a misleading one is whether it traces a clear pathway from investment to outcome, explains how and why it was selected, and is honest about its limitations.

Across our investee portfolio, we see this distinction play out regularly and helping fund managers develop their storytelling is a meaningful part of how we add value as an investor.

The question worth asking of any case study is simple: does this deepen my understanding of how impact is being achieved, or is it substituting for evidence that isn't there? A compelling story is not the same as a credible one and trustees and funders who conflate the two are taking on risk they may not have priced.

## CONCLUSION: THE HARDEST CHANGE IS YET TO COME

The hardest cultural shift still to come is moving from impact reporting as reputation management to impact reporting as genuine accountability and that means being honest about data limitations, learning curves and areas where practice is still developing. For trustees and funders, the standard worth holding any impact report to is not simply whether it discloses enough, but whether it gives you what you need to make a confident, defensible decision, and whether the organisation behind it has the governance, rigour and honesty to back that up. No framework or label changes that if the foundation isn't there. ■



### HERMINA POPA

With over 18 years of experience spanning corporate finance and impact investing, in her current role Hermina is focused on Portfolio Management for the Schroder BSC Social Impact Trust (SBSI) as part of the Better Society Capital (BSC) team.

Prior to joining BSC, Hermina managed the portfolio of investments of Social and Sustainable Capital (SASC), working closely with front line social enterprises who received investment from the fund. SASC is part of the SBSI portfolio of investments.

Hermina is a CFA charter holder, member of the Women in Social Finance (WISF) Steering Group (with a focus on championing increased diversity in Investment Committees), and activator in the regenerative capital network Coralus (investing in women-led enterprises providing SDG-aligned solutions).

<sup>3</sup> Schroder BSC Social Impact Trust, Annual Impact Report 2025. Available at: [https://bsc.hacdn.io/media/documents/SBSI\\_Impact\\_Report\\_2025\\_lQrbQH4.pdf](https://bsc.hacdn.io/media/documents/SBSI_Impact_Report_2025_lQrbQH4.pdf)



# STILL NOT TRUSTED: WHY IMPACT REPORTING FAILS DECISION-MAKERS - AND WHAT NEEDS TO CHANGE

THOMAS CONWAY – WWW.VALIDAID.ORG

Over the past two decades, the social impact sector has made enormous progress in how it measures and reports its work. We have more frameworks, dashboards, standards, indicators, and narratives than ever before. Annual reports are more sophisticated. Evaluations are more rigorous. Data is more plentiful. And yet, a persistent problem remains.

Across philanthropy, advisory, and impact investing, many of the people who rely on this information still do not fully trust it. Trustees hesitate. Advisors double-check. Funders commission parallel reviews. Regulators request supplementary evidence. Decisions slow. Capital sits idle.

In conversations I have had over the past few years with trustees and advisors, the hesitation is rarely dramatic. It is quieter than that. A pause. A request for 'just one more check'. A sense that something is probably fine, but not quite certain.

This is not because professionals are cynical or obstructive. It is because, too often, the information they are given is difficult to rely on in practice.

## FROM REPORTING TO RELIANCE

Most impact reporting is designed to inform. Very little is designed to be relied upon. That distinction matters. A report can be informative, persuasive, even impressive, and still fail as a basis for professional judgement. Trustees signing off on grants, advisors managing fiduciary risk, and funders allocating capital are not simply looking for insight. They are looking for confidence.

They need to know: Is this current? Is this complete? Has it been independently verified? Does it remain valid in this jurisdiction? Can I defend this decision if it is later challenged? Too often, the honest answer is 'I think so' rather than 'yes'.

And in fiduciary environments, 'I think so' is rarely enough. As a result, reports become starting points rather than foundations. They prompt further checking instead of enabling action.

*LOCAL NGOS ARE ROUTINELY ASKED TO SATISFY MULTIPLE, OVERLAPPING DUE DILIGENCE AND REPORTING REQUIREMENTS IMPOSED BY FUNDERS IN THE GLOBAL NORTH.*

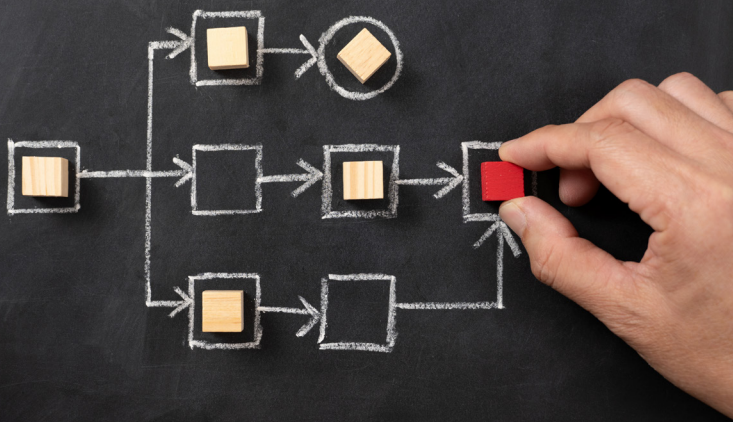
## DEFENSIVE GOVERNANCE AND ITS COSTS

When information cannot be relied upon, organisations compensate with process. Committees multiply. Approval chains lengthen. Legal caveats grow. Policies become more conservative. Innovation slows. This is defensive governance: systems designed less to enable good decisions than to protect decision-makers from blame.

I have seen organisations commission fresh legal or financial reviews of the same partner within months of a previous one, not because circumstances changed, but because confidence did not travel. The cost is rarely calculated. It appears as slower funding cycles, missed opportunities, under-resourced frontline work, and frustrated professionals. But it is very real.

## VERIFICATION WITHOUT REUSE

Many organisations undergo audits, evaluations, accreditations and compliance reviews. These processes are often rigorous and expensive. They produce valuable assurances. But those assurances are rarely reusable. Each new funder, partner, or



## THOMAS CONWAY

Thomas Conway is Founder and CEO of Validaid and has over 35 years of experience across business and philanthropy. His work focuses on governance, fiduciary decision-making, and how trust is operationalised in real-world funding environments.

intermediary repeats large parts of the same checking process. Evidence is requested again. Documents are resubmitted. Interviews are re-run. Verification happens. But it rarely carries forward.

From a system perspective, this is inefficient. From a human perspective, it is exhausting. It also sends an implicit signal: no verification is ever quite enough.

## A QUIET EQUITY PROBLEM

This fragmentation has a disproportionate impact on organisations in the Global South. Local NGOs are routinely asked to satisfy multiple, overlapping due diligence and reporting requirements imposed by funders in the Global North. Each request may be reasonable in isolation, but together they create a structural burden that consumes scarce time, money, and leadership attention.

Several leaders I have spoken to describe this not as scrutiny, but as repetition, the same questions, rephrased, for different audiences. When trust resets at every border and every relationship, those with the least administrative capacity pay the highest price. The result is not better risk management, but systematic disadvantage, where credibility is repeatedly proven rather than progressively recognised.

## THE MISSING LAYER

None of this is a critique of storytelling, qualitative insight, or contextual reporting. These remain essential. The problem is not that we tell stories. It is that we lack shared, dependable evidence beneath them. What is missing is infrastructure.

Other sectors have learned this lesson. In finance, logistics, and payments, trust is not primarily created through reports. It is created through systems: standardised records, auditable trails and clear reliance boundaries. A passport, for example, is not a narrative of someone's life; it is a verified record that allows authorities to rely without re-investigating every traveller. Once those systems exist, reporting becomes lighter, not heavier. Impact and philanthropy have not yet made this shift at scale.

## WHAT DECISION-GRADE EVIDENCE LOOKS LIKE

Decision-grade evidence has several characteristics. It is current, reflecting an organisation's present status rather than just past performance. It is traceable; its origin, validation, and

modification history are visible. It is jurisdiction-aware and appropriate to the legal and regulatory context in which it is used. It is reusable; once verified, it can be safely relied upon by multiple parties within defined limits. It is bounded, clear about what it does and does not cover.

Crucially, it reduces the need for interpretation. It removes ambiguity before it becomes a risk. In other words, it answers the question before it is asked.

## REBUILDING TRUST THROUGH DESIGN

Trust cannot be mandated, it has to be engineered. That means moving beyond viewing reporting as a communication exercise and treating it as part of an operational system. It means asking different questions:

How does evidence flow between institutions? Where does verification accumulate? Who is allowed to rely on what, and under which conditions? How are changes, disputes, and failures handled? How is accountability embedded technically, not just contractually?

These are design questions, not compliance questions.

## THE PRIZE

When trustees can say: 'we already have what we need'; when advisors can say: 'this stands up'; and when funders can say 'nothing got stuck', trust becomes quiet.

And when trust becomes quiet, it stops consuming energy. Time returns to strategy. Attention returns to outcomes. Risk is managed without paralysis.

## CONCLUSION

The impact sector does not suffer from a lack of commitment, intelligence, or data. It suffers from an absence of a shared, dependable evidence infrastructure. Until we address that, reporting will continue to inform, but not fully enable. The next phase of impact reporting is not about better stories. It is about building systems that make those stories safe to act on. That is how trust becomes reusable. And that is how capital begins to flow at the speed of intent. ■



# THE ANNUAL REPORT IS DEAD. LONG LIVE TRANSPARENCY

TOMOS REES - WWW.PHILANTHRIFY.CO.UK

## Why real-time impact reporting is no longer a nice-to-have and what the sector needs to do about it before donors make that decision for us

Let me paint you a picture. It is the end of the financial year. Somewhere in a charity office, probably at 11pm, someone is copying figures from six spreadsheets into a Word document, choosing phrases such as 'significant progress was made', and calling it an impact report. By the time donors read it, the project finished eight months ago. The school was built. The meals were served. The lives were genuinely changed. But the story arrived late, in a format nobody asked for, to an inbox that half of them never opened.

Sound familiar? If you work in, advise or fund the charity sector it probably does. The annual impact report has been the industry standard for decades. In 2026, it is quietly becoming the sector's most expensive habit.

### DONORS AREN'T DISENGAGED, THEY'RE UNINFORMED. THERE IS A DIFFERENCE

The trust gap is a reporting gap. The Charities Aid Foundation's 2025 UK Giving Report makes uncomfortable reading. Donor trust has fallen from 75% to 48% over ten years. Only 50% of the UK public gave to charity last year, the lowest rate ever recorded. And 3.9 million people cancelled a regular charitable payment in the last twelve months.

Now the 2026 report is out and the picture is only darkening. Total charitable giving by the British public fell by nearly 10% in a single year, from £15.4 billion in 2024 to an estimated £14 billion in 2025, the steepest annual decline in a decade. As CAF's Managing Director Mark Greer noted, giving falling by nearly 10% in a year is a significant concern for charities providing vital services up and down the country and that for too long the sector has been 'relying on a declining number of dedicated donors'.

Attention spans are shorter than ever, people now follow influencers and vloggers daily, consuming content from voices they trust in real time. A charity publishing once a year is competing in an environment built for continuous engagement, where social media and search algorithms actively reward frequency and penalise silence. The visibility gap and the trust gap, it turns out, are the same gap.

We tend to call this a trust crisis, as though confidence in charities has evaporated for vague, mysterious reasons. But when you ask people why they stopped giving, the answers are specific: they did not know where their money went. They felt disconnected from outcomes. They could not see the impact they were funding.

This is not a values crisis. It is an information crisis. Donors are not disengaged. They are uninformed. And there is a meaningful difference.

I spent 19 years on the other side of this, building schools in Uganda, running ICT centres, managing clinics. I know what it feels like to be doing extraordinary work that nobody can quite see. We produced our annual report, sent it out and wondered why repeat giving was inconsistent. The impact was real. The reporting was slow, manual, and always slightly too late to matter.

### THE PROBLEM IS ARCHITECTURE, NOT EFFORT

Most commentary on impact reporting frames this as a skills or resources problem. Charities just need better writers, more time, a sharper story. That framing is well-intentioned and almost entirely unhelpful.



The real problem is structural. When budgets live in spreadsheets, outcomes live in programme databases, donor records live in CRMs and reporting lives in Word documents you do not have an impact reporting process. You have an impact reporting project. One that someone dreads, delays and eventually produces under pressure, six months after the work it describes happened.

The technology sector figured this out years ago. Nobody waits for an annual PDF to understand how something is performing. Data flows in real time, dashboards update automatically and decisions are made on live information. The question is not whether this model is possible for charities. It demonstrably is. The question is why the sector has been so slow to move?

## WHAT GOOD ACTUALLY LOOKS LIKE

One of our early partner organisations, Spotlight on Africa, ran a school-building project in Uganda. They hit their fundraising target of £110k, a genuine achievement. Then they did something different. They gave donors live visibility into how the money was being spent: updated budgets, real milestones, photos from the site as work progressed.

The result? An additional £56k raised, a 51% increase on their original target, in a single month. Not because they launched a new campaign. Not because they spent more on fundraising. Simply because donors could see what was happening. Transparency created confidence. Confidence created generosity.

## NOBODY IS ASKING CHARITIES FOR PERFECTION. THEY ARE ASKING FOR PROOF

This is not a one-off anecdote. Experian research (2023) found it costs five to seven times more to acquire a new donor than to retain one, and that trust and reassurance are the primary retention drivers. YouGov data is equally direct: 53% of donors say the most important factor in their giving decision is knowing their funds will be used to do the best. Not brand recognition. Not design. Evidence.

Three things that need to change:

- Stop treating reporting as a communication exercise. The question is not how to tell the story better. It is where data lives, and how to make it usable in real time. That is a technology and operations question. It belongs in governance conversations, not just the quarterly comms plan.
- Move the reporting cycle from annual to continuous. This does not mean weekly donor newsletters. It means building systems where impact data is captured as projects progress, so that when a donor asks what happened because of their gift, you can answer immediately, not eight months and three rounds of edits later.
- Take the admin burden seriously. The most common objection to real-time transparency is that it will overwhelm small teams. That is a fair concern. The answer is automation. Modern platforms can auto-generate donor-facing updates from data programmes are already collecting. The goal is to capture once and communicate many times, not to build a second reporting workflow on top of everything else.

**DONORS ARE NOT WRONG TO WANT MORE. THEY ARE FUNDING WORK THAT MATTERS AND THEY ARE ENTITLED TO KNOW WHAT IS HAPPENING IN SOMETHING CLOSER TO REAL TIME THAN ONCE A YEAR.**

## A FINAL WORD ON URGENCY

The Charity Commission said in 2019 that the sector “*can no longer count on being given an automatic benefit of the doubt*”. That was more than six years ago, before trust fell another ten points, before 3.9 million people cancelled standing orders, before the CAF published what may be its most sobering report to date.

# FUNDING



Donors are not wrong to want more. They are funding work that matters and they are entitled to know what is happening in something closer to real time than once a year. The technology to provide this exists. The data charities need is already being collected. The gap, in almost every case, is not capability. It is urgency.

We have been taking this message to sector conferences in Munich, London, Dubai, Davos and beyond. The response from leaders across the sector has been overwhelmingly consistent: they know this conversation is long overdue.

The annual report had a good run. But the sector that keeps betting on it as its primary accountability mechanism is

not protecting donors from information overload. It is protecting itself from a conversation that is long overdue.

Real transparency is not a feature. It is the foundation. And in 2026, it is also the only viable strategy. ■



## TOMOS REES

Tomos Rees is the CEO & Co-Founder of Philanthrify, a platform helping charities increase funding through real-time transparency and impact reporting. He spent 19 years building charity infrastructure across Uganda and the UK before moving into technology. Philanthrify is backed by a UK Government Innovate UK Smart Grant.

## REFERENCES

1. Charities Aid Foundation, *UK Giving Report 2025*. Source of donor trust figures, the 50% participation rate, and the 3.9 million cancelled regular gifts. <https://www.cafonline.org/insights/research/uk-giving-report>

2. Charities Aid Foundation, *UK Giving Report 2026, March 2026*. Source of the £14 billion 2025 total, the year-on-year decline from £15.4 billion, and Mark Greer's commentary on the sector relying on a declining number of dedicated donors. <https://www.cafonline.org/insights/research/uk-giving-report>

3. Helen Stephenson CBE, *Regulating charities in line with changing needs in society*, Charity Commission for England and Wales, 2019. Source of the "automatic benefit of the doubt" observation. <https://www.gov.uk/government/speeches/helen-stephenson-cbe-regulating-charities-in-line-with-changing-needs-in-society>

4. Experian UK, *Bring donors closer to the cause, 2023*. Source of the finding that donor acquisition costs five to seven times more than retention. <https://www.experian.co.uk/blogs/latest-thinking/data-quality/bring-donors-closer-to-the-cause/>

5. YouGov, *Half of Americans say they have donated money to charity in the past year, 2022*. Source of the finding on donors prioritising knowing their funds will be used to do the most good. <https://yougov.com/en-us/articles/43435-half-americans-donate-money-charity-past-year-poll>

FOR THOSE EARLIER ON THEIR IMPACT REPORTING JOURNEYS, IT IS IMPORTANT TO NOTE THAT THIS IS NOT SIMPLY ABOUT COMPLIANCE: THE TAR IS ALSO A STRATEGIC TOOL TO SUPPORT FUNDRAISING.



# BRIDGING THE GAP BETWEEN CHARITIES AND FUNDERS ON IMPACT REPORTING

MADDY GAZZARD AND DR LAUREN BELLAERA - WWW.IMPACTEDGROUP.UK

Impact is at the heart of what drives charities and funders. It is not, however, always easy to capture and communicate. When gaps emerge between what funders are looking for and what charities are presenting, both miss out: funders make decisions with incomplete information and charities miss out on funding that they could make excellent use of.

When it comes to impact reporting, the release of the updated Charities Statement of Recommended Practice (SORP 2026) marked a significant shift for UK charities; for the first time, impact reporting has become mandatory in the Trustees' Annual Report (TAR). This formalises what many charities and funders have recognised for a long time: that the TAR is not

simply a compliance document, but an opportunity to showcase and to seek information about impact.

In this article, we will explore the new requirements, funders' perceptions of where impact reporting falls short, the foundations of good impact reporting, and opportunities for both charities and funders to bridge the gaps.

## THE NEW THREE-TIER IMPACT REPORTING FRAMEWORK

The updated Charities SORP states, "the impact the charity has made is, arguably, the ultimate expression of its performance". It makes impact reporting a formal requirement for all charities for the first time, with tiered requirements by size:

TIER	DEFINITION	ACHIEVEMENTS AND PERFORMANCE (IMPACT)
Tier 1	Charities preparing accruals accounts and with income <£500k	<p><b>Summary of main achievements, which should consider the following:</b></p> <ul style="list-style-type: none"> <li>• Difference made for beneficiaries</li> <li>• Wider benefits for society</li> </ul> <p>Can include other information to help users understand achievements: infographics, statistics, beneficiary and volunteer testimonials</p>
Tier 2	Charities with gross income above Tier 1 and <£15 million	<p><b>In addition to Tier 1 requirements:</b></p> <ul style="list-style-type: none"> <li>• How well the charity (and subsidiaries) carried out activities</li> <li>• Extent to which the achievements met the charity's aims and objectives</li> <li>• Long-term effects for beneficiaries and society, which may benefit from personal beneficiary or society-wide impact stories</li> <li>• How positive and negative factors have affected achievements and future plans</li> </ul> <p><b>Should include:</b></p> <ul style="list-style-type: none"> <li>• Summary of the measures/indicators used</li> <li>• Explanation of the outputs achieved by particular activities against targets</li> <li>• How activities, outputs, and outcomes contributed to achievements of charity's aims and objectives</li> </ul>
Tier 3	Charities with gross income above Tier 2	<b>Includes everything in Tiers 1 and 2</b>



**WE ASKED FUNDERS TO RATE THE IMPORTANCE OF 20 TYPES OF CHARITY INFORMATION WHEN MAKING FUNDING DECISIONS AND THE AVERAGE QUALITY OF THOSE TYPES OF INFORMATION.**

For some charities, these requirements will resonate with their existing approach to impact reporting and to the Trustees' Annual Report. For others, they may be less familiar and even daunting, especially given the competing demands that charities already face.

For those earlier on their impact reporting journeys, it is important to note that this is not simply about compliance: the TAR is also a strategic tool to support fundraising. For charities, it is an opportunity to engage prospective funders. For funders, it is a key destination for information about organisations that they are considering supporting.

## THE GAP BETWEEN WHAT FUNDERS SEEK AND FIND

In spring 2025, ImpactEd Group launched the Be Fundable research project to seek and provide robust answers to the

critical question of what charities can do to maximise their chances of attracting philanthropic funding.

We invited individuals who are/have been involved in making grants/gifts of £5,000+ to charitable organisations operating in the UK to share their insights through a combination of quantitative and qualitative research methods; this achieved 67 responses and we conducted follow-up interviews with 23 participants.

We asked funders to rate the importance of 20 types of charity information when making funding decisions and the average quality of those types of information.

This revealed six types of information which are considered important by at least three-in-four funders, with the details on quality outlined in the table below.

RANKING BY IMPORTANCE	TYPE OF INFORMATION	% OF FUNDERS RATING AVERAGE QUALITY AS 'SATISFACTORY', 'GOOD' OR 'EXCELLENT'	% OF FUNDERS RATING AVERAGE QUALITY AS 'GOOD' OR 'EXCELLENT'
1	Accounts	98	61
2	Application	100	57
3	Organisation Budget	98	37
4	Grant Report	100	54
5	Trustees' Annual Report	98	60
6	Organisation Strategy / Business Plan	87	32

Whilst this can be said to reveal a fairly positive picture – with the vast majority of funders rating the information as at least 'satisfactory' - there is a notable drop when looking at the percentage of funders who rated the types of information as 'good' or 'excellent'; for the Trustees' Annual Report, there is a drop of 38% from 98% to 60%.

“Once we know the organisation is on mission, we tend to look in detail at the narrative/figures in the Trustees' Annual Report and accounts, so these need to be spot on.” – funder representing a foundation associated with a private company

Our research revealed a common perception amongst funders that charities tend to be better at explaining what they do, than why they do it and the resulting change. Especially in a competitive climate, funders are interested in charities that can meaningfully articulate and evidence how they change lives.

“[A critical pitfall for charities when seeking funding is] a lack of understanding about the change they want to make for the people they are supporting and limited measurement of that change.” – funder representing a family foundation



## BUILDING THE FOUNDATIONS FOR GOOD IMPACT REPORTING

When it comes to impact measurement and reporting, charities are at very different starting points. For those seeking to develop their approach, there are three key building blocks:

1. **Theory of change:** This sets out clearly who the charity serves, what it does, and what changes as a result – for beneficiaries and, where relevant, for society more broadly. It is the foundation on which all impact reporting rests as, without it, charities struggle to articulate the ‘so what?’ that funders are looking for. It does not need to be complex; a simple one-page mapping can be useful.
2. **Evaluation framework:** This defines what the charity measures and how. It requires meaningful metrics – measures that reflect real change, not just activity - and a plan for collecting data consistently. It does not require a large research budget. For many charities, surveys are the most practical tool, but whatever the approach, measures should be robust, linked to a clear theoretical foundation, and tested for validity and reliability.
3. **Impact reporting:** This is the process of bringing together evidence into a form that communicates impact clearly and honestly. Good impact reporting combines quantitative data with narrative - showing not just what changed, but why it matters. It reflects on what worked and what did not. It is also proportionate; a clear and concise summary can be more effective than a lengthy document.

For charities that already have these foundations in place, the priority is often not to do more work; it is to make better strategic use of what they have already.

## AN OPPORTUNITY FOR CHARITIES

Many charities produce impact reports or grant reports with strong evidence of impact, but do not draw upon them when developing the Trustees’ Annual Report; these are natural source materials. A practical step for charities is to ensure that, when developing the TAR, there is proactive consideration of the charity’s strongest material about impact, and that this is embedded within ‘achievements and performance’.

## A ROLE FOR FUNDERS

There is also an opportunity for funders to help close the reporting gap. Funders can publish clear and proportionate reporting processes, which help charities to understand what they are looking for. Funders can also take advantage of their helicopter view of what is and is not working to suggest and enable opportunities for capacity building on impact reporting.

## BRIDGING THE GAP

The shift towards mandatory impact reporting in line with SORP 2026 is an opportunity – but only if the sector treats it as more than a compliance exercise. For charities, the priority is to demonstrate impact where funders are looking for it. For funders, it is an opportunity to be clearer about what good looks like and to support charities to get there.

The Be Fundable report is freely available to download [here](#). ■



**MADDY GAZZARD**

Maddy is Director (Philanthropy Lead) at ImpactEd Consulting, where she supports organisations with effective fundraising and giving. She recently authored the ‘Be Fundable’ report on what funders are looking at – and for – when making funding decisions. Maddy brings a decade of experience of working for and with charities, primarily as a fundraiser with a focus on major gifts and grants. Maddy is also a Trustee of a sport-for-good charity and Chair of the Grants and Impact Committee for a community foundation. She holds a Postgraduate Certificate in Philanthropic Studies.



**DR LAUREN BELLAERA**

Lauren is Director of Research at ImpactEd Evaluation, where she designs, convenes and leads high-level research projects. Over the last decade, Lauren has successfully developed the research and consultancy arm of The Brilliant Club, alongside lecturing in applied research methods at Birkbeck College, University of London and supervising postgraduate students at the UCL Institute of Education (UCL IoE). Lauren holds a PhD in cognitive psychology from the University of Warwick and brings an advanced quantitative and qualitative skill set. Her research focuses on the development and measurement of cognitive outcomes in education.

MORE AND MORE CAPITAL PROVIDERS ARE EXPERIMENTING WHAT INCORPORATING SYSTEMIC LENS WOULD ENTAIL FOR THEIR IMPACT STRATEGIES.



# FROM IMPACT REPORTING TO KNOWLEDGE SHARING: THE NEXT STEP FORWARD FOR THE IMPACT INDUSTRY

CHIARA ANDREOLI AND ARNAU PICÓN - WWW.ESADE.EDU

If someone is asked to analyse the evolution of the impact ecosystem over the past ten years, one element that cannot be overlooked is the enormous effort made to standardise impact management practices and, concretely, impact reporting.

A common element across frameworks, standards and principles for impact management in impact investing and philanthropy is the inclusion of reporting as a core practice – or transparency as a main objective. Most recently, the Impact Performance Reporting Norms<sup>1</sup> have gone a step beyond to establish a common understanding of what quality impact reporting means.

Understandably so, the reasoning behind these efforts has been that transparency is a key element for giving accountability to impact investing and philanthropy, ultimately leading to better decisions in capital allocation and further capital mobilisation. But, how do we make sure that's the case?

## SO... WHAT NEXT?

If we assume that the industry is mature enough to share a common understanding of what transparency and quality impact reporting mean, what's the next step to drive impact at scale?

Never in history we had so much data available to make decisions. Social entrepreneurs have built track record on how

to solve concrete problems in concrete contexts. Foundations and impact funds are refining their strategies to maximise their impact, backed by learnings after some years already putting impact evaluation at the core of their strategies. And we are seeing more and more good practices in the public sector working hand in hand with social enterprises, grant-makers, funds, DFIs, universities, and relevant stakeholders. And there's AI – with all its promises and controversies – already established as a tool to improve impact practices and performance.

However, knowledge is still fragmented, and organisations are still working in silos and duplicating efforts.

Transparency is then work in progress. An expert in social impact once told us that 'it is still quite an esoteric thing where a small community of priests is jealous of their knowledge, and they use these contraptions in a somewhat mysterious way'.

Somehow, a piece is still missing: How do we translate vast reporting efforts into long-lasting impact at scale?

## THE NEXT STEP FOR IMPACT

We suggest starting to think about this step forward: to go from sharing results to actually leveraging existing knowledge and data to build collective solutions.

<sup>1</sup> For more information, consult: <https://impactreporting.org>

# DIVERSITY



In practice, that could mean two things:

## 1. Start moving from ‘programmatic’ to ‘systemic’ impact.

More and more capital providers are experimenting what incorporating systemic lens would entail for their impact strategies. Especially in the philanthropic sector, foundations have already started putting into practice the shift towards funding for systems change. Even if we are still getting familiarised with this new narrative, we can agree that a fundamental idea is to move from looking at ‘what impact do we have’ to assessing ‘what can be done to solve this issue, and how can we contribute’.

**THIS IS WHAT WE ARE AIMING TO DO AT EUROPEAN LEVEL, TOGETHER WITH A CONSORTIUM THAT REPRESENTS WELL THE DIVERSITY OF THE IMPACT INDUSTRY.**

We cannot conceive building collective solutions without listening to others. As shown by the recent ECSI report “*Navigating Turbulent Times in Philanthropy*”<sup>2</sup>:

*“It is no longer acceptable (...) to sit in a room with a whiteboard brainstorming strategy. A much deeper and in some cases slower process of listening, gathering evidence and inviting partners and communities to engage in the sense-making process is up-ending the traditional evaluation*

*practices where an evaluation report may land on the desk, but decision-makers have likely moved onto the next topic”.*

The PREPARE<sup>3</sup> framework showcased in the same report emphasises this idea, where actors increasingly sharing impact data and fostering a cultural shift to working with partners may enable building collective solutions at scale.

## 2. Building infrastructure for knowledge sharing.

With more organisations embracing this ‘cultural shift’, we need an infrastructure to organise and categorise all this knowledge. To date, most collaborations emerge from personal connections, ecosystem events, and networks. These are of course still needed, but with a commonly used platform to share and find data, potential partners and areas of action would have the potential to give practical meaning to collaborative action.

This is what we are aiming to do at European level, together with a consortium that represents well the diversity of the impact industry. Under an ESF+ funded call, the ESADE Center for Social Impact, Impact Europe, EUCLID, StoneSoup, Kimso and Impact Tools are partnering to develop a shared European infrastructure that generates, connects and shares high-quality impact data – empowering investors, social purpose organisations and policymakers to share knowledge while leveraging others’ knowledge to make better impact decisions.

As we are still in the first stages of the tool development, we are connecting and discussing it with many organisations in the impact space as we aim to deliver a product out of a truly collaborative effort.

<sup>2</sup> For more information, consult: <https://www.esade.edu/faculty-research/en/esade-center-social-impact/impact-measurement-management/navigating-turbulent-times>

<sup>3</sup> PREPARE stands for prioritise human and financial resources for strategy and IMM work; Respect for the broader evidence field with an open and curious learning culture; Engaged and informed governance; Participation in strategy and IMM from bottom-up as well as top-down internally and externally; Agile and appropriate use of IMM tools and indicators for strategic decision-making; Right-sized processes where impact evidence and strategic decisions align; Embedded IMM team with strategic influence. For more information read here: <https://www.esade.edu/faculty-research/en/esade-center-social-impact/impact-measurement-management/navigating-turbulent-times>

<sup>4</sup> For more information, consult: [https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/projects-deals/43254019/101197568/ESF?order=DESC&pageNumber=1&pageSize=10&sortBy=es\\_SortDate&keywords=I4IM](https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/projects-deals/43254019/101197568/ESF?order=DESC&pageNumber=1&pageSize=10&sortBy=es_SortDate&keywords=I4IM)



## TOO STRONG AS AN ASSUMPTION?

This article is built on the assumption that the impact ecosystem is mature enough to go one step further when it comes to transparency and reporting. It may be a strong – and perhaps too optimistic – assumption, but important efforts have been made already to standardise what quality reporting means, and investors already have the tools to adhere to quality reporting standards.

That doesn't mean the conversation on impact reporting and transparency is over. Our position is that we can start thinking about what's next to raise the bar for impact reporting, and a good step is to ensure that the efforts to improve transparency can lead to meaningful sharing and collaboration.

We look forward to seeing what 'next steps' await in the impact industry. And we invite any organisations interested in contributing to get in touch and walk this path together. ■



## CHIARA ANDREOLI

Chiara Andreoli is a Post Doc researcher at the Esade Center for Social Impact. She obtained her PhD at Copenhagen Business School in Management and Sustainability. Her research focuses on Impact Measurement and Management in Impact Investing, Gender Lens Investing, Social Entrepreneurship, and Venture Philanthropy. Her theoretical interests lie in fields' emergence and evolution, power mechanisms, stakeholder engagement and ethical dimensions of commensuration. She is the author of scientific papers, practice-oriented reports and case studies on those topics. She employs an inside-out approach in her research, thereby producing knowledge that is relevant to academia and practice.

She co-led the application process for the European call for proposals, "[Social Innovation Call for Proposals: Actions to Develop Impact Performance Intelligence Services \(ESF-2024-SOC-IMP\)](#)," which successfully resulted in the Esade Center for Social Impact being selected among eight projects that received funding to build the infrastructure for impact investing performance intelligence services in Europe. Moreover, she won a scholarship to participate in the prestigious "Impact Measurement" executive course (edition June 2023) at Saïd Business School, Oxford University. Chiara is also an Honorary Research Fellow at UCL School of Management (London).

The project conducted at UCL about participatory impact measurement and management in impact investing has been listed as highly commended in the [2025 Financial Times Responsible Business Education Awards](#). Previously, she worked in the pharmaceutical industry at Novo Nordisk (Copenhagen) and in the venture capital field at Luiss Enlabs (Rome).



## ARNAU PICÓN

Arnau Picón Martínez is an impact consultant working at the intersection of impact measurement and management (IMM) and strategy, supporting capital providers and social entrepreneurs to design and refine their IMM processes. He also carried out consultancy projects with international organisations and networks on topics related to impact investing, philanthropy and impact management.

Arnau combines his consulting work with a Researcher position at the ESADE Center for Social Impact, where he runs projects related to IMM for foundations and works to co-develop the new platform to generate and share impact data at the European level.

In the past, he worked for five years at Impact Europe, where he designed and implemented research and training projects for impact investors, grant-making foundations and other impact capital providers. He launched several publications related to impact investing and IMM, which are available [here](#). He also led the Learning Offer of the network, supporting over 50 impact capital providers to design and refine their impact strategies and practices through different training formats.



# WHEN THE WORK IS RELATIONAL: REPORTING THAT SUPPORTS REAL PIVOTS

FLORENCIA GUERZOVICH - ACCOUNTABILITYLAB.ORG

**A** growing share of philanthropic and impact capital flows through portfolios where no single grant produces outcomes on its own. Results depend on how pieces interact — across partners, time horizons, and institutional contexts no funder fully controls. In these settings, the core reporting problem is not that organisations collect poor data. It is that standard reporting is designed to see activity, not function.

Most impact reporting is built to capture what was produced: activities completed, people reached, outputs delivered. For discrete interventions with stable causal pathways, that can be serviceable. But for portfolios where contribution is distributed — where value lies in coordination, sequencing, legitimacy, and the feedback loops that make actors able to act together — output reporting captures the shadow, not the substance. Trustees and advisors feel this at key decision-making points: reporting can look ‘on track,’ yet it offers little help with the governance question that matters when conditions shift — what configuration of investments should we keep funding, what should we stop, and what warrants doubling down?

This is not a rhetorical question. When disbursement and management attention are tied to milestones that reward planned delivery, reporting signals that a portfolio should continue funding the wrong mix of activities simply because they remain compliant. The cost is not only financial. It is pivoting late, when sunk costs and relationships make stopping politically hard — and pivoting early, when nobody has yet built the insight needed to explain how the work contributes, so strategy shifts ride on thin assumptions and partners are left unable to argue their case to the board— or to anyone else.

## THE MECHANISM IS WHAT YOU ARE PAYING FOR

A mechanism is the causal engine that makes change plausible in a given context. In relational portfolios, that engine often

runs through partnerships coherent enough to produce synergies (or prevent negative interactions), credibility with key constituencies, information moving across organisations in ways that improve decisions, and the capacity to adapt based on what is learned. These functions are what justify the investment. They are also what standard reporting is largely built not to see.

*THE SIGNAL A DONOR NEEDED: IS NOT ‘IS EACH PARTNER DELIVERING ON ITS PLANNED TRACK?’ BUT ‘ARE PARTNERS MAKING JOINT DECISIONS ABOUT WHERE THEY COLLECTIVELY ADD MOST VALUE NOW?’*

This is not a moral failure by partners, and it is not primarily a data quality problem. It is a reporting architecture design problem: what gets formally tracked is not calibrated to the choices funders’ staff and boards face when deciding whether to continue, reallocate, or stop. It is often not calibrated to implementers’ choices, either.

I draw here on mid-course evaluation evidence from three projects in one World Bank trust-fund portfolio spanning diverse contexts in the Majority World. The projects are anonymised, but the pattern travelled. Across three very different contexts, the same thing happened: the work’s relational engine weakened while reporting stayed reassuring; the relational engine strengthened while the reporting missed the windows of opportunity. Once the portfolio began prioritising — and incentivising — signals that spoke directly to live decisions (what to scale, what to stop, what to adapt), the same work became actionable rather than merely describable.



WHAT'S NEEDED IS A TARGETED ADDITION TO ROUTINE REPORTING: A WAY TO SEE WHETHER THE MECHANISM IS STILL WORKING, NOT JUST WHETHER ACTIVITIES ARE BEING DELIVERED.

## WHAT BOARDS WERE NOT BEING TOLD

In an East Asia project —(a participatory school-based management initiative)— the mid-term review found a results framework populated with well-tracked indicators that were not producing decision-useful information. The deeper challenge was invisible to anyone reading the dashboard: feedback loops were weak, and partners lacked incentives to clarify and negotiate roles as their value-added evolved in context. In governance terms, donor systems could not tell whether continued disbursement was backing the most promising strategy —or simply funding parallel tracks because each produced reportable activity. The assessment noted explicitly that the project could evolve in several directions, but the reporting system was not designed to help anyone decide which.

The signal a donor needed: is not 'is each partner delivering on its planned track?' but 'are partners making joint decisions about where they collectively add most value now?'

In the Caribbean project —(democracy and citizen oversight work)— a formative evaluation made the problem unusually explicit. Activities including routine coordination meetings and number of news headlines were not indicators of influence or efficacy; they were inputs that may or may not have contributed. The project lacked a functioning system for honest reflection on its trajectory and for feeding adjustments. When political conditions shifted, course corrections often happened based on factors other than insight, and later than they should have.

The signal a donor needed was: not 'did the partnership continue to implement its advocacy plan?' but 'what insight triggered a timely adaptation, and does the rationale hold?'

In the Sub-Saharan Africa project —(public sector performance monitoring)— a significant implementation shift happened mid-stream without informing key stakeholders, including the funder's program officer. Stakeholders gave different rationales for the same change. Many community monitors judged the adapted approach as not useful. Local coordination depended on informal relationships and a single person travelling from the capital; small problems compounded because there was no local point of contact with the standing to resolve them. The relational mechanism — local coordination, feedback, and decision-use — was not holding. Reporting had not been

designed to make that visible before sunk costs accumulated. The signal a trustee needed was: not 'are activities continuing?' but 'is there a functioning feedback loop with authority to resolve problems locally, or are we running on fragile relationships from the capital?'

In each case, the problem wasn't 'non-delivery.' It was that the work was drifting, the context was changing, and reporting didn't surface insight in time to inform smart collective decisions — one that could have made everyone's investments go further.

## WHY THIS MATTERS BEYOND THE INDIVIDUAL PORTFOLIO

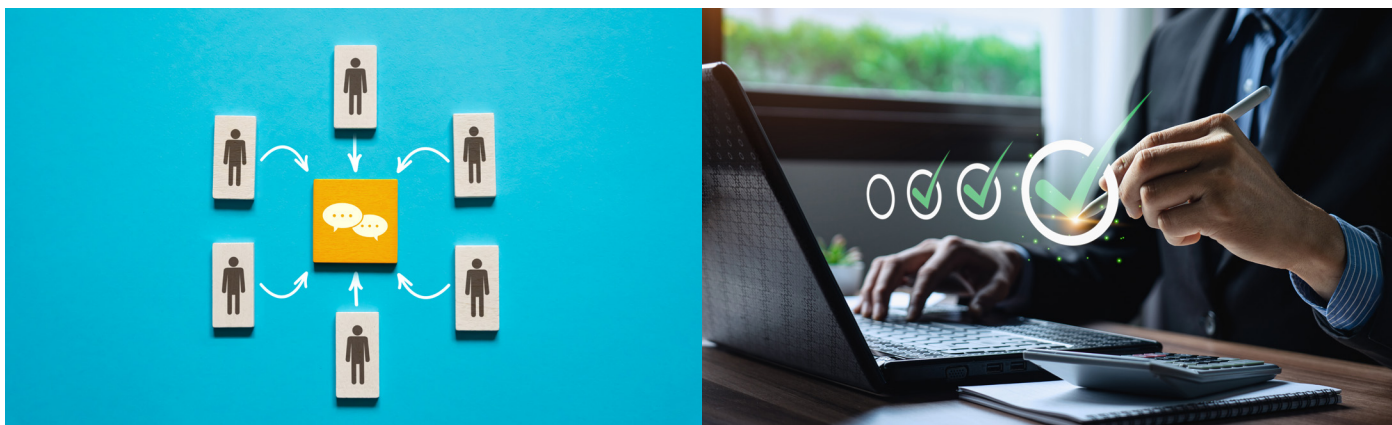
There is a secondary consequence that boards should take seriously. When relational function is not legible, trustees may defund or redirect away from organisations not because those organisations have become less effective, but because their contribution is no longer visible for the next portfolio strategy. For example, a board may pivot toward 'systems transformation' and decide that a long-trusted convening partner no longer fits— not because performance dropped, but because prior reporting cannot show what that partner's oversight work enables when the strategy thesis changes. The organisation is defunded for illegibility.

The damage rarely stays inside the grant agreement. Partners lose connective capacity they relied on, other actors become more risk-averse, and trust erodes, —especially when implementers realise, too late, that they never produced the kind of evidence and stories that would have allowed a serious conversation with the board, or with other prospective funders, about why the work still matters in the new context. That dynamic is part of the 'triumph/disaster' cycle in the sector: abrupt pivots land as judgement calls because the evidence needed to treat them as governance decisions was never built.

## WHAT NEEDS TO CHANGE: MAKING MECHANISMS LEGIBLE WITHOUT ADDING BURDEN

The fix is not more indicators. In practice, proliferating metrics can create the appearance of rigour while draining resources and reducing decision-use; —organisations either optimise for what is tracked or get pulled into low-signal data production.

What's needed is a targeted addition to routine reporting: a way to see whether the mechanism is still working, not just



whether activities are being delivered. Some theories of change can help focus attention. So can a small set of questions embedded in grant reviews, mid-course check-ins, and —where appropriate, —reporting templates and indicator architecture. The point is not ‘helicopter altitude’ abstraction for its own sake; it is to make relational function legible as evidence for live decisions.

**For example:**

**First:** can you point to a joint decision or action that plausibly would not have happened without this work — an agreed protocol, a reallocated resource, a co-signed commitment? If the best you can show is attendance, you still have people’s time, not coordination.

**Second:** what insight about your work or the context triggered the most consequential change in approach this period, and what are you watching next to test whether it worked? Adaptation without a trigger is not adaptive management.

**Third:** what did you stop or scale down, and what did you scale up instead? If everything continues, you don’t yet have strategic discipline;— decisions and events in the past are constraining your decisions today.

Each question has a corresponding ‘what would change your view?’ test. That is the disconfirming-evidence standard, — the difference between due diligence and reliance on anecdotes.

## THE FIDUCIARY TEST

The test for adequate reporting is not whether it is all-encompassing, especially in a world of scarce resources. It is whether reporting supports defensible judgement while choices are still live: whether to continue disbursing, whether to reallocate across work-streams, whether to stop a line before it becomes sunk cost, whether adaptation is being driven by understanding or by compliance with the reporting format, and whether the building blocks remain relevant for a shifting portfolio strategy in an uncertain world.

Closing this gap does not require investing more in the same types of indicators and reporting templates. It requires designing reporting architectures so that mechanism performance is visible enough to support timely decisions at different levels —and to explain pivots credibly to partners, program teams, and boards when conditions change. ■



### FLORENCIA GUERTZOVICH

Florencia Guertzovich is a monitoring, evaluation and learning (MEL) specialist, trainer and systems convener with over 20 years’ experience in supporting philanthropy and development efforts. Her work focuses on embedding evidence, learning and politically informed approaches into strategy, programming and portfolio decision-making. She has led impact and learning work at the World Bank and Transparency and Accountability Initiative (TAI), and has worked with the Inter-American Development Bank, Open Society Foundations, Pact, World Vision and other multilateral, bilateral, government agencies and civil society organisations (CSOs) in some 50 countries. She has also delivered upskilling programmes including with the Latin American School of Community Lawyering and Legal Activism (ELAC), Causal Pathways Initiative and Grupo Politeia at the Universidade do Estado de Santa Catarina in Brazil.

Florencia has a PhD in Political Science from Northwestern University and is a Senior Non-Resident Fellow at Accountability Lab and a member of the Independent Evaluation Panel of the Global Fund to Fight AIDS, Tuberculosis and Malaria. She is also a member of the Brazilian Monitoring and Evaluation Network and the Red de Políticas. Florencia regularly blogs here: <https://medium.com/@florcig>.



SUSTAINABLE

# GO FOR GREEN! HOW CHARITY AND PRIVATE SECTOR PARTNERSHIPS CAN STRENGTHEN YOUR SUSTAINABILITY GOALS

ATHINA FOKIDOU - WWW.ACTIONPLANNING.CO.UK

**A**lignment between civil society and the private sector is vital for environmental sustainability. It mitigates risk, leverages local knowledge and expertise, fosters innovation and reinforces both accountability and legitimacy, resulting in a more resilient and profitable operating context.

In this article, I will explore how the non-profit sector and companies that provide philanthropy advice can align more closely to generate outcomes towards net zero.

I will present examples of charities investing in sustainability practices parallel to philanthropy services that facilitate investments from the private sector. And I'll show how this mobilisation of resources utilises the economic and social power of the two sectors to hold the line against the risks posed by shrinking public finances and increased threats to civil society.

## STRONG CONNECTIONS

As part of the portfolio of clients I have supported through Action Planning, there are notable examples of thoughtful strides made by charities to establish strong connecting points with the corporate sector. These include:

- GALVmed (Global Alliance for Livestock Veterinary Medicines) which we supported in building social investment opportunities from entrepreneurs for small-scale livestock producers globally by helping entrepreneurs to recognise 'impact investing' as a new business strategy.
- ACEVO (Association of Chief Executives of Voluntary Organisations), which produced an ESG guide for charities to

support sector leaders in relating to corporate sustainability objectives.

What is notable is that those are two medium-sized charities, with a commitment to getting more out of the power of their operating model whilst drawing on the drive of the private sector to access high-impact opportunities on the ground and in leadership.

- Church of England, with its large estate, invited us to look at the feasibility of fundraising towards achieving net zero carbon. You can read about the project here. Following on from this, we have assigned a team of consultants to support church building teams across the country in their individual parishes, all of whom are committed to greening their buildings. We give fundraising support towards their net zero goals. Some have received significant grants from the National Heritage Lottery Fund, among others, and are engaging their communities in the process. What is clear is that for funders it is not enough to talk about net zero. They want to know about the impact on communities: warmer buildings, more welcoming environments and churches better able to welcome in those in their neighbourhoods. There is enormous goodwill towards this, despite the technical challenges.

## LEADING BY EXAMPLE

When charities and social enterprises adopt sustainability initiatives they model best practice for corporate partners and clients and give them exactly what they need: measurable




**ATHINA FOKIDOU**

Athina Fokidou is a political economy specialist advising entrepreneurs and C-suite executives on strategies that drive meaningful social impact. Working across the private sector and civil society, she focuses on strategy, impact investment and outcome measurement. Her work also includes thought leadership and innovation in blended finance models. Athina has an MSc in Globalisation and Development from the School of Oriental and African Studies, and a BA (Hons) from the London College of Communication.

social and environmental impact, with data and stories that contribute to their own CSR or ESG reporting.

This gives charities the opportunity to redefine their position – not as recipients of corporate philanthropy, but as strategic partners, creating collaborative opportunities where corporates can invest, volunteer or co-develop projects that deliver measurable social and environmental outcomes for a broader shift. Through partnership, innovation and co-creation, charities can play an essential role in designing and delivering sustainability initiatives that create mutual benefit, from community impact to supply chain resilience.

This includes sustainability metrics that align with corporate ESG priorities. Modern charities increasingly use data to demonstrate impact through measurable outcomes such as carbon reduction, inclusive employment and skills development.

**CORPORATE BENEFITS**

This shift in the charity role allows companies and professional service firms (such as law firms) to integrate charitable collaborations directly into their core business and client strategies, positioning these relationships as drivers of sustainability and innovation, rather than as philanthropic add-ons.

Charities’ sustainability efforts can furthermore help these companies to:

- Strengthen their social value propositions in bids, tenders and client engagements.
- Demonstrate authentic partnerships that contribute to the UN Sustainable Development Goals (SDGs).
- Provide tangible case studies for client storytelling – showing the company’s role in meaningful, measurable social change.

**TWO-WAY AND TRANSPARENT**

Donor Advised Funds (DAFs) have become a major channel for philanthropic giving, yet their opacity often limits the strategic potential of this capital for both donors and the charity sector. Traditionally, DAFs have operated as one-way mechanisms of

donors contributing assets, receiving immediate tax benefits and recommending grants, but the flow of information back to the sector is limited.

*AT THE SAME TIME, CHARITIES AND ADVISORS GAIN THE EVIDENCE NEEDED TO ENGAGE CONFIDENTLY IN POLICY DISCUSSIONS...*

A more two-way and transparent approach, where charities, advisors and fund managers have visibility over how and where funds are being invested or granted, can unlock key benefits like improved alignments of strategies and programmes with areas of active donor interest and identification of funding gaps or under-served causes, enabling better targeting of resources.

For wealth managers, lawyers and financial advisors who guide clients on philanthropy, greater transparency within DAF systems provides a clearer understanding of how funds flow through the charitable economy. This allows advisors to tailor giving strategies that reflect both client values and sector priorities.

As clients increasingly view philanthropy through an ESG and social impact lens, advisors equipped with transparent DAF data can bridge the gap between financial planning, purpose-driven investment and measurable change.

**CONCLUSION**

Closer alignment between charities, advisors, fund managers and policymakers – supported by transparent, aggregated and anonymised data – can significantly strengthen the philanthropic ecosystem. At the same time, charities and advisors gain the evidence needed to engage confidently in policy discussions, advocate for reform and demonstrate how philanthropic capital supports both donor intent and the wider public good.

This alignment fosters a more transparent, responsive and collaborative environment – where philanthropy, advisory practice and regulation work together to drive lasting social impact. ■

EXISTING EFFORTS IN RESULTS-BASED FINANCING AND SOCIAL IMPACT BONDS OFFER IMPORTANT SIGNALS THAT TRANSACTIONS FOR SOCIAL OUTCOMES ARE POSSIBLE...



# BLOCKCHAIN TOKENS ALLOW IMPACT TO BE AUDITED LIKE FINANCE: GOOD FOR MULTI-LATERALS, PARTNERS AND THE PEOPLE THEY SERVE: A CASE STUDY

LUNA KIM AND ARUN MAHARAJAN - [WWW.UNICEF.ORG](http://WWW.UNICEF.ORG)

UNICEF has delivered life-saving assistance and strengthened national systems for children across the world for eight decades, but we do not work alone, and our partners rightly expect to see measurable impact for every dollar spent. We are committed to providing resource partners and the public with transparency about the impact their capital is generating and this is never more essential than when funding is tight.

So how can we deepen this fundamental responsibility? How can we reach unprecedented levels of assurance on outputs and outcomes? How can we deliver radical transparency?

Impact credits are our technology-enabled proposal to address this challenge: enhanced tech-based impact verification, standardised, verifiable digital certificates of social outcomes, their data recorded on decentralised, immutable, tamper-resistant blockchain ledgers. We believe this kind of tech innovation can make verified social impact as trustworthy as financial instruments. Think renewable energy credits for social impact.

UNICEF's Office of Innovation has begun researching and designing the building blocks to prove it, and as one of the world's largest multilateral organisations, UNICEF is uniquely positioned to test whether impact credits can work at scale.

There have been tremendous advances in impact measurement and management, and environmental, social and governance (ESG) reporting, yet partners and investors across sectors

continue to experience gaps when it comes to impact reporting. Most of these stem from the structural constraints of fragile, low-resource contexts, where programme data is manually sourced from non-digital government systems.

The outcome is poor data quality and availability, insufficient verifications, limited downward accountability to the people we serve, and loose linkages between resources and results. These gaps underscore the need for new approaches to verification and assurance.

For the most part, current reporting is narrative-heavy, vulnerable to subjectivity, and inadequately verified. Approaches such as results-based financing, performance contracts and social impact bonds have grown more common, but the models remain supply-driven and bilateral. Funders and implementers negotiate bespoke terms without comparable metrics or standardised units.

Our multi-disciplinary team at UNICEF's Office of Innovation believes frontier technology can increase trust in impact verification, reduce the cost of providing assurance, and future proof the capability of multi-laterals to continue delivering life-changing impact.

Impact credits challenge the status quo by bringing together established impact standards, strengthened monitoring (including sensor-based monitoring and rigorous data triangulation) and distributed ledger technology to enhance traceability, transparency, and auditability. These



characteristics reduce subjectivity at the point of evidence-generation and increase confidence in reported results. By structuring verified results into traceable units, impact credits complement traditional results-based mechanisms and grant funding.

Each one represents a clearly defined and independently verified social result achieved for children – for example, vaccines administered or cash assistance delivered – and can be issued, tracked, purchased, and retired by partners.

We are exploring the possibilities, and see huge promise, yet critical questions remain: can the model scale without mandatory legal or institutional requirements backing up demand? How do we agree on a defined unit that is fungible and comparable across diverse programmes?

Existing efforts in results-based financing and social impact bonds offer important signals that transactions for social outcomes are possible, though they remain curated and bilateral rather than standardised and open. Against this backdrop, we invite the sector to reimagine what is possible. By bridging the gap between field-level results and resource mobilisation through impact credits, we aspire to go beyond reporting and build a new infrastructure of radical transparency.

If we can prove exactly what is achieved through a verifiable, immutable record, we begin to unlock the potential to move ‘impact’ from the realm of trust-based claims to that of high-assurance global assets. This better aligns with the interests of donors, philanthropists, and other resource partners with the urgent needs of the world’s most vulnerable children and their communities.

And more boldly, could a shift from claim to asset unlock a new stream of funding from impact-oriented philanthropists, partners, and organisations? Can we reimagine the fundamental business model of the humanitarian sector as a trust-based, proof-driven model?

We are inspired by carbon, biodiversity, and renewable energy credits. In recent years, environmental markets have innovated and matured, yet the ‘S’ in ESG has lagged. This is because social impact is harder to measure, costlier to verify, and more complicated to standardise. Impact credits could solve all these issues, capturing social impact in a reliable manner and making it available as a market instrument for multi-laterals, impact philanthropists, and partners.

This longer-term ambition is transformative: a functioning market for social outcomes. Today, compliance carbon markets exceed \$1.5 trillion, while voluntary carbon markets alone have reached several billion dollars. No equivalent market exists for social outcomes. The question is not only whether such a market can be built – but whether it can do so in a way that preserves integrity, avoids perverse incentives, is feasible for multilateral organisations working with government systems, and remains grounded in real outcomes for people, especially children. Ultimately, the goal is to reinforce trust with credible proof so that every dollar’s worth of impact is verifiable, traceable, and investable. The technology is there, so the real challenge is identifying the right part of our portfolio to test it with, the right resource partner, and the right design to connect these two worlds. Meeting this challenge requires a truly multi-disciplinary approach and co-creation with strong partners, but the payoff could fundamentally reshape how the world funds social impact. ■



### LUNA KIM

Luna Kim is Insights Lead at UNICEF’s Office of Innovation. She brings more than 10 years of UN experience in monitoring, evaluation and evidence systems focused on strengthening decision intelligence and advancing evidence-based innovation for children.



### ARUN MAHARAJAN

Arun Maharajan is Blockchain Lead at UNICEF’s Office of Innovation. He works on the application of distributed ledger technologies to accelerate results for children by transforming the effectiveness and accountability of business processes, innovative fund raising and distribution and the creation and adoption of digital public goods.



# THE 'RIGHT' APPROACH TO IMPACT REPORTING IN ARTS AND CULTURE

DR MATTHEW ROSS - WWW.RAM.AC.UK

**A**rts and cultural organisations have seen a marked increase over the last ten years in donors taking a data-informed approach to giving. Philanthropy Impact – and others working to increase and improve the flow of capital for social good – can be assured that their work is paying off. But, as Annamaria Koerling asked in April's *Spear's Magazine*, are metrics and data always the right approach?<sup>1</sup> For me, an arts and cultural fundraiser, this question rings especially true.

Even at the Royal Academy of Music, arguably an organisation that attracts a more 'traditional' arts philanthropist, I increasingly find myself talking to donors who have had high-quality philanthropy advice from professional advisors and peers. Responding to the needs of some current donors and anticipating future demand, we have invested budget in specialist roles to manage and improve our monitoring, evaluation and impact reporting.

At its best, this data-driven approach is game-changing. In 2018, a donor pledged a seven-figure sum in match-funding over ten years to transform the Royal Academy of Music's approach to access and participation (an acute challenge for a profession that requires intensive and expensive training from childhood). The pledge came with the precondition that we build our capacity to track 'what works' which, over time, has created nearly 8 years of rich quantitative and qualitative data, collected and analysed by a dedicated Evidence, Evaluation and Planning Coordinator who is supervised by one of the country's leading experts in arts education, policy, and social mobility. These posts are entirely funded by philanthropy. This evidence base and in-house expertise doesn't just help us to report to donors: it informs the Academy's own decision-making.

The flip-side is that a focus on data and metrics can lead capital holders and partner organisations to overcompensate. In my time, I have definitely over-engineered measurement

systems for impact reporting that consume scarce resource without improving clarity. Organisations also report growing frustration that they can only raise philanthropic funds for projects with predominantly social outcomes. When most government funding is also predicated on social impact, this makes funding the primary artistic product increasingly difficult.

One well-known venture philanthropy has become a stand-out case over the past two years. Making its first investments with arts and cultural partners, it has become infamous in sector for taking potential partners through a 'high challenge, high impact' due diligence and project review process that leaves leadership and fundraisers exhausted and disillusioned. Their approach is proven to work in other sectors, but in arts and culture some would say that the net cost has been negative – in the direct cost of demands on staff time and planning (often wasted), the intellectual and creative drain on organisations and worsened perceptions of the already intimidating words 'venture philanthropy'.

There is also the fact that artistic and cultural outcomes often don't fit into frameworks.

Leslie Ramos, philanthropy advisor, co-founder of The Twentieth and author of 'Philanthropy in the Arts: A Game of Give and Take'<sup>2</sup> advises donors that "measuring impact in the arts and culture is far less straightforward than in many other charitable fields. While the sector is actively developing new ways to articulate its value, whether through contributions to mental health, social cohesion, or the broader economic impact of the creative industries, these frameworks remain somehow imperfect."

Linear theories of change provide little scope for outcomes that are by nature intangible and impossible to understand using data. Those moments when time stands still and everything

<sup>1</sup> Annamaria Koerling, 'Why UHNW donors are turning to unrestricted trust', [spearswms.com/impact-philanthropy/why-uhnw-donors-are-turning-to-unrestricted-trust/](https://spearswms.com/impact-philanthropy/why-uhnw-donors-are-turning-to-unrestricted-trust/), first published in *Spear's Magazine* Issue 98, Q1 2026.

<sup>2</sup> Leslie Ramos, *Philanthropy in the Arts: A Game of Give and Take*, Lund Humphries / Sotheby's Institute of Art, October 2023



feels a thousand times deeper: they're intensely personal, individual and different for each of us. They're also profoundly important to our lives.

A focus on monetisation or scalability can undervalue intangible artistic outcomes. That song that always makes you cry becomes ubiquitous once it's been covered for the umpteenth time and appropriated by a Hollywood film. In arts and culture, we commonly talk about the three categories of impact: intrinsic (art for art's sake), social (benefit for individuals and society) and economic (job-creation, gross value added to the economy, value of exports in cultural goods and services). But in the real world, impact doesn't stay in lanes. A donor or investor is almost always operating in two or three zones simultaneously. So how are they to know where to focus their efforts?

I asked investor and philanthropist Jonathan Quin how he approaches decision-making: "Assessing charities is much harder than assessing businesses as there's obviously no standard measure or benchmark such as profitability or growth. It's hard within sectors, e.g. How do you compare a charity that helps 100,000 children doing one activity versus another that helps 100 hard-to-reach children with a very holistic, long-term approach? And that's even harder when comparing, say, a medical research charity with an arts and cultural charity. I do feel that it's helpful to have some numerical evidence of success and progress but I would give equal weight to the impression we get of the people we meet who run or work at the charity, and ideally we also get a sense of how good it is by visiting the charity or seeing it in action. We are effectively still doing an ROI calculation but it's a multi-variate ROI and some of the factors are purely qualitative."

For philanthropy advisor Leslie Ramos, donors new to the arts and culture need to share responsibility with partners: "The value of the arts is often diffuse, cumulative, and long-term: it shapes how individuals think, feel, and engage with the world in ways that resist easy quantification. As such, responsibility does not lay solely with institutions to 'prove' their worth. It also lies with donors to recognise that the impact of their support is collective and cultural, rather than precise, and easily measurable."

From an organisation's perspective, I couldn't have been more thrilled to read Annamaria Koerling's advice to philanthropists in Spear's Magazine this month: take a blended approach to

your capital allocation. Alongside gifts or investments for social or economic impact, please allocate additional unrestricted funding for core artistic activities. Neither can exist without the other.

When it comes to more intangible, artistic outcomes, talk to the organisation and have an open mind about control. You might worry that an artistic outcome is not technically 'good', but the organisation will be reluctant to tell you for fear of disappointing you or risking future support. This is normal: encourage dialogue and honesty and make it clear that you are willing to accept that even the best-aimed shots can misfire. The creative industries – and especially the long, intensive training that practitioners need – is also expensive. Be prepared for the fact that quantum can vary wildly and investment per capita surprisingly high, especially for long-term training and education. An outreach programme can cost a few thousand pounds. The professional musician who leads it is the outcome of at least two decades of intensive education made possible by hundreds of thousands of pounds of hidden financial investment.

## ADVISORS ARE PARTICULARLY WELL-PLACED TO HELP DONORS, INVESTORS AND ORGANISATIONS UNDERSTAND HOW PRACTICAL REPORTING QUESTIONS CAN REALISTICALLY SUPPORT FIDUCIARY DUTIES AND DECISION-MAKING.

For grants and investments with measurable impact, understand where the organisation is on its impact reporting journey and be open-minded in your expectations. Discuss what 'good' looks like, aim for clarity over volume and actively discourage disproportionate or over-engineered evaluation and reporting. Not everything needs a fully developed theory of change, or an ROI in terms of cost saved for social services or the NHS.

Advisors are particularly well-placed to help donors, investors and organisations understand how practical reporting questions can realistically support fiduciary duties and decision-making. A sector-specific support network for



EVIDENCE CAN INFORM DECISION MAKING AND, BUT SO CAN CURIOSITY, DIALOGUE AND A WILLINGNESS TO ENGAGE IN TRUST-BASED PARTNERSHIPS.

advisors who operate in the arts and cultural space would be a positive step forward.

There is much high-quality expertise out there already too.

For social investment, Fran Sanderson and her team at Figurative<sup>3</sup> would be my first point of call. Figurative grew out of Arts & Culture Finance (part of Nesta) and now work in partnership with philanthropists, investors and organisations large and small to help them measure their positive impact, improve their readiness for investment, link them with responsible funding and, where appropriate, test innovative blended funding models.

For philanthropists, Figurative Philanthropy for Arts & Culture (FPAC)<sup>4</sup> is a network now funded by Arts Council England, established by Sir Vernon Ellis as New Philanthropy for Arts and Culture in 2019. They provide resources, research and a growing body of case studies for arts supporters and would-be supporters. They are also building much-needed infrastructure for arts and cultural philanthropy, notably with the Arts for Impact matched funding campaign, in partnership with Big Give, and place-based partnerships bringing together cultural and creative organisations and local philanthropists in regional networks.

In sum, the answer to Annamaria Koerling's question has to be nuanced. As donors, investors and organisations build partnerships the challenge is to embrace data but use it wisely and proportionately. Evidence can inform decision making and, but so can curiosity, dialogue and a willingness to engage in trust-based partnerships. Both capital holders and organisations share responsibility for this. And, my favourite takeaway, a balanced, blended approach – one willing to fund both social impact and core artistic practice – offers the best chance of sustaining our cultural ecosystem. ■



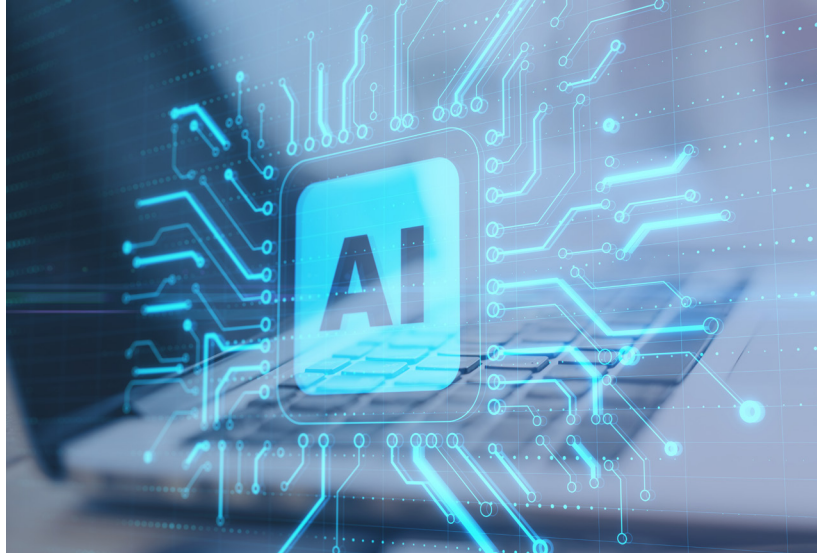
### DR MATTHEW ROSS

Matthew is Principal Gifts Associate at the Royal Academy of Music in London, where philanthropy provides a third to half of the organisation's income and supports a broad range of projects, from initiatives that widen access to musical training or explore the benefits of music for people with dementia, to scholarships, performances and endowed teaching posts. He held a range of fundraising roles at the Academy since 2017, most recently leading major gift fundraising as Deputy Director of Philanthropy, and started his fundraising career at UCL. Matthew is also a Trustee of The Yard Theatre in Hackney Wick and holds a PhD in medieval cultural history from UCL.

<sup>3</sup> [figurative.org.uk](http://figurative.org.uk)

<sup>4</sup> [www.artsphilanthropy.org.uk](http://www.artsphilanthropy.org.uk)

WHILE MORE DATA POINTS ARE GENERATED THAN EVER BEFORE, THEIR UTILITY FOR HIGH-STAKES CAPITAL ALLOCATION REMAINS REMARKABLY LOW.



# BRIDGING THE GOVERNANCE GAP: RESTORING AUTHENTICITY AND FIDUCIARY DUTY TO IMPACT REPORTING IN THE AGE OF AI

EPAMEINONDAS FARMAKIS - [WWW.PHILANTHROPY360ADVISORS.CH](http://WWW.PHILANTHROPY360ADVISORS.CH)

**T**he philanthropic landscape of 2026 has reached a state of 'digital saturation'. The initial allure of generative models is being replaced by a complex, ethically fraught infrastructure. As artificial intelligence integrates into the operations of foundations, non-profits, and wealth management firms, the sector faces a fundamental crisis of trust — a 'governance gap' that separates technical reporting efficiency from the mission-aligned ethics required for genuine social transformation.

For professional consultants, trustees and institutional investors, the primary challenge is no longer the adoption of high-speed tools, but the maintenance of human agency over the data these tools produce. The transition from narrative-led storytelling to decision-useful data has reached a threshold where the volume of synthetic information threatens to obscure rather than illuminate real-world outcomes.

## THE REPORTING CRISIS: WHAT IS MISSING?

The current state of financial and impact reporting is defined by a paradox of abundance. While more data points are generated than ever before, their utility for high-stakes capital allocation remains remarkably low. Current frameworks often prioritise algorithmic legibility over professional judgment, creating a scenario where trustees struggle to discharge their fiduciary duties in the absence of reliable, comparable impact data.

Recent research reveals a stark 'AI Adoption paradox': while 92% of non-profits use AI, only 7% report that it has strategically transformed their mission. Furthermore, 47% of

these organisations have no formal AI governance policy. This vacuum leads to reporting that is often used as a performance of accountability — a 'synthetic stewardship' that serves the machine rather than the mission.

## AUTHENTICITY TAX AND DIGITAL COLONIALISM

Two critical risks now dominate the advisory landscape. The first is the 'Authenticity Tax', which occurs when the relationship between a donor and a grantee dissolve upon the discovery that 'personal' impact reports were generated by a token predictor rather than a human officer. Stewardship is a partnership; when it becomes a synthetic performance, it loses its value as a tool for building trust.

The second is 'Digital Colonialism', wherein AI tools used to screen applications naturally favour those who write in AI-friendly prose. This creates a structural bias against grass roots leaders and marginalised communities who prioritise frontline work over linguistic optimisation for a machine. This misalignment between the perspectives of the funder, the investor, and the beneficiary is one of the most significant gaps in current reporting.

## FIDUCIARY DUTY AND AI DUE DILIGENCE

The regulatory environment has shifted from voluntary guidelines to mandatory disclosure. With the EU AI Act reaching full application in August 2026, transparency rules now mandate the labelling of AI-generated content. For wealth managers and trustees, delegating a decision to a machine does not absolve the human fiduciary from oversight.



Under principles established in both the US Investment Advisers Act and EU directives like SFDR 2.0, consultants owe a duty of care and loyalty. Duty of care in 2026 involves understanding how an AI system works and monitoring its performance. Duty of loyalty requires addressing conflicts of interest, such as models trained on biased data. Strategic philanthropy now requires a specialised form of ‘AI due diligence’ to identify whether an organisation is funding genuine need or simply identifying “ease.”

## THE THREAT OF AI-WASHING

Just as the previous decade saw the rise of greenwashing, 2026 is defined by AI-washing, the overstatement of AI capabilities to create a veneer of technical sophistication. Regulators have already begun charging consultants for making false or misleading statements about AI-driven analytical methods. Radical disclosure is the new mandate: if an AI tool is scoring impact, the logic and ‘weight’ given to specific metrics must be free to be disclosed to all stakeholders.

## COORDINATION MANDATE

What is clearly missing in Financial and Impact Reporting is the sense of coordination among donors. We are all operating in a moment of extraordinary fragility and speed. Systems are shifting faster than institutions are designed to adapt. The greatest risk is the failure to coordinate. Philanthropy must evolve as a coordinator which will transform and create ethical AI systems. This coordination will be essential in building the connective tissue for human centric Financial and Impact Reporting.

## CONCLUSION: THE HUMAN-IN-THE-LOOP MANDATE

The future of impact reporting is found in the ‘human-in-the-loop mandate’. As philanthropy enters the ‘post-magic’ phase of AI infrastructure, the distance between technical reporting and mission-aligned ethics must be bridged by professional judgment and lived experience.

AI is a tool of unprecedented power, but it lacks a moral compass; it can optimise a metric, but it cannot understand the weight of a legacy. Strategic philanthropy in 2026 requires ‘generative trust’ an initiative-taking commitment to transparency, data sovereignty, and human agency. By clearing the administrative brush with automated tools, humans are now able to focus on the authentic connections that have always been the soul of the sector. ■



### EPAMEINONDAS FARMAKIS

Epameinondas Farmakis is a Senior Philanthropy Advisor with more than 25 years of experience in strategic fundraising, grant management and impact assessment. Throughout his career, he has managed and allocated over €1.1 billion in funding to more than 1,200 non-profits across sixty countries.

His current work at Philanthropy 360 Advisors focuses on the intersection of social policy and emerging technology. He specialises in developing AI applications for the social sector and advising foundations on ‘AI Due Diligence’ to ensure that automation does not compromise transparency or mission-aligned ethics.



# NO ONE WILL PROTECT WHAT THEY DON'T CARE ABOUT: COLLABORATION, EXPERIENCE AND IMPACT IN THE 2026 SORP ERA

CATHERINE GAGE - WWW.HUNTERSLAW.COM

**"No one will protect what they don't care about; and no one will care about what they have never experienced." – David Attenborough**

**E**xperience drives understanding. Proximity builds trust. Shared environments spark action. This is as true for charities as it is for conservation. Small charities are under pressure: demonstrate value, navigate compliance, and secure funding – all with limited capacity. Yet one of the most overlooked forms of support is simple: physical proximity. Sometimes the best resource is the organisation next door.

We are social by nature. We thrive on interaction, collaboration, and visible purpose. Even buildings matter. Open, shared spaces in green surroundings foster creativity, trust, and a shared mission. The door to the next room isn't just convenient,— it's an enabler.

Meanwhile, small charities face growing demands: GDPR, safeguarding, and requirements set by the Charity Commission alongside fundraising standards. All of this must be managed with lean teams and in a highly competitive funding environment.

The 2026 SORP (Statement of Recommended Practice) aims to simplify reporting through a new three-tier structure based on income. Tier 1 now extends to £500,000, with lighter-touch reporting requirements designed to reduce the burden on smaller organisations.

This is an important shift. The intention is not to impose uniform expectations, but to make reporting more proportionate. Tier 1 charities are not expected to produce the same depth of disclosure as larger organisations. Instead, additional narrative and outcome-focused reporting increases

with size, particularly in Tiers 2 and 3. However, one expectation does cut across all tiers: charities must explain what they do, why it matters, and how their work benefits the public. The emphasis is not on technical complexity, but rather on clarity and credibility.

*DELEGATION CAN SUPPORT EFFICIENCY, BUT IT MUST BE CLEARLY STRUCTURED, PROPERLY DOCUMENTED, AND SUBJECT TO ONGOING OVERSIGHT.*

## Two questions follow:

- What if small charities had the same collaborative environments that help larger organisations thrive?
- How could shared, experience-led spaces help them meet rising expectations – without overwhelming capacity?

Look at the [Cambridge Conservation Initiative](#), based in the David Attenborough Building. It brings together organisations like BirdLife International and UNEP-WCMC. Co-location amplifies efficiency and impact – not just through formal partnerships, but through everyday experience. Conversations happen between meetings. Ideas flow informally. Expertise is always nearby. Collaboration isn't an event; it is built into the environment.



For small charities, this model offers practical advantages. Shared spaces reduce overheads. Pooled services – communications, grant writing, administration – improve effectiveness. Collaboration can also strengthen fundraising, with joint initiatives and shared credibility attracting support that might otherwise be out of reach.

But collaboration must be balanced with accountability. Trustees cannot outsource governance. Even in shared environments, each board retains full legal responsibility for the charity’s activities and decisions. This includes a core duty to act only within the charity’s objects clause, ensuring that all activities – whether delivered independently or collaboratively – further the charity’s stated purposes and provide public benefit.

Delegation can support efficiency, but it must be clearly structured, properly documented, and subject to ongoing oversight. Trustees must be satisfied that any shared services, joint initiatives, or pooled resources remain aligned with their charity’s objects. Collaboration must never blur purpose: every activity must advance the charity’s aims. Done well, shared working can strengthen governance rather than dilute it – reducing administrative burden while allowing trustees to focus on strategy, compliance and long-term impact.

Returning to the 2026 SORP, the key change is not that all charities must suddenly adopt complex impact measurement. Rather, the shift is toward more meaningful narrative reporting, scaled according to size.

For Tier 1 charities, this means keeping reporting proportionate and accessible: clearly explaining activities, beneficiaries, and the difference the charity is trying to make. It may include simple examples – feedback, case studies, or basic indicators – but does not require sophisticated evaluation frameworks. For larger charities, expectations increase. Tier 2 and Tier 3 organisations are expected to go further in explaining outcomes – what has changed as a result of their work, for whom, and why it matters.

Seen this way, the direction of travel is clear, even if the requirements differ by tier. The sector is moving from describing activity to explaining impact – but at a pace and scale appropriate to each organisation. The most powerful lesson returns to experience. Just as individuals care more

when they encounter something directly, organisations are more effective when they are embedded in collaborative, purpose-driven environments.

The Cambridge Conservation Initiative demonstrates that support can drive missions forward. Sometimes it starts with proximity – shared space, shared purpose, and the simple act of opening a door. The funding flowing to CCI reflects this: Arcadia committed US\$10 million, including work with the RSPB to restore landscapes and seascapes across Europe.

Embrace these principles, and the sector can move beyond survival toward sustainability together - provided always, there is clear objects alignments between any collaborating parties at the outset. Even the smallest organisations can deliver meaningful impact – and explain it clearly, proportionately, and with confidence. ■



### CATHERINE GAGE

Catherine Gage is an Associate in the Charity department at Hunters Law LLP. Catherine brings decades of specialised experience in the Museum and Heritage sector, and she has a unique insider’s perspective on the challenges facing charities and cultural organisations. Catherine’s expertise spans legal governance and the structuring of commercial opportunities that support and advance charitable missions.



# Philanthropy Impact

Inspiring Philanthropy and Investing for Impact

Philanthropy Impact, Third Floor, 20 Old Bailey, London EC4M 7AN

E: [info@philanthropy-impact.org](mailto:info@philanthropy-impact.org) | T: +44 (0)20 7407 7879 / +44 (0)780 305 1674

 [@PhilanImpact](https://twitter.com/PhilanImpact)  [linkedin.com/company/philanthropy-impact](https://www.linkedin.com/company/philanthropy-impact)

 [www.youtube.com/channel/philanthropyimpact](https://www.youtube.com/channel/philanthropyimpact)

 [www.facebook.com/PhilanthropyImpact](https://www.facebook.com/PhilanthropyImpact)