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Philanthropy Impact MAGAZINE

Inspiring Philanthropy and Investing for Impact

FINANCIAL AND IMPACT REPORTING FOR GOOD

THE SECOND 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 – FINANCIAL AND IMPACT REPORTING FOR GOOD: WHAT IS MISSING, WHY IT MATTERS, AND WHAT NEEDS TO CHANGE ACROSS THE SECTOR

HAS PHILANTHROPY OVERLOOKED OWNERSHIP?

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War Exposed Our Food System. Now What?
Anna Lappé and Jenn Yates – www.tcaaccelerator.org and www.futureoffood.org
The UN Food and Agriculture Organisation estimates global food systems generate $10 trillion in hidden costs annually. Lappé and Yates argue that conflict has made the fragility of industrial food systems impossible to ignore and that true cost accounting offers the framework to fix it. By surfacing social, environmental and human costs that conventional economics omits, it gives funders and advisors a foundation for investment that actually delivers impact, not just activity.

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Beyond the Numbers — Evidence That Unlocks Capital for Grassroots Change: A Case Study
Linda Latsko Lockhart – www.globalgivebackcircle.org
What began as a mentoring programme for ten at-risk girls in Kenya is now the country's largest skills and economic empowerment programme for rural young women. Latsko Lockhart traces Global Give Back Circle's journey, including a collaboration with Suze Orman that reached 700 women in West Pokot, to argue that rigorous, community-rooted evidence is not just good practice; it is what unlocks capital from credible partners including Mastercard Foundation, Microsoft and KPMG.

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Crypto-Enabled Giving: Measurable Impact in Emerging Markets and the Reporting Gap That Holds It Back
Mahaveer Soni – www.grade.capital
Sending $200 to Sub-Saharan Africa costs an average 8.78% in fees, a structural tax on impact. Soni examines how blockchain infrastructure is already changing this: WFP's Building Blocks has channelled $760 million in aid, cutting costs by 98%; GiveDirectly has moved $950 million in cash transfers; crypto donations to non-profits exceeded $1 billion in 2024. The audit trail philanthropy struggles to produce exists natively on chain, the challenge now is governance and reporting.


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Avoiding a Stranded Asset Crisis: How Philanthropic Capital Can Shape the Protein Transition — A Case Study
Jasmijn de Boo and Eve Mosley – www.proveg.org
With 78% of fixed agricultural assets in the EU and UK linked to animal-based systems, the food transition carries profound risk of stranded assets and a rare opportunity for philanthropic and impact capital to shape the outcome. De Boo and Mosley argue that unlike previous systemic shifts, food system transformation remains undercapitalised, leaving space for targeted philanthropic intervention to protect farmers and rural economies while steering portfolios toward resilient, future-fit food systems.


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Woochong Um – www.energyalliance.org
In Delhi, a battery energy storage system, South Asia's largest, now serves 100,000 people and will reduce carbon emissions by 1.8 million tonnes over its lifetime. Um shows how Global Energy Alliance used philanthropic capital to de-risk a project that had stalled since 2019, unlocking regulatory approval and crowding in commercial investment. The lesson: strategic catalytic funding does not just shore up a single grid; it shifts the conditions for what mainstream capital considers investable.

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The Flower and the Seed: Who Will Catalyse Nature's Recovery?
Clare Quigley – www.plantlife.org.uk
Landowners cannot invest in nature without guaranteed returns; investors will not commit without assured supply. This deadlock, what Plantlife calls the Flower and Seed problem, is strangling the UK's carbon and nature credit markets just as corporate sustainability reporting demands them. Quigley argues that high-integrity markets and philanthropic catalytic capital must move together to break the impasse, with the UK's strong governance framework offering a rare foundation to lead globally.

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.
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- 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.

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- Technical content and analysis
- Market research nd 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

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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

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Philanthropy Impact
Inspiring Philanthropy and Investing for Impact

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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.

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

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

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- **11,000+** connections on PI LinkedIn page
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E: membership@philanthropy-impact.org

EDITORIAL

FINANCIAL AND IMPACT REPORTING FOR GOOD: WHAT IS MISSING, WHY IT MATTERS, AND WHAT NEEDS TO CHANGE ACROSS THE SECTOR

JOANNA ELSON – WWW.INDEPENDENTAGE.ORG

Across the charity sector, financial reporting has long been the bedrock of accountability - mandatory, standardised, and independently examined. Impact reporting, by contrast, has historically been seen as a 'nice to have', incredibly varied, and rooted in a need to build trust with key audiences.

That balance is shifting. The 2026 Charities Statement of Recommended Practice (SORP) marks a significant moment: for the first time, impact reporting is mandatory for all charities. Larger organisations will need to go further, showing not just what they do, but the difference it makes — the longer-term outcomes for individuals and for society.

This is a positive step, but it comes with challenges we shouldn't overlook.

Producing meaningful impact reporting takes time, skill, and resource. At Independent Age, we have developed impact measurement across our services, grant making and policy and influencing; each requiring a different approach. For example when it comes to services, we've adopted a two-phase approach to measuring the outcomes of our Advice Service. The first call assesses whether an older person has been successful in accessing the additional financial entitlements we identified (with the option to reroute them back into our Advice team if necessary); the second call, eight weeks later, captures how this additional income has impacted someone's loneliness, financial wellbeing or ability to buy more nutritious food. However, we're mindful that each hour our staff spend on follow-up calls, is an hour they can't spend helping someone else.

This work has allowed us to begin to collect richer information to understand the overlapping inequalities that are addressed by our interventions. This is particularly relevant to us, as the drivers of financial hardship in later life are complex and varied and our understanding of this intersectionality is pivotal to our ability to meet needs and improve our delivery.

THERE IS, HOWEVER, ROOM FOR IMPROVEMENT. FOR STARTERS, CHARITIES CAN BETTER ARTICULATE THEIR SOCIAL RETURN ON INVESTMENT...

Of course, not all impact can - or should - be reduced to numbers. Often, it's personal stories that best capture the changes people experience. Gathering these stories takes time too. At Independent Age, our Stories Officer may spend months building trust with someone before they feel comfortable sharing their experience of living in poverty, something often tied up with stigma and shame.

As expectations rise, we must recognise the trade-offs, particularly for smaller charities with limited capacity.

The data collected – both quantitative and qualitative – should not only enable organisations to understand their own delivery better and to learn and adapt, but it also has the potential to shape external policy, practice and systems. At Independent Age, the insights we gain from our delivery and from the lived

experience of the older people on low incomes we support, directly guides our policy and influencing work.

There is, however, room for improvement. For starters, charities can better articulate their social return on investment, illustrating the wider benefit of a particular intervention – as well as the societal cost if we didn't deliver this work. This is a very live conversation at Independent Age. Our Advice team supports older people to apply for Pension Credit and Housing Benefit, and we are researching the potential cost-saving to the public purse (e.g. NHS) if there was 100% take-up of entitlements such as these. Secondly, there is the opportunity for charities across the piece to better harness technology to embed impact measurement into their delivery models, reducing the administrative burden and time away from frontline work that data collection can create.

Finally, we should be cautious about drawing direct comparisons with financial reporting. While greater consistency in the way our sector reports on impact would help, over-standardisation risks simplifying highly complex issues. This will not aid wider societal understanding of the reality of the communities we exist to serve and ultimately could hinder our collective ability to deliver change.

So, while putting impact reporting on a par with financial reporting is the right goal, delivering it well will require realism about the costs involved and care in how it's introduced.

Ultimately, we must not lose sight of purpose. Reporting should serve the people and communities we exist to help, not just account for activity. Done well, it ensures their experiences are visible and informs better decisions.

JOANNA ELSON, CBE

Joanna is Chief Executive of Independent Age, a national charity whose vision is that every older person can afford to live well. The charity's helpline and expert advisers offer free, practical support to older people struggling with their finances. Through the grants programme, the charity supports hundreds of local organisations working directly with older people across the UK. As a campaigning organisation, the charity highlights the issues experienced by older people facing financial hardship and pushes for change.

Previously, Joanna was CEO of Money Advice Trust, the charity running National Debtline and Business Debtline.

Joanna is Chair of the Advisory Board at Birmingham University's Centre on Household Assets and Savings Management.

She lives in North London with her husband, Simon Horne, who is a Headteacher, and their three daughters. In her spare time she reads, sings, cycles and climbs Munros.

EMPLOYEE OWNERSHIP ALIGNS ECONOMIC PERFORMANCE WITH SOCIAL OUTCOMES BY GIVING WORKERS A MEANINGFUL STAKE AND VOICE IN THE ORGANISATIONS THEY HELP BUILD.

HAS PHILANTHROPY OVERLOOKED OWNERSHIP?

SIMON BLACKLER AND MILLY LARMER – WWW.KRYSTALEO.UK

There is philanthropy that funds programmes, and there is philanthropy that hopes to reduce the number of programmes that need funding. Both have their place. But does philanthropy have a huge blind spot? Why has it repeatedly missed investing in arguably the most powerful lever of them all; who owns the economy, and therefore benefits from the value it creates?

The scale of what needs addressing is heroic. Nearly 14 million people in the UK live in poverty, including nearly three in ten children, 72 percent of them in working families.[1] Real wages are barely above their 2008 level despite decades of productivity growth.[2] Employment is no longer a reliable route out of hardship.

Most philanthropic activity in the UK today is, in one form or another, an attempt to manage the consequences of an uneven distribution of wealth, which is predicated on ownership.

Fortunately, a solution does exist and has done for decades: employee ownership.

WHAT EMPLOYEE OWNERSHIP CHANGES

Employee ownership aligns economic performance with social outcomes by giving workers a meaningful stake and voice in the organisations they help build. Decisions around investment, risk, and balancing purpose with profit become shared rather than handed down - made by the people closest to the work, not distant owners with no operational involvement.

Employee Owned businesses think longer-term and invest more in people and skills. Crucially, profits and dividends flow to those who helped generate them. People working build genuine wealth rather than only earning a wage.

The evidence bears this out. The most comprehensive UK study to date, the People Powered Growth report, produced by the Employee Ownership Association, Ownership at Work, and the University of Stirling in 2023, found that employee-owned businesses are 8 to 12 percent more productive than comparable peers, return twice as much to employees through bonuses, and are five times less likely to make redundancies.[3]

Despite representing just 0.1 percent of UK businesses, they contribute an estimated 1.7-2.1 percent (£32 to £41 billion) to overall economic activity.[3] John Lewis Partnership, Howden Group, Arup Group, Richer Sounds, and Riverford Organic Farmers are not marginal experiments. They are commercially successful and resilient businesses whose accomplishments are widely celebrated.

The first-order effects of a more equitable ownership economy are not difficult to imagine:

Families could build better futures as a result of more agency and independence. Children would benefit across the board as a result of more financially stable households.

Communities where employee owned businesses operate reinvest profits locally, rather than seeing them extracted to distant shareholders. Local place-based reinvestment creates a more resilient and capable economy and country.

It also produces something harder to measure but no less real: an economy whose gains are widely enough shared that more people have a stake in its success.

This is not a hypothetical — it is already happening where employee owned businesses operate.

THE FINANCING GAP

If the evidence is this strong, why does employee ownership represent just 0.1 percent of UK businesses?[3]

Simply: employees do not have the cash required to purchase the business.

[1] Child Poverty Action Group, citing DWP Households Below Average Income 2024/25 (March 2026)
[2] Resolution Foundation, *'Labour Market Blows Hot and Cold'* (February 2025)
[3] EOA, Ownership at Work and University of Stirling, *'People Powered Growth'* (October 2023).

The current owner(s) must agree to loan the consideration, to be repaid out of future profits. Profits they would have been entitled to anyway. For the minority of owners willing to accept this, a typical exit takes five to six years before employees finally own the business outright. Not ideal for either party.

Conversely, trade sales to competitors or private equity offer much better financial terms - most of the sale price is paid on completion. As a result these transactions have become the default exit route. But the trade-offs are considerable, including potential loss of goodwill/reputation and with no employee stake a more uncertain legacy. Studies in both the UK and US have linked PE ownership to redundancies and downward pressure on pay at acquired firms.[4,5]

Founders and owners are not, in the main, choosing non-employee exits because they prefer them; they are choosing the only viable option in many cases.

THE OPPORTUNITY

The UK is entering a major succession period with large numbers of SME owners approaching retirement. Many of these businesses are long-standing, financially healthy, locally rooted, and employ experienced workforces. Without credible alternatives, most will sell to trade or private equity.

Once that happens a major opportunity will have been lost to broaden ownership at scale. Every business sold through a conventional exit route represents an ownership transition that is unlikely to be revisited for decades. Decisions being made over the next ten years will help shape who benefits from the value these businesses create for generations.

This is where philanthropic capital can excel. Commercial and institutional capital follow proof - they require established track records and predictable returns, neither of which exists at this stage. Philanthropic capital, freed from the obligation to deliver financial returns, can absorb the early-stage risk that other forms cannot, producing the evidence that brings larger flows of capital in behind it. This is what catalytic giving means in practice: not funding an activity indefinitely but funding the proof that changes what other capital considers possible.

A DIFFERENT KIND OF IMPACT

Employee ownership is not a programme; it is a structural condition. When a business transitions into employee ownership, something permanent changes: who owns the productive asset, who participates in the value it generates, and who has a voice in how it is run. That change does not require ongoing funding to sustain. Capital deployed into employee ownership infrastructure produces changes that can significantly compound over time: in the businesses transitioned, in the communities they serve, and in the norms of what a business succession can look like.

Ownership is the mechanism through which value is either shared or extracted. Changing who owns productive assets is the most direct systemic intervention available, and the one philanthropy has been slowest to reach for. The instinct in the sector is to go where the need is most visible. The invitation now is to look at the foundations that our economic reality is built upon, and to consider whether a different kind of philanthropic deployment could create monumental impact for generations to come.

This economic vision is not fantasy; it is already happening in over 2,400 employee owned businesses in the UK.[6] Scaling it now requires capital, infrastructure and commitment. Philanthropy is uniquely placed to help build those conditions, demonstrating what is possible and enabling wider flows of capital to follow.

SIMON BLACKLER, CREATOR & CEO, KRYSTAL EO

After a wonderful childhood, Simon had an existential crisis at the age of 17. In response he founded Krystal.io in 2002 to 'leave the world better than I found it'. Now the UK's largest independent web hosting & cloud provider, Krystal gives 5% of its turnover to entirely fund the operational costs of a revolutionary* non-profit, Krystal EO.

Krystal EO uses philanthropic funds to buy UK businesses. It then gives 51% back to the employees at no cost and helps them run the business. The remaining 49% is held by Krystal EO (a mission-locked company limited by guarantee) so that future profits are reinvested to create more permanently majority employee owned businesses. *And so, the flywheel turns.

MILLY LARMER, DIRECTOR OF PHILANTHROPY, KRYSTAL EO

Milly is a social impact and philanthropy leader driven by a commitment to expanding access and removing barriers to opportunity. Her career has taken her across the Middle East, Africa, Asia, South America and the UK, working with charities, corporates and grassroots community organisations.

She is building the philanthropic function at Krystal EO, and serves as Deputy Chair of the Nimsdai Foundation.

[4] Davis, S.J. et al., *'The (Heterogeneous) Economic Effects of Private Equity Buyouts'*, Quarterly Journal of Economics, Vol. 136, No. 1 (2021), pp. 49-110
[5] House of Lords Library, Regulation and Practices of Private Equity, Research Briefing, 15 July 2022
[6] Employee Ownership Association, EOA Business Register, 2025

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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.

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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)*

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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 ValueMajor 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

HOW IMPACT FIRST INVESTMENT APPROACHES ARE ENHANCING CORPORATE SOCIAL IMPACT: A CASE STUDY

RACHEL ENGEL – WWW.MACQUARIE.COM

Corporate social impact in the UK's Financial and Related Professional Services (FRPS) sector is entering a new phase. For decades, corporate philanthropy has helped fuel social programmes, strengthen communities, and support charities and social enterprises. However, many corporates are realising that traditional corporate giving or grants alone cannot solve systemic issues like inequality, access to education, or financial resilience.

The next chapter of responsible business will be defined by hybrid models that blend philanthropy with catalytic, repayable capital – capital that is intentionally deployed to prioritise social outcomes over financial returns and is structured to take one or more of greater risk, lower returns or increased flexibility in order to unlock impact – enabling corporates to deploy resources in more flexible and scalable ways. Rather than replacing grants, these models complement them, helping social organisations grow in ways that preserve mission integrity while opening the door to scale in the long term.

And while FRPS corporates in the UK currently invest only modestly in this space, the Driving Impact report commissioned by the Macquarie Group Foundation has highlighted the important role corporates can play to strengthen community outcomes. By identifying barriers to wider adoption of impact-first hybrid financing models and setting out a practical roadmap for action, the report helps FRPS corporates shape a more inclusive and resilient social sector through increased social impact investing.

WHY HYBRID APPROACHES MATTER NOW

Hybrid financing models matter because the limitations of traditional philanthropy have become impossible to ignore. Grants remain fundamental, particularly for early-stage innovation, ecosystem building or non-revenue-generating activities. But grants alone cannot enable longer term, larger scale or financially resilient growth.

Social enterprises and mission driven businesses often need patient, risk tolerant, flexible capital to test new models, strengthen operations, or grow their customer base. This is the gap that FRPS corporates can fill through impact first investing.

Impact-first investment includes capital that is:

- Risk-tolerant: accepting lower risk-adjusted returns or uncertain risks to unlock impact
- Catalytic: absorbing more risk or lower returns to crowd in mainstream capital
- Patient: allowing organisations the time needed to prioritise sustainable growth and impact
- Flexible: tailored to the organisation's context by allowing adjustments to terms to support impact goals

When paired with legal, financial, advisory or operational corporate expertise, new opportunities to scale social purpose organisations are unlocked.

IMPACT-FIRST INVESTMENTS IN THE REAL WORLD

The Growth Impact Fund

Growth Impact Fund (GIF) blends equity, concessional capital, grants, and wraparound support to back social purpose organisations led by entrepreneurs from marginalised communities. The Macquarie Group Foundation invested catalytic capital into the fund's investment layer, helping signal investment readiness and encourage additional investors. A grant from a large financial institution also acted as a first-loss layer, increasing the fund's attractiveness to other investors.

Redemption Roasters

The Macquarie Group Foundation and a large financial institution participated in an equity investment in Redemption Roasters to help scale the business and expand its impact, supporting its mission to reduce reoffending by providing training and employment opportunities for prison leavers. A team of Macquarie employees was seconded to the transaction team, supporting due diligence and the development of legal documentation. Macquarie's support extends well beyond the financial investment. Redemption Roasters is the in house coffee provider for Macquarie's London office cafés and client floors, and colleagues from Macquarie's coffee trading desk have shared commercial insights with the wholesale team. The investment demonstrates how impact-first capital, complemented by corporate expertise and engagement, can strengthen inclusive models with a clear social mission.

These examples illustrate how impact-first approaches can support organisational strengthening and broader ecosystem development.

FROM INTEREST TO ACTION: WHAT IS HOLDING CORPORATES BACK?

Despite growing interest and momentum in impact first investment, the research showed that FRPS corporates continue to face a range of internal and systemic challenges that can impede the translation of intent into consistent social impact investment practice. There is limited understanding of the spectrum of capital and what concessionary or catalytic terms really mean, and confusion grows when grant activity is framed using investment language. Governance can lack senior leadership buy-in and be siloed across corporate social responsibility (CSR), legal and risk teams, while stretched CSR or foundation teams face capacity pressures. These factors, combined with perceived reputational or regulatory risk, make teams hesitant to engage with unfamiliar investment processes.

Externally, the ecosystem presents its own barriers. Shared language, evidence and case studies remain under developed, regulatory expectations for corporates without a registered charitable foundation lack clarity, and existing incentives are often overlooked. Confidentiality and competition sensitivities make collaboration difficult, particularly in regulated sectors, and the absence of shared due diligence infrastructure means both investors and social purpose organisations face duplicated effort.

WHAT FRPS CORPORATES SHOULD DO NEXT

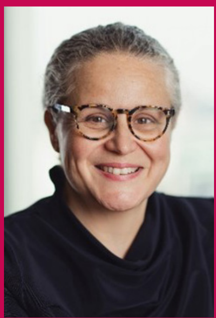
For corporates determined to move from interest to action, these three focus areas are important:

- Education: Building shared understanding across CSR, foundation and business teams, focusing on impact first terminology, the spectrum of capital and the role of grants in blended models. A simple one page deal sheet outlining instrument, concession, additionality, outcomes and recycling expectations can quickly improve clarity.
- Collaboration: Blending internal skills with external intermediaries to streamline due diligence and reduce burden on social purpose organisations. Peer forums, confidential sharing, and engagement with market building bodies help address common governance, risk and regulatory questions.
- Experimentation: Piloting one repayable instrument, whether a recoverable grant, patient loan, revenue share agreement or equity, using proportionate reporting. Capture learning, refine the process and build confidence through real experience. Learning by doing approach remains the most reliable way to grow capability over time.

A NEW CHAPTER FOR RESPONSIBLE BUSINESS

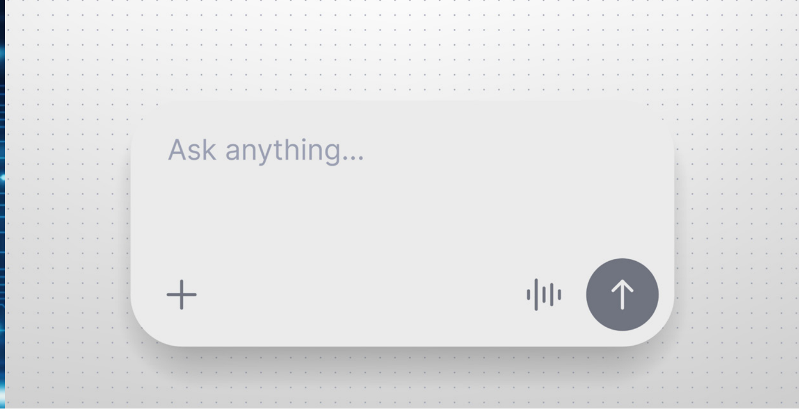
Impact first investing is not a departure from corporate philanthropy; it is a positive shift towards how we can further support communities. With their financial acumen, governance strength and cross sector networks, FRPS corporates have a unique opportunity to expand what responsible business looks like.

Now is the moment for the wider sector to step forward and seize that opportunity. Together, we can help define the next chapter of corporate social impact – blending capital, capability, and collective ambition to drive meaningful, long-term change.



RACHEL ENGEL

Rachel Engel has led the Macquarie Group Foundation's work in EMEA for sixteen years, overseeing a grants portfolio across five countries with a focus on improving social and economic outcomes for people facing barriers to employment. She leads the social impact team and employee engagement across 13+ offices in the region and as part of the Foundation's global leadership team, Rachel drives the region's social impact investment strategy, helping deploy the Foundation's A$20 million fund, including UK investments such as Growth Impact Fund and Redemption Roasters.



THE NEW WORLD OF REPORTING FOR IMPACT ORGANISATIONS

BENJAMIN TATE – VIEW LINKEDIN PROFILE

Due to the mass adoption of AI, impact reports are now being written by fewer people and read by even less. The work of report writing is being driven by tools that rapidly synthesise findings and generate content faster than any human can.[1]

As a philanthropy advisor, I see how financial and impact reporting still underpins most major decisions in philanthropy and social investment. I also see what most people do with those reports. Funders are not spending their evenings reading 60 page PDFs. They are dropping a report into an AI assistant and asking it a specific prompt.[3]

Essentially, AI is being used to "read" AI. For charities and impact organisations writing reports, it is now realistic to assume that an AI tool will sit between your report and your reader. For advisors, if we recognise what Emma Beeston and Beth Breeze call the "art" of philanthropy advising (the judgement and dialogue that sit alongside the numbers)[4], we need to design reports that can survive this new reality and still feel human.

THE CHALLENGE WE FACE

I recently attended a Better Society Capital: Future Impact Finance webinar on AI in funding. In this webinar Social Investment Business (SIB) described how it uses Microsoft Copilot and Salesforce's Agentforce to pull contextual data (deprivation indices, Charity Commission records and CreditSafe scores) into Salesforce and then asks AI to summarise applications and highlight key risks.[5] Better Society Capital (BSC) explained how it is using AI to scan blogs and news for new investment opportunities, to automate initial screening in parts of its portfolio and to generate structured impact and theory of change analyses in Claude that investment teams then review.[5]

SIB were very honest that their historic funding data has some structural inequalities and that this has consequences when it is fed into AI driven processes. They pointed out that if prompts are unstructured and undocumented, it becomes very difficult to untangle how a particular risk flag or recommendation was produced. For example, if two assessors are working on the same fund, they might both use AI, but with different prompts and data. When that happens, there is no reliable way to know whether AI has potentially amplified the bias.[5]

SIB's response is to standardise prompts for common assessment tasks, to log when and how AI is used in their Salesforce system, and to keep a human "in the loop" to check outputs against clear criteria. Essentially, they're being transparent (something that should be quintessential to philanthropy) by making decisions visible and auditable.[5] Without this, AI risks baking existing inequities into impact reporting and decision making.

When an impact report is drafted with AI and then processed again through AI for a board pack or briefing, it becomes harder to see where human judgement has actually been used. People receive a list of "top risks" or "key outcomes", but the prompts and uncertainties that produced that list aren't visible. This can make it difficult for trustees, donors and investment committees to know which parts of a report were considered, and which were tidied up by a tool.

The next challenge is then creating material that aligns with how next gen donors and investment professionals currently consume information. There is a mismatch between the old

[1] CNN Business (2024) – *'AI is replacing human tasks faster than you think'*. https://www.cnn.com/2024/06/20/business/ai-jobs-workers-replacing
[2] Philanthropy Impact (2025) – *'Call for Articles: Philanthropy Impact Magazine Issue 33 – How Emerging Technologies Are Transforming Philanthropy and Impact Investing'*. https://www.philanthropy-impact.org/magazine/call-for-articles-philanthropy-impact-magazine-issue-33-autumn-edition-2025/
[3] National Literacy Trust (2024) – *'Children, Young People and Teachers' Use of Generative AI to Support Literacy in 2024'*. https://literacytrust.org.uk/research-services/research-reports/children-young-people-and-teachers-use-of-generative-ai-to-support-literacy-in-2024/
[4] Beeston, E. & Breeze, B. (2023) – *'Advising Philanthropists: Principles and Practice'*. https://www.dsc.org.uk/publication/advising-philanthropists-principles-and-practice/
[5] Social Investment Business (2026) – *'How funders are using AI: A case study with Social Investment Business'* (webinar slides, Future Impact Finance).

way of doing things, with a long PDF style document, and what people now expect, which is for material to be searchable and skimmable.[3,6] We know a short video or podcast is far more consumable in today's age and can not only generate greater engagement but also signals authenticity and creates a human connection with the consumer.[3] AI generated writing is more easily being spotted by younger professionals who are then quick to scroll past it.[6,1] The problem is no longer a lack of material but a lack of credible, distinctive voice.[1]

INSIGHTS AND TAKEAWAYS FOR CHARITIES & IMPACT ORGANISATIONS WRITING REPORTS

- If AI is going to sit between your report and your reader, use clear headings and labels that will be recognised by AI agents and funders, and spend the time to understand the formalised definitions, "theory of change", "mission and values", "income diversification", "expenditure breakdown", "diversity and inclusion", "blended finance" or "impact economy", and make sure they refer to concrete practices.[2,7]
- Be transparent. When reporting, a short section titled "questions we are wrestling with" or "what we don't yet know" can acknowledge uncertainties, thus building trust, inviting engagement, and giving boards and funders a clearer sense of where more evidence or reflection is needed.[4,5] We should not underestimated the added bonus of having a younger generation who have been raised in comment sections and DMs to be able to engage directly with an organisation.
- Voice and format matter as much as content. A short video or podcast recorded by someone close to the work can carry tone and authenticity.[2,6] AI can help tidy the words, but it cannot convey authenticity.[4]

IN SUMMARY

Reports should no longer be seen as documents to be filed away, but inputs into a wider ecosystem of tools, conversations and content. When reports are designed with that in mind, they are more likely to be picked up by a next gen donor or trustee who can screenshot, feed into a tool, discuss in a family WhatsApp group or listen to in a short audio briefing.[3,6]

For advisors, this reinforces what many of us already know from practice and what Beeston and Breeze have articulated in print: the heart of good philanthropy lies in reflective relationships and honest dialogue.[4] AI can free up time and surface patterns, but it cannot replace the conversations where donors, trustees and organisations make sense of imperfect information together.[4]

Language, transparency and authenticity need to be taken seriously. The opportunity for the sector is to use AI, while doubling down on the human elements that make philanthropy more than a set of transactions. Language that is precise and intelligible, transparency about limits and learning, and storytelling that reflects the real complexity of trying to do good.[2,4,6]

BEN TATE

Ben Tate is a philanthropy adviser and researcher, with an MA in Philanthropic Studies from the University of Kent.

He started his career as a Finance Analyst in Australia, working for a subsidiary of Macquarie Bank, where he led a CSR team and first saw the transformative potential of private capital for public good. That experience brought him to the UK, where he spent time in sustainability consulting, before making a deliberate transition into philanthropic advisory.

Ben holds experience in providing grant making advice to donors and grassroots charities across global contexts and has also published research on the intergenerational wealth transfer currently underway.

Through his work with the EQ Foundation's GiveMore platform, Ben delivers charity analysis to help high-net-worth clients give more effectively by conducting due diligence and providing sector insights through thought pieces and donor facing content.

Ben says: "I'm passionate about making giving more accessible, transparent and effective, particularly for donors navigating a complex charitable landscape for the first time."

[6] McLaren, K. (2024) – *'Educating Gen Z: Why Authenticity and Connection Are Key to Thriving in an AI Driven World'*, The Conversation, 5 August 2024. https://theconversation.com/educating-gen-z-why-authenticity-and-connection-are-key-to-thriving-in-an-ai-driven-world-230633
[7] Stanford Social Innovation Review / Better Society Capital – *'We Tested AI Impact Assessments. Here's What We Learned.'* https://ssir.org/articles/entry/ai-assessments-impact-investing

FROM COMPLIANCE TO OPPORTUNITY: MAKING THE MOST OF IMPACT REPORTING UNDER THE NEW SORP

ELLIOT TREVITHICK – WWW.THINKNPC.ORG

The updated Charities Statement of Recommended Practice (SORP), which took effect from January 2026, marks a significant shift in how charities are expected to account for their work. Alongside technical accounting changes, it introduces new and strengthened requirements for impact reporting for charities of all sizes.

For the first time, impact reporting is being embedded more firmly alongside financial reporting as a core element of charity accountability. Charities will be expected to explain not only how money is spent, but what difference it makes, using evidence that is clear, balanced and meaningful.

This change reflects a broader trend: rising expectations from the public, regulators and funders for greater transparency and effectiveness in the charity sector. Impact reporting is no longer a nice-to-have, it is becoming central to governance, strategy and trust.

A CHANCE TO IMPROVE CONSISTENCY AND QUALITY

As well as new obligations, the updated SORP provides a once-in-a-generation opportunity to bring greater consistency and quality to impact reporting across the sector, making it easier to compare, assess and learn from different charities' work.

At its best, this could improve:

- Efficiency, by reducing duplication and focusing effort on the most useful information
- Transparency, by making claims clearer and more comparable
- Impact, by encouraging charities to use evidence to improve services, not just report on them

For many years, impact reporting has varied widely in scope and quality. Some charities invest heavily in learning and evaluation; others struggle to know where to start. A clearer, more consistent framework has the potential to lift the baseline for everyone.

THERE IS A REAL DANGER THAT IMPACT REPORTING UNDER THE NEW SORP BECOMES A COMPLIANCE DRIVEN, TICK BOX EXERCISE.

Crucially, the SORP does not dictate a single method or metric. That flexibility creates space for proportionate, thoughtful approaches, if organisations are supported to use it well.

WHY THIS MATTERS FOR PHILANTHROPISTS AND FUNDERS

Better impact reporting does not just benefit charities. It also has major implications for philanthropists, foundations and other funders.

High quality, consistent impact information can:

- Help funders assess charities more quickly and confidently
- Improve due diligence without increasing burden
- Make it easier to compare organisations working in similar fields
- Shine a light on promising or under the radar charities doing excellent work

ELLIOT TREVITHICK, PRINCIPAL CONSULTANT FOR EVALUATION AND LEARNING, NEW PHILANTHROPY CAPITAL (NPC)

Elliot Trevithick is a Principal Consultant at New Philanthropy Capital (NPC), a think tank and consultancy charity that has supported thousands of impact-led organisations. Elliot has spent almost 15 years supporting organisations to measure and report on their impact, both as a consultant and working in-house for charities and funders. Current and former clients include Macmillan Cancer Research, Comic Relief and Nesta. Most recently prior to NPC, he was Head of Strategy and Research at the mental health charity Think Ahead.

In other words, better impact reporting can help money flow to where it is most effective.

However, this only works if reporting focuses on what is meaningful, not just what is easy to count.

TICK BOX EXERCISE THAT MISSES THE POINT

There is a real danger that impact reporting under the new SORP becomes a compliance driven, tick box exercise.

If charities respond by producing generic narratives, weak indicators, or over-polished claims designed purely to reassure, then the opportunity will be lost. Worse, poor quality reporting could increase cynicism rather than trust.

Experience across the sector shows that many organisations agree with the principle of impact reporting, but struggle with translating it into practical, proportionate action.
Avoiding this outcome requires leadership, and this is where trustees come in.

Trustees are pivotal to making this a success

Under the new SORP, trustees are not just passive recipients of impact reports. They are central to setting expectations and culture.

Trustees can help ensure impact reporting:

- Is used to inform decisions, not just satisfy requirements
- Encourages honesty and learning, not selective storytelling
- Remains proportionate to the charity's size and role
- Is properly integrated with strategy and resourcing

Boards that treat impact reporting as a governance asset, rather than a reporting burden, are far more likely to unlock its value.

THREE AREAS OF BEST PRACTICE

Based on our experience working with charities, trustees and funders, there are three areas that make the biggest difference.

1. Start with purpose and priorities. Good impact reporting begins with clarity about what the organisation exists to achieve, for whom, and how. Tools such as a theory of change help articulate this, providing a framework for deciding what evidence really matters.

Trustees should resist the temptation to measure everything. Instead, they should support charities to prioritise the outcomes that are most important to their mission and stakeholders.

2. Use data to learn, not just to prove. Impact data should answer a range of questions: who is being reached, how services are experienced, what is changing in the short term, and (where possible) what difference is being made in the longer term.

Crucially, this data should be used internally as well as externally. When boards regularly discuss impact evidence alongside financial information, it helps embed a culture of learning and improvement—moving from compliance to insight.

Honest reporting about what is not working builds credibility and supports better decision making.

3. Be consistent, transparent and aware of your audiences. Consistency over time matters. Reporting on a stable set of meaningful indicators allows progress to be tracked and understood.

Transparency also means being clear about limitations of evidence and any assumptions made in interpreting data. Good impact reporting acknowledges complexity rather than oversimplifying it.

Finally, trustees should ensure reporting is tailored to its audiences. Funders, individuals served by charities, and the public may need different levels of detail - but all should be able to understand the story being told.

LET'S MAKE THIS A SUCCESS

The updated SORP has placed impact reporting firmly at the heart of charity accountability. Whether this becomes a missed opportunity or enables real change for the sector depends on how it is implemented.

Trustees, philanthropists and funders all have a role to play in ensuring impact reporting is useful, proportionate and learning focused. If we get this right, we can improve transparency, strengthen decision making and, ultimately, increase the difference charities make. Let's make it count.

WHAT THE CARE LEAVERS PROGRAMME TELLS US ABOUT IMPACT AND SYSTEMIC CHANGE: A CASE STUDY

ANDREW ROBINSON – WWW.CCLA.CO.UK

"The results of philanthropy are always beyond calculation." - Mary Ritter Beard

There is a persistent tension at the heart of philanthropy in how we create and measure impact. On one hand, funders want confidence: that capital is being stewarded responsibly, that outcomes are real and that decisions can be defended to trustees, clients or investment committees. On the other hand, many of the challenges we are trying to address are complex, relational and deeply place-specific – they do not bend easily to short funding cycles or neat reporting frameworks.

Mary Ritter Beard, the American historian, author and women's suffrage and social justice refomist, believed philanthropy has a ripple effect that can shift social norms in ways that data can't fully capture. Her quote is not an argument against rigour. It is a warning against false precision.

THE LIMITS OF LINEAR IMPACT REPORTING

Traditional approaches to impact reporting tend to assume a linear relationship between funding and outcomes: money in, activity delivered, impact achieved. This logic creates a sense of control and accountability. But it rarely reflects reality.

At its core, this model rests on a power imbalance: funders hold the capital, while charities and communities hold lived and contextual knowledge. Faced with uncertainty, organisations can feel pressure to work in ways that fit funder expectations rather than local realities.

These dynamics are reinforced when parties operate in parallel rather than in partnership – each accountable within their own silo, but rarely to the system as a whole.

For example, for care-experienced young people, progress is rarely linear. Stability in housing, wellbeing or employment can take years. Early signs of progress are often relational: trust built, confidence regained, systems working together. These are precisely the changes least visible in conventional reporting.

FINDING THE RIGHT BALANCE

An over focus on metrics can obscure real world impact. When short term indicators and an appetite for attribution dominate, capital is pushed away from durable change and expectations of what funding can realistically achieve become distorted. Put simply, we can lose sight of the forest for the trees.

From the outset, the Care Leavers Programme was designed as a long-term, collective, systemic intervention rather than a short-term project, with seed funding from the Local Authorities' Mutual Trust (LAMIT), in partnership with CCLA and UK Community Foundations.

The programme's ambition is to strengthen local ecosystems of support around care experienced young people as they transition into adulthood, building local foundations for national change. That requires accepting short term trade offs: early progress has focused on testing, learning and relationship building rather than headline outputs.

The Care Leavers Programme is innovative not only in what it funds, but in how it works, using matched funding to align national seed capital with local philanthropy. This embeds local ownership and helps catalyse community led action by connecting it to national ambition.

For us, the success of the project is in the expansion of the programme. In its second year, an additional major donor, the Henry Smith Foundation, has enabled the programme to grow from 17 participating community foundations in England, to 31 – now reaching across England, Wales and Northern Ireland. This has effectively doubled the pot available for local philanthropic partners to match.

A RECIPE TO CATALYSE SYSTEMIC CHANGE

Building local capacity and trust takes time, whether through specialist housing support or targeted bursaries for care leavers. What this programme has let go of in short term prescription, it has gained in momentum towards lasting systemic change.

For funders and charities to escape the temptation of fast, flashy outcomes, they need three things:

1. Flexibility, grounded in trust
For over ten years, CCLA has been a signatory of IVAR's Open and Trusting principles, giving voluntary organisations the flexibility they need to deliver funding in the way that benefits communities the most. Funding through community foundations allows decisions to be made close to the ground, informed by local context and trusted relationships. Care leavers have agency in shaping the support they receive – whether that's help with housing, travel, education or everyday practical barriers.

The programme's learning framework, co-designed by community foundations, is deliberately proportionate and narrative led, focused on sense making rather than attribution. Quantitative data has a role, but it does not dominate.

2. Time horizons that match the ambition
If we are serious about systemic change, we must fund – and learn – over time-frames that reflect ambition. In the Care Leavers Programme, the most meaningful shifts have begun to emerge in the second year: stronger collaboration between statutory and voluntary partners, clearer pathways of support and greater confidence locally to adapt and improve practice together.

This requires restraint from the funder. Not to direct, but to convene, enable and then step back – to sit in the passenger seat rather than insist on gripping the wheel.

3. A collaborative, place-based view
Impact does not reside in any single organisation or intervention. It emerges from the way different parts of a system interact over time. For complex challenges like care experience, progress depends on a deliberately place-based approach rooted in collaboration between funders, local authorities, voluntary organisations, employers and people with lived experience – recognising that no one sector holds all the answers.

Donors and funders bring capital and convening power; local authorities and statutory bodies bring responsibility and reach; charities and community foundations contribute deep local knowledge; and people with lived experience bring insight that cannot be substituted.

WHAT THIS MEANS FOR PHILANTHROPY AND IMPACT INVESTING

As the UK Government begins implementing 'Our place to give: a plan for growing place-based philanthropy', there is a timely opportunity to move beyond debates about measurement for measurement's sake, and to focus instead on how capital can best support long-term, place-based change.

As funders, we need to be honest about what our money can – and cannot – do on its own. In complex systems, our role is more often catalytic than decisive. Impact frameworks should therefore be judged less by their breadthand more by whether they help us understand context, learn and adapt over time.

Finally, we need to be willing to sit with uncertainty – not as a failure of accountability, but as an honest reflection of how change happens.

Mary Ritter Beard's insight bears returning to. Some of the most important results of philanthropy may never sit comfortably in a dashboard, yet they shape outcomes long after a programme ends. Isn't that the result we want?

ANDREW ROBINSON MBE – DIRECTOR OF MARKET DEVELOPMENT

Prior to joining the company, Andrew was Head of Community Development Banking for RBS and NatWest, responsible for the not-for-profit and social enterprise sectors. He also worked for the Royal Bank of Canada, the St Paul's Hospital Foundation and the Canadian Arthritis Society. Currently Andrew is an advisor to Switchback. Andrew is also a Fellow of the Royal Society for the Arts and was awarded an MBE for services to social and community enterprise in 2003. He was appointed as an Executive Director of CCLA in 2006.

MEASUREMENT STUDIES TAKE TIME, REQUIRE INVESTMENT, AND DEMAND SPECIALISED EXPERTISE IN STATISTICAL MODELLING. THEY ALSO PRODUCE UNCOMFORTABLE TRUTHS.

METRICS THAT TELL THE TRUTH: BUILDING IMPACT EVIDENCE PHILANTHROPY CAN TRUST

ADAM O'KANE – WWW.FINCA.ORG

In Uganda, a woman enrols in a savings initiative designed to advance her economic empowerment. The expectation is that she will be able to earn more money and, through her savings, have improved agency over how that money is spent. Things start well. Each month, she sets aside small amounts of money in deposits that show up in her transaction record. By standard measures of financial inclusion, this is a success. Then her adult child uses the money to pay off a debt.

Nothing in the data captures what actually happened. Although the initiative was intended to build women's economic empowerment, whether that change materialised for her is a question the measurement of account activity cannot answer. That gap is where social impact reporting risks failing the very people programmes aim to serve. Philanthropy has become very good at counting activity. Now, it must also invest in measuring what matters.

WHAT STANDARDISED METRICS MISS

There is an understandable logic to focusing on what can be easily observed. Output metrics like accounts opened, loans disbursed, and people reached are clean, extractable from administrative data and cost nothing extra to collect. However, they can mask dynamics that are taking place out of view, and when the goal is social change, they are only the entry point.

Even more sophisticated outcome metrics — such as decision-making power, time-control limitations, and overall life satisfaction — when they exist, are not without their own complications. The indicators that become standard in a field often get carried forward from one funder or report to the next. Rarely does anyone pause to verify whether they accurately reflect the outcomes they claim to measure, or if they hold up in the specific context where a programme operates.

When metrics don't capture the forces that shape people's lives, they create a distorted picture of progress and weaken the evidence base funders rely on. The result is impact data that may be telling a narrow story — or even a misleading one — about the lived experience behind the numbers for women, families and communities.

IDENTIFYING METRICS THAT TELL THE TRUTH

In public health, applying a metric without first testing whether it measures the outcome it is intended to capturewould be considered a methodological weakness. Elsewhere, this step is largely skipped. In philanthropy, this means that funders, trustees, and advisors routinely rely on unvalidated indicators when making decisions that shape programmes and investments.

The best way to correct this is by validating metrics through a measurement study, which is designed to answer the question: Does this metric actually measure what it claims to, in a specific context, for a specific population?

Measurement studies take time, require investment, and demand specialised expertise in statistical modelling. They also produce uncomfortable truths. They may show that the indicators a programme has relied on for years carry little predictive value. Or they may reveal that a programme that appears to work is producing no meaningful change in people's lives. Yet that discomfort is precisely what makes them valuable.

Recent studies on women's economic empowerment (WEE) show that attention to this issue is growing. A 2023 report from the Center for Global Development (CDG) on Women's Economic Empowerment Measurement in Financial Inclusion highlights the importance of validating metrics within digital

THE SECTOR'S GOAL IS SOCIAL CHANGE: REAL, MEASURABLE SHIFTS IN HOW PEOPLE LIVE, WORK AND MOVE THROUGH THE WORLD.

financial inclusion programmes. The report also notes that widely accepted standards for defining and measuring WEE are still missing.

PUTTING COMMON METRICS TO THE TEST

A joint FINCA–BRAC measurement study in Uganda sought to close that gap by assessing whether 267 standardised WEE indicators moved the needle for women in a savings-focused programme. Only seven of the 267 metrics tested were found to show any meaningful association with women's real financial decision-making — and those seven were highly context-specific, grounded in women's social and household dynamics, and rarely found in sector reporting.

A second insight is equally significant for funders. When financial services were paired with coaching, the relationship between empowerment indicators and women's savings behaviour showed up more clearly in the data. This suggests that programme design influences what can be measured. Programmes that include complementary support create the conditions to reveal stronger outcomes. Likewise, weak results may say more about the metrics than the programme itself.

WHAT'S AT STAKE FOR PHILANTHROPY

The FINCA-BRAC findings point to a vulnerability that runs through much of social impact reporting. When so few standard indicators measure what they claim, the reports built on these indicators tell only a partial truth. This puts donors at risk of making funding decisions based on incomplete or inaccurate stories. For the people whose lives are impacted by those decisions, the cost of getting the metrics wrong is not abstract.

This matters especially now. Automation and data volume are accelerating, while pressure to demonstrate impact is intensifying from donors, boards, and regulators. The temptation to default to available metrics is understandable. Yet for philanthropists striving to achieve real impact and make real improvements in people's lives, it's a shortcut they cannot afford.

IMPACT REPORTING FOR REAL SOCIAL CHANGE

The answer is not to abandon quantitative reporting. Numbers allow comparison, aggregation and accountability at scale. But philanthropists must also invest in knowing whether its metrics are telling the truth. This means funding:

- Measurement studies that test whether indicators tell the truth
- Mixed-method approaches that combine quantitative rigour with lived experience
- Programmes that include coaching and complementary support, which reveal stronger outcomes
- Impact systems built for accuracy, not convenience

The sector's goal is social change: real, measurable shifts in how people live, work and move through the world. The Ugandan woman whose savings were taken by her adult child stands in for every case where that goal and the data used to measure it have quietly parted ways. Validated metrics can start to close that gap, filling a critical void in how philanthropy understands and reports its impact.

ADAM O'KANE

Adam O'Kane has worked in the non-profit sector throughout his career, with more than a decade in international development focused on poverty eradication and financial inclusion. Since 2020, he has led partnerships with funders across the UK and Europe at FINCA, mobilising philanthropic and institutional capital to expand access to responsible financial services for low-income communities. Scott Graham, Anahit Tevosyan, and Joeri Smits carried out the measurement study in Uganda.

LATER THIS YEAR WE WILL ASK OUR DONORS IF THEY'D LIKE TO RECEIVE A MORE DETAILED IMPACT AUDIT ON THEIR GIVING. THE RESULTING FEEDBACK WILL HELP US TO PERSONALISE OUR IMPACT REPORTING EVEN FURTHER.

MOVING CLIENTS TOWARDS IMPACT-INFORMED PHILANTHROPY: A CASE STUDY

ANNIKA GRECO THOMPSON – WWW.STEWARDSHIP.ORG.UK

The concept of 'impact' in philanthropy and investing has loomed large in industry discourse for a good decade or longer, and CAF's most recent UK Giving Report points to why it's so important: 19% of would-be donors say they don't trust charities to use the money wisely (uk_giving_report2026.pdf, p.17). That's a significant portion of the population we might be able to nudge towards giving if we in the charity sector were to improve our impact reporting, thereby recovering lost trust.

To explore what is still missing and what might need to change with regards to this, we need to first agree on what we're after, and a common definition of the term may be more elusive than we think. There is industry jargon that advisers use that might not truly reflect what a donor cares about. In our experience, many of our donors appear to be content with a general sense of improvement just as the advisory world continues to advocate for the empirically specific, forcing us to be agile in finding ways to integrate robust impact reporting in a way that is meaningful to the client.

DONOR BEHAVIOUR – CONDUCIVE TO IMPACT REPORTING?

At Stewardship, we operate a Donor Advised Fund (DAF) model dedicated to serving our donors in ways that lift the administrative burden of giving, release joy in the process and help focus their generosity on causes and beneficiaries that align with their values. Our relational approach is also focused on communicating the very real difference their giving makes. However, as we consider how to do this well, we are realising effective impact reporting is perhaps less straightforward than we first thought.

To measure tangible outcomes that result from specific inputs, donors would need to give restricted funds to specific projects that can, or are already, being empirically measured, assessed and reported on. However, many of our high-net-worth donors are keen to keep their gifts unrestricted so that the charities that they are supporting are at liberty to direct the funds where the need is greatest. This means that their donations get mixed in with funding from other sources and held in a charity's general accounts. This makes rigorous impact reporting in the donation-specific sense more difficult as there is no way to trace tangible changes back to individual gifts.

Undeterred, we are considering more creative ways to communicate impact. For example, for the first time last year, we provided individual 'Giving Pictures' to each of our Philanthropy Fund donors. The two-page summary report included an overview of the types of causes the donor had supported, some top-level numerical data and photos that illustrated the charitable work that had been done, providing a general sense of how people's lives have improved as a result of their generosity.

Largely, this seems to work for our clients. A handful responded with a one-liner in the spirit of, 'Thanks very much, this is great to see' and we received some feedback about additional detail that we might consider including in future reports. Impact might well be a hot topic, but our donors seemed content to know their gifts had done some good without enquiring about the detail, so ticking the 'impact' box at the most basic level.

Later this year we will ask our donors if they'd like to receive a more detailed impact audit on their giving. The resulting feedback will help us to personalise our impact reporting even further. As we design this process of gathering higher quality data, we are becoming more aware not only of how we might reduce the burden of reporting for our charity partners but also how it could actually be valuable for them.

It may be that where a particular charity can cite something as fundamental as what proportion of each £1 in donations is used

in service delivery (as opposed to fundraising, marketing, CEO salaries and so on), this will be enough to satisfy some givers that their donation will 'make an impact'.

For donors seeking more detailed reassurance around the impact their donation is likely to make, a charity may be able to provide previously commissioned research, preferably with an element of independent evaluation, that shows the benefits and cost effectiveness of their programmes. This could act as sufficient 'guarantee' to encourage givers to make donations without the promise of detailed reporting on the impact of their own particular gift.

A DIFFERENT PSYCHOLOGY FOR FAITH-DRIVEN GIVERS

While we are still in the process of gathering data on how our donors define impact and to what degree they are interested in measuring it, Stewardship's annual Generosity Reports have pointed to a clear relationship between the level of trust a donor has in a cause or charity and their propensity to give to it. So, we can engage in some educated speculation. As stated earlier, many of our clients are keen to make their funds unrestricted. A possible reason for this is that they trust the charity to know best how to distribute their resources agilely in a needs landscape that is constantly shifting.

This in itself is noteworthy as there has been a narrative in the industry that trust in charities has been decreasing over time, but perhaps with a DAF partner able to complete rigorous due diligence and develop impact reporting, this isn't as much of a concern. The 2026 CAF giving report states that there has been 'a mounting sense of scepticism in society' (p.2). This isn't something we're seeing in the faith sector. Our donors are all practising Christians and based on our experience, it seems a faith-based motivation for generosity comes with a certain measure of trust in the causes it supports that in turn seems to require less detailed impact reporting.

Another possible area of concern towards impact reporting among some faith-motivated donors could be adding additional administrative burden to charities that are already struggling to do the work to fulfil their primary mission. The Charity Commission's new Standard of Recommended Practice (SORP charities-sorp-2026-1), which came into force 1 January 2026, is producing some anxiety amongst charities that are already understaffed and financially stretched. But SORP could prove beneficial for philanthropy advisers who may find it easier to obtain information that will in turn allow them to tailor impact reports for each client in a way that motivates them to make more impact-informed grant making decisions in the future and to even give more perhaps.

AS PART OF OUR IMPACT WORK, WE'VE GROWN OUR LOAN BOOK FROM £24 MILLION IN 2022 TO MORE THAN £30 MILLION IN 2024, SUPPORTING SCHOOLS, CHURCHES AND CHARITIES IN THEIR BUILDING PROJECTS.

AN INVESTMENT MODEL WITH IMPACT IN MIND

At Stewardship, we encourage our clients to make more impact-informed decisions with their charitable funds just as we proactively manage our own assets in line with a faith-based ethical framework. The best way to illustrate this is with our Kingdom Impact Bull's Eye Investment approach in which we've outlined four investment tiers. The first two tiers enable churches and Christian charities to build their ministry and address social issues, alongside financial returns. Tier 2 includes a diversified range of private investments aligned with the UN Sustainable Development Goals. Tier 3 is focused on ESG investments while Tier 4 includes other client nominated investments (NIOs) and cash that do not fit within Tiers 1-3. Assets within the first three tiers have significantly increased, with 30% of total assets in Tiers 1 and 2, while assets in Tier 4 have decreased, indicating a positive directional movement towards impact-focused investments.

As part of our impact work, we've grown our loan book from £24 million in 2022 to more than £30 million in 2024, supporting schools, churches and charities in their building

IMPACT REPORTING MAY NOT BE HIGH ON A DONOR'S PRIORITY LIST BUT KNOWING THAT THEY ARE DOING GOOD WORK IS.

projects. We've also expanded our social impact investment options to both Donor Advised Fund and Philanthropy Fund account holders, prioritising investments that include housing the homeless, high impact companies caring for people and the planet as well as bringing restoration and renewal to places and people.

IT'S ALL ABOUT RELATIONSHIPS

Impact reporting may not be high on a donor's priority list but knowing that they are doing good work is. A faith-driven donor may be content with the more intangible outcomes their philanthropy can affect, but this doesn't mean that we as advisers should shirk our responsibility to nudge them towards more impact-oriented generosity. As with everything in philanthropy, it's all about relationships: the relationship we as a DAF provider have with our donors, the relationship they have with their charities and the relationship those charities have with their supporter base. If we can increase and strengthen that cycle of trust between actors, initiatives like SORP may not need to create additional layers of impact accountability – because it'll already be there.

ANNIKA GRECO THOMPSON, GROWTH AND RELATIONSHIPS MANAGER

Annika is a Swedish-American with a diverse vocational and geographical background who supports philanthropists giving with Stewardship, a Donor Advised Fund and Christian charity.

PRIVATE SOCIAL INVESTMENT AND THE AESTHETICS OF THE POSSIBLE... OR WHY BRAZIL FUNDS SHOWCASES INSTEAD OF TERRITORIES

DIANE PEREIRA SOUSA – WWW.INSTITUTOFORMACAO.ORG.BR

Private social investment in Brazil tends to follow a recurring scene: air conditioning, open spreadsheets, refined technical language and a comfortable distance from the territory. This is not exactly a lack of knowledge, but a choice. There is a pattern of action based on a rarely questioned assumption: territory is a place where resources are applied, not a system already operating with its own logics, knowledge and forms of organisation. This subtle displacement sustains a large share of distortions in the field.

There is a clear preference for what can be organised, measured, and presented. Private social investment favours scale because scale fits into reports, allows comparison and circulates well in decision-making spaces. The problem is that territory does not scale, it transforms. Even so, the sector continues to fund showcase-oriented solutions, replicable projects, well-edited narratives and impact that is easy to communicate. The implicit criterion is not necessarily what sustains change, but what can be clearly explained. The result is predictable: what is legible gets funded, not what is structural.

This logic also explains the concentration of resources in certain centres. It is not only about geography, but about proximity of language. Decisions continue to be made in spaces distant from the realities they intend to transform, producing a cycle where what is already recognised continues to be prioritised. Territory becomes a recipient, rarely a source of knowledge.

There is a silent premise organising this field: those who fund define what is valid. This directly conflicts with community practices where knowledge already exists, networks already function and resources, when they arrive, should follow established flows rather than lead them. Even so, the sector insists on naming before listening, framing before understanding. In doing so, it loses nuances that do not fit institutional categories.

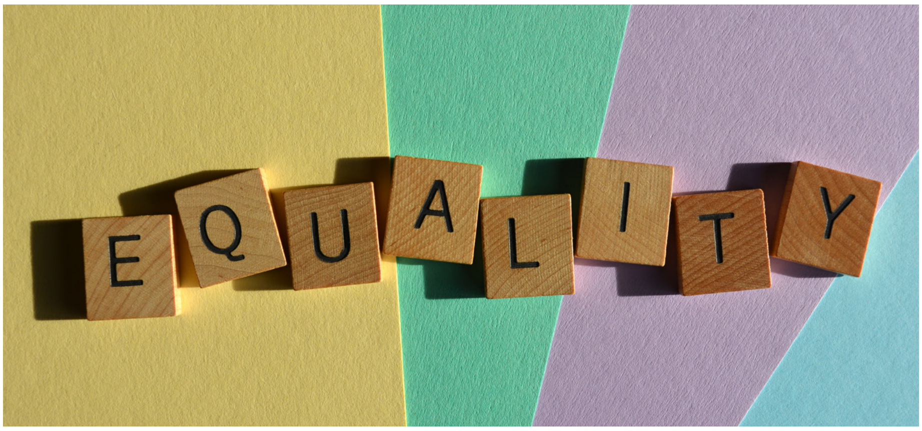
PROJECTS WITH STRONGER DIGITAL PRESENCE, MORE SHAREABLE NARRATIVES AND CONTEMPORARY AESTHETICS GAIN ADVANTAGE.

AESTHETICS CAN BE A BARRIER

Another relevant filter is aesthetic. Projects considered fundable tend to present aligned language, organised narratives, clear indicators, digital presence and formal accountability capacity. These elements matter, but they stop being tools and become barriers when turned into preconditions for access. In practice, territories with low formalisation are excluded, community-based initiatives lose space for not performing well in presentation and local leaders spend more time translating their reality than deepening their work.

Resources, then, begin to demand performance. Those who do not perform do not gain access.

In recent years, this scenario has incorporated a new element: the logic of visibility. Projects with stronger digital presence, more shareable narratives and contemporary aesthetics gain advantage. Not necessarily because they are more effective, but



THE FIELD ACKNOWLEDGES STRUCTURAL INEQUALITIES IN ACCESS TO RESOURCES, ESPECIALLY FOR BLACK POPULATIONS, PERIPHERAL COMMUNITIES, AND LESS CENTRAL TERRITORIES.

because they are more legible and circulate better. This shifts the axis of impact. What is deep but less visible loses space to what is easily communicated. Transformation, which requires time and complexity, begins to compete with the speed of exposure.

A silent distortion emerges. Real impact gives way to narrated impact, long-term processes lose to quick results, complex territories lose to simplified stories. Social investment begins to operate as a curation of acceptable experiences, filtering what can circulate within its own codes.

STRUCTURAL INEQUALITY

The field acknowledges structural inequalities in access to resources, especially for Black populations, peripheral communities, and less central territories. However, responses tend to be programmatic. Specific calls, thematic lines, and pilot projects are created. These are relevant adjustments, but they do not alter the core decision logic. The surface is corrected while the structure remains. Access is expanded without redistributing power.

This is where the contradiction holds. Redistributing resources is viable within the current model. Redistributing power requires revising the model itself. It means giving up unilateral definitions of what matters, what works, and what deserves continuity. It means accepting that what is not immediately understood is not failure, but difference. And difference is not resolved through additional forms.

THE SPEAKER WHO DOESN'T LISTEN

If this field could be translated into a figure, it would be someone who speaks about listening but interrupts; who claims to trust the territory but demands reports before any step; who defends autonomy but defines indicators; who seeks transformation as long as it fits into a presentation. There is technical efficiency and intention, but also a persistent difficulty in dealing with what escapes control.

At its core, private social investment in Brazil works well when it produces organised examples, consistent narratives and presentable results. Problems begin when it must deal with processes that do not fit this format, with initiatives that do not perform according to its criteria and with territories that resist simplification. These require another logic, less oriented by control and more by relationship.

The discussion, therefore, is not about improving projects, but about redesigning relationships. As long as resources remain concentrated, conditioned, and guided by criteria of legibility and aesthetics, the field will continue funding edited versions of the country. Not due to lack of intention, but due to excess filtering.

Perhaps the issue is not the absence of strategy, but where it is being applied. In territory, strategy does not begin with planning, but with listening. And listening, when taken seriously, displaces. It demands time, presence, and willingness to fund what does not yet have a defined form. For a field accustomed to deciding, this remains a point of tension.

DIANE PEREIRA SOUSA

Diane Pereira Sousa is a social leader and impact strategist with recognised expertise in community philanthropy and territorial development. Her work strongly emphasises valuing local knowledge and capacities as drivers of sustainable social transformation. She serves as Director of Instituto Formação, holds a Law degree, and a Master's degree in Human Rights. She is a Fellow of Ashoka and the Global Fund for Community Foundations (GFCF). She also serves on the boards of Instituto Antonio Carlos Pipponzi, Iniciativa PIPA, Instituto Redes, and Fundo Agbara. Her professional trajectory is dedicated to the design and implementation of social technologies and civic education initiatives, widely adopted as pedagogical and inclusion tools, connecting children, youth, and educators to active roles in community life and public participation processes.


WAR EXPOSED OUR FOOD SYSTEM. NOW WHAT?

ANNA LAPPÉ AND JENN YATES – WWW.TCAACCELERATOR.ORG AND WWW.FUTUREOFFOOD.ORG

As a new war rages in the Middle East and West Asia, the full costs of conflicts like this are becoming increasingly impossible to ignore. First, there is the unconscionable scale of lives lost, including countless children. Then come the cascading consequences that ripple far beyond the front line in rising food prices, fertiliser shortages and hunger spreading across countries thousands of miles from the front line. Some of these consequences show up in economic data. Many others – the long-term health burden of food insecurity, the psychological toll on displaced communities – do not.

Economists call these hidden costs 'externalities': real impacts that fall outside traditional accounting, and, therefore, often outside the decisions of governments and businesses. If we have learned anything from this era of cascading crises, it's that what gets measured matters, and for too long, the most consequential costs in our food systems have not been measured at all.

This is what true cost accounting sets out to fix. True cost accounting is not just an analytical framework but a way of seeing the world – a system that surfaces the hidden social, environmental and human costs and benefits that conventional economic models dangerously leave off the books. It does not just tell a more complete story; it gives decision-makers, including funders, advisors, and organisations, a foundation for investment that actually delivers the impact they seek.

THE TRUE COSTS OF FOOD

In a troubling recent analysis, the UN Food and Agriculture Organisation estimated that global food systems generated a staggering $10 trillion in hidden costs in 2020 alone, when accounting for factors such as non-communicable diseases and environmental degradation. Last year's EAT-Lancet report concluded that transforming food systems is essential not only for human health and productivity but for maintaining planetary stability itself. But beyond the headline numbers and analysis, the picture is even more urgent — our globalised industrial food system, with its long supply chains and over-reliance on a handful of key inputs, is fundamentally ill-equipped for this age of poly-crisis. The war in the Middle East is only the latest proof.

But we have seen the power of measuring what matters when it comes to food. One place where this is concretely demonstrated is in the Indian state of Andhra Pradesh. Twenty years ago, farmers and community leaders there faced a convergence of social, health and environmental crises. Determined to measure what matters, they looked beyond traditional metrics of yield and profit to ask something more fundamental: how could farmers be supported to adopt practices with fewer negative social and environmental impacts, while improving their livelihoods and building long-term resilience?

Their answer was Community-Managed Natural Farming, an approach centred on working with nature for pest resilience and soil fertility, reducing dependence on fossil fuel-based inputs and adopting agroecological practices including crop biodiversity and sustainable water management. Today, the program includes 1.5 million of the state's six million farmers.

When researchers applied the true cost accounting lens to the program, they captured impacts that traditional metrics had missed entirely: Illness connected to chemical exposure declined, and community cohesion strengthened. At the same time, yields increased by 11 per cent and farmer incomes rose by nearly 50 per cent, driven by reduced input costs. And crucially, over the last five years, the program significantly reduced dependence on fossil-fuel-based inputs. Now, farmers in Andhra Pradesh are better positioned to weather any supply chain disruptions that have strained global food systems in recent years. All of these many benefits—from social to environmental to economic—are helpfully made visible through true cost accounting.

DRAWING ON MORE THAN A DECADE OF LESSONS AND A YEAR OF GLOBAL STAKEHOLDER CONSULTATION, THE ACTION AGENDA IDENTIFIES CONCRETE STEPS TO EMBED TRUE COST ACCOUNTING INTO THE DECISIONS THAT SHAPE OUR FOOD SYSTEMS...

THE SCALE OF THE OPPORTUNITY

Andhra Pradesh is not alone – it's proof of a concept that works. Since 2016, true cost accounting initiatives in over 36 countries have evaluated the positive and negative impacts of agricultural products, practices, and policies. The methodology has been tested by UN agencies, governments, businesses and producer organisations. The evidence base is growing. What has been missing is the investment to scale the adoption of true cost accounting.

This is where funders come in, and not only those in food systems. If you fund climate resilience, you have a stake in food systems that cut greenhouse gas emissions and reduce the land use change driving our climate crisis. If you fund public health, you have a stake in food systems that don't generate trillions in hidden costs. If you fund biodiversity or sustainable development, the same logic applies. Food systems sit at the intersection of virtually every major challenge philanthropic capital is trying to solve. True cost accounting makes that intersection legible and actionable.

A ROADMAP: THE TRUE COST ACCOUNTING ACTION AGENDA

Philanthropy has already played a catalytic role in getting true cost accounting this far, funding research and analytical tools, facilitating cross-sector collaboration and supporting on-the-ground implementation. The Global Alliance for the Future of Food recognised early that resilient food systems would remain out of reach as long as hidden costs were excluded from decision-making, and aligned funders accordingly. That early investment helped move true cost accounting from the margins. Now it's time to move true cost accounting into the mainstream.

Momentum is building. Earlier this year, the True Cost Accounting Accelerator published the True Cost Accounting Action Agenda – a roadmap to mainstream true cost accounting by 2030, developed by more than 100 organisations across civil society, business, government, academia and philanthropy. Drawing on more than a decade of lessons and a year of global stakeholder consultation, the Action Agenda identifies concrete steps to embed true cost accounting into the decisions that shape our food systems, including sharpening advocacy, building the investment case, activating policy, broadening the coalition and increasing research capacity.

When we fail to account for what really matters within our food systems, the consequences fall hardest on those least able to bear them. True cost accounting has the tools to solve this, and we already have a framework, a coalition, and a roadmap. By investing in the priorities of the True Cost Accounting Action Agenda, philanthropy can embed true cost accounting into agricultural policy, financial markets, corporate strategy and development planning, accelerating a shift toward food systems that work for people and nature alike. ■

JENN YATES

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WHY DO DONORS, SOCIAL INVESTORS AND IMPACT INVESTORS CHOOSE TO ALLOCATE CAPITAL TO CERTAIN INITIATIVES OVER OTHERS? INCREASINGLY, THE ANSWER LIES IN EVIDENCE.

BEYOND THE NUMBERS – EVIDENCE THAT UNLOCKS CAPITAL FOR GRASS-ROOTS CHANGE: A CASE STUDY

LINDA LATSKO LOCKHART – WWW.GLOBALGIVEBACKCIRCLE.ORG

Twenty years ago, I wasn't trying to build an organisation. I simply wanted to meet a need: to support women and girls with no voice, no power, and no viable path forward, by opening doors to education, skills-building, opportunity and financial security. What began as a mentoring program for ten at-risk girls in Kenya evolved into a comprehensive model spanning education, workforce readiness, and economic empowerment, delivered through partnerships with community-based organisations that deeply understand the women they serve. Today, Global Give Back Circle runs Kenya's largest skills-building and economic empowerment program for hard-to-reach rural young women.

STARTING SMALL, SCALING IMPACT

In March 2024, at the Forbes 30/50 Summit in Abu Dhabi, I met Suze Orman, whose work on money, fear and self-worth has shaped generations. I asked her permission to adapt her teachings for rural women living on less than two dollars a day, who are far from formal banking, but not from the emotional power money holds. Suze distilled what mattered most: courage, boundaries, self-worth and understanding the emotional forces behind financial decisions. That conversation became a blueprint for change.

Together, we designed a women-owned credit union and economic empowerment program in West Pokot, Kenya, serving 700 women who had never previously accessed formal banking or credit. Suze contextualised her iconic money lessons to reflect these women's lived realities. To bring this innovative concept to reality, we partnered with Perur Rays of Hope, a community-based organisation with deep ties and earned trust. Today, all 700 are members of the HER Financial Freedom Program, meeting quarterly to learn more than financial planning and entrepreneurship. Through 'Suze-adapted' workshops, they also learn about the 8 qualities of a wealthy woman and are guided in how to have the courage to be rich. Within months of launching, 72 per cent had started or expanded businesses, 59 per cent were saving consistently, and 87 per cent reported confidence in setting financial boundaries. These are not marginal gains. There are shifts in agency, dignity, and power.

This model is being replicated as a natural extension of the HER Lab ecosystem. HER Lab is scaling up in Kenya through a partnership with Mastercard Foundation. HER Lab is a one-year bridging program for rural young women, where 87 per cent of graduates enter paid work, start businesses, or pursue higher education. Microsoft, KPMG, SAP, and individual investors, including Forbes 50 Over 50 honourees Flora Mutahi and Wandia Gichuru, have invested time, talent and treasure in this approach. Together, these partnerships demonstrate a simple truth: when capital meets credible evidence and community-rooted solutions, transformation follows.

WHY REPORTING MATTERS IN CAPITAL ALLOCATION

Why do donors, social investors and impact investors choose to allocate capital to certain initiatives over others? Increasingly, the answer lies in evidence. Philanthropic giving prioritises social good without expectation of financial return. Social investment seeks measurable social outcomes, often alongside capital preservation. Impact investing goes further, targeting both measurable impact and financial return. Across all three, robust impact reporting has become central to capital allocation decisions.


The OECD and the Global Impact Investing Network highlight that funders now demand credible, comparable evidence to assess risk, additionality, and effectiveness. Organisations that adopt recognised frameworks, such as IRIS+ or SDG-aligned metrics, and provide transparent, consistent reporting are more likely to attract and retain capital. Without clear data, even the most impactful grass-roots initiatives struggle to compete for funding.

BEYOND THE NUMBERS

Traditional reporting often fails to capture the nuanced transformation that occurs when working with hard-to-reach populations. In response, Global Give Back Circle developed Beyond the Numbers, a multi-layered reporting approach to impact reporting designed to make evidence accessible, human, and actionable.

Every 60 days, we publish concise reports that translate complex data into clear insights for diverse stakeholders. But data alone is insufficient. Stories enrich and energise the impact. Through Media Salons, HER Lab participants are trained to tell their own stories on camera, choosing whether and how they are shared. High-quality imagery complements quantitative findings, while participant-led podcasts, which are recorded in purpose-built studios, explore core learning questions. Our first question: how do marginalised young women in rural Kenya define dignity, fulfilment and respect and how do these values shape their personal and professional goals?

We also use structured journaling, with weekly prompts that capture not only outcomes, but aspirations. This combination of quantitative data, qualitative insight, and participant voice strengthens accountability, deepens transparency, and places those most affected by programs at the centre of evaluation.

BRIDGING THE REPORTING GAP

Impact reporting is not without challenges. Inconsistent metrics, lack of comparability, conflicting government guidance and burdensome donor requirements disproportionately affect grass-roots organisations. For those working with the most marginalised, which in our case are rural women who comprise roughly a quarter of the world's population, even small data gains represent significant breakthroughs.

To address this, funders must support harmonised and simplified reporting standards. At Global Give Back Circle, we are deploying AI-enabled and digital reporting platforms to streamline data collection, allowing community partners to focus on delivery rather than administration. Real-time voice technology enables continuous data input from more than 700 HER Financial Freedom Program members, generating timely insights without adding operational burden.

This approach is not theoretical. Organisations such as the World Food Programme, UNICEF, and GiveDirectly have shown that treating digital reporting as core infrastructure, rather than a short term pilot, builds trust and informs capital allocation. We have embedded this commitment through Beyond the Numbers, our digitally-enabled impact reporting framework, and through a dedicated data function responsible for translating technical findings into clear, decision-ready insights.

LINDA LATSKO LOCKHART

Linda Latsko Lockhart is the Founder and CEO of Global Give Back Circle, a serial social entrepreneur focused on the empowerment of women and girls in Africa and beyond. Named to Forbes 50 Over 50: Impact List, she brings over 25 years of global leadership designing scalable, gender-based financial independence models. Through her organisation, Lockhart helps marginalised women and girls gain education, financial tools and lasting economic resilience.

INVEST IN EVIDENCE, INVEST IN WOMEN

Investing in African women and girls is not only a moral imperative; it is a strategic economic decision. Women reinvest up to 90 per cent of their income into families and communities, and closing gender gaps could add as much as $28 trillion to global GDP. The evidence is clear. The models exist. The returns, both social and economic, are proven.

What is needed now is alignment between capital and evidence. Funders must move beyond intuition or tradition and prioritise organisations that demonstrate transparency, accountability, and deep community understanding. When we invest in evidence, we invest in trust. When we invest in trust, we unlock capital. And when we unlock capital for women, we unlock resilient, inclusive, and lasting change.

CRYPTO-ENABLED GIVING: MEASURABLE IMPACT IN EMERGING MARKETS AND THE REPORTING GAP THAT HOLDS IT BACK

MAHAVEER SONI – GRADE.CAPITAL

A donor in London wiring funds to a healthcare NGO in Uganda loses close to 4% in intermediation and waits five working days for settlement. Philanthropy runs on the same correspondent-banking plumbing as every other cross-border transaction, and pays the same structural costs. The friction is worst where the need is highest — the World Bank's Q1 2025 Remittance Prices Worldwide data puts the average cost of sending US$200 to Sub-Saharan Africa at 8.78%, against a UN Sustainable Development Goal of 3%.

That gap is a tax on impact. Every basis point taken by correspondent banks, FX desks, and settlement intermediaries is capital diverted from the beneficiary. For philanthropy professionals advising clients on capital deployment into emerging markets, the question is no longer whether blockchain infrastructure offers a cheaper rail — the institutional evidence is already in. The question is how to evaluate, report on, and govern capital that flows through it.

INFRASTRUCTURE ALREADY PRODUCING MEASURABLE OUTCOMES

The World Food Programme's Building Blocks platform has channelled over US$760 million in assistance through more than 40 million individual beneficiary transactions since 2017, reaching roughly six million people in Jordan, Bangladesh, Ukraine, Syria, and Lebanon. WFP reports the platform cuts transaction costs by up to 98% against traditional financial intermediation and had saved US$3.5 million in bank fees by 2023 — every dollar redirected to rations rather than the banking stack. In Ukraine specifically, 18 humanitarian agencies coordinating on Building Blocks report US$270 million in aid duplication avoided, a figure that exists because the ledger is shared, not because it was reconstructed after the fact.

UNHCR's partnership with the Stellar Development Foundation has disbursed US$4.6 million in USDC to around 2,500 displaced Ukrainian households, redeemable for local cash at MoneyGram points. GiveDirectly has moved US$950 million in cumulative cash transfers across 12 countries and uses USDC for cross-border corridors because stablecoin settlement costs pennies per transfer against the bank-wire alternative. The Giving Block reports over US$1 billion in cryptocurrency donated to non-profits in 2024, with Bitcoin at 64% of known donations and an average crypto gift of US$10,978 — a 386% year-on-year rise, projected to reach US$2.5 billion for 2025.

These numbers matter for one specific reason: they are already reported on-chain, in real time, to any party with a block explorer. The reporting that philanthropy has historically struggled to produce — proportionate, comparable, verifiable — exists natively in this stack. The audit trail is not a deliverable at the end of the quarter; it is a by-product of the transaction itself.

REAL-WORLD ASSET TOKENISATION AS AN IMPACT VEHICLE

BlackRock's USD Institutional Digital Liquidity Fund (BUIDL) held approximately US$2.85 billion in AUM in February 2026 and is now accessible across nine blockchains, with Bank of New York Mellon as custodian. JPMorgan's Kinexys platform

has processed over US$3 trillion in cumulative transaction volume since 2020, moving between US$2 billion and US$5 billion in daily volume, with a publicly stated target of US$10 billion daily. The firm's December 2025 launch of MONY — its USD Institutional Digital Liquidity Fund on public Ethereum — was accompanied by JPMorgan's own statement that it is the largest global systemically important bank operating on a public blockchain. These are not pilots.

Tokenised real-world assets on-chain stood at US$26.4 billion in April 2026 — a fourfold increase year-on-year — with six categories each above US$1 billion: private credit, commodities, US Treasuries, corporate bonds, non-US government debt, and institutional alternative funds. McKinsey projects US$2 trillion in tokenised assets by 2030; Boston Consulting Group projects closer to US$3 trillion. Neither forecast assumes philanthropy as a major driver, which is the point: the infrastructure is being built for institutional finance, and philanthropy will inherit it whether or not the sector participates in shaping it.

For philanthropy, the relevance is direct. An affordable-housing project, a renewable-energy plant, or a digital-payments network in an underserved region can now be tokenised and distributed to a pool of donors or impact investors across jurisdictions. A consortium of foundations can co-fund a solar asset in sub-Saharan Africa, each receive proportional yield, and redeem liquidity on-chain — without the special-purpose vehicle, multi-jurisdictional audits, and staggered regulatory filings the same transaction would demand today.

EMERGING MARKETS, LEAPFROGGING AGAIN

Chainalysis's 2025 Geography of Cryptocurrency Report finds APAC growing 69% year-on-year in on-chain value received, with the twelve months to June 2025 rising from US$1.4 trillion to US$2.36 trillion. Latin America grew 63%; Sub-Saharan Africa grew 52%. Seven of the top ten countries in the 2025 Global Adoption Index are lower or upper-middle-income economies and the dominant use case is stablecoin-denominated remittance and dollar access — the same corridors philanthropic capital needs to reach.

India offers the clearest institutional proof-point. Blockchain For Impact, founded by Polygon co-founder Sandeep Nailwal as successor to the India Crypto COVID Relief Fund, has deployed over US$90 million — including US$15 million routed through UNICEF to procure 12.8 crore (128 million) syringes during COVID-19 — and pledged a further US$200 million across healthcare and climate initiatives with more than 15 Indian medical colleges and 50 research projects. Deployed capital, named beneficiaries, on-chain settlement: the anatomy of impact philanthropy has shifted. The UNICEF CryptoFund, operating since October 2019, sits alongside — with over US$4 million invested in native crypto into early-stage ventures reaching 17.4 crore (175 million) people across 80 countries, of whom 4.2 crore (42 million) are children.

INDIA OFFERS THE CLEAREST INSTITUTIONAL PROOF-POINT. BLOCKCHAIN FOR IMPACT, FOUNDED BY POLYGON CO-FOUNDER SANDEEP NAILWAL AS SUCCESSOR TO THE INDIA CRYPTO COVID RELIEF FUNDMAKING...

THE REPORTING GAP — AND WHY INDIA'S TAX ARCHITECTURE MATTERS

Regulatory ambiguity remains the single largest barrier to institutional philanthropic adoption of blockchain rails. India's framework is instructive. The 30% flat tax under Section 115BBH of the Income-tax Act applies to Virtual Digital Assets — speculative cryptocurrencies. A tokenised Treasury bill, a tokenised real-estate interest, or a grant flowing through stablecoin rails is not a VDA; it is a security or a charitable transfer, taxed under the standard regime.

The IFSCA's February 2025 Consultation Paper on the Regulatory Approach towards Tokenisation of Real-World Assets moves this distinction from market practice into rulebook. For trustees, advisors, and foundation treasurers, clarity on what sits inside and outside the punitive bracket is the condition for deploying meaningful capital. Jurisdictions that blur the two will not see institutional philanthropy adopt the infrastructure, regardless of its cost advantage.

The IMF's February 2025 Fintech Note models a 60% reduction in cross-border transaction costs under widespread digital-money adoption, with scenarios where multi-CBDC deployment cuts correspondent-bank revenue from around US$120 billion to US$20 billion annually. That US$100 billion gap is

IS CAPITAL REDEEMABLE? TOKENISATION SHOULD IMPROVE LIQUIDITY, NOT TRAP IT. ANY PHILANTHROPIC VEHICLE SHOULD PUBLISH REDEMPTION WINDOWS...

the approximate saving available to the global cross-border payment system each year. A fraction of it, redirected, is the difference between philanthropy that reaches the last mile and philanthropy absorbed by the intermediation stack.

WHAT TRUSTEES AND ADVISORS SHOULD REQUIRE

For any blockchain-settled philanthropic vehicle, three checks are non-negotiable.

Is the infrastructure institutional-grade? The correct answer includes a named custodian — Bank of New York Mellon for BUIDL, Securitize acting as transfer agent, qualified trustees for tokenised securities — a published audit, and regulatory registration. Self-custody and anonymous protocol governance fail this test.

Is capital redeemable? Tokenisation should improve liquidity, not trap it. Any philanthropic vehicle should publish redemption windows, fees, and gating conditions against a stable unit, whether fiat or regulated stablecoin. Where the secondary market is thin, that fact itself should appear in the reporting.

Is compliance embedded? The advantage of blockchain settlement is programmable KYC and AML at the protocol level, not at the reconciliation layer. An auditable on-chain trail replaces the quarterly reconciliation memo. For trustees discharging fiduciary duty, this is the reporting improvement that matters — not another narrative-led impact story.

THE WINDOW

Global philanthropic capital of roughly €600 billion per year sends less than 4% to emerging markets. The barrier is not willingness to give. It is transaction cost, settlement latency, and the absence of defensible reporting — the same three gaps Philanthropy Impact's Spring 2026 issue is convened to address. Blockchain infrastructure addresses all three, with audited outcomes already in the hundreds of millions of dollars.

Institutional participants have decided. BlackRock, JPMorgan, the World Food Programme, UNHCR, UNICEF, and the IFSCA have each committed infrastructure, capital, or rulebooks to this stack. For philanthropic leaders, the remaining choice is not whether to participate — it is whether to participate intentionally, with appropriate custody, reporting, and fiduciary discipline, or to be surprised by clients, beneficiaries, or regulators who have already moved.

In 2028, blockchain-settled impact capital will be standard. The organisations that build competence in 2026 will define the reporting norms the rest of the sector inherits.

MAHAVEER SONI

Mahaveer Soni is Marketing Manager at Grade Capital, India's first regulated crypto derivatives fund. He is completing his MBA in Big Data Analytics and Marketing at FORE School of Management, New Delhi, following a bachelor's degree from the University of Delhi. His professional work sits at the intersection of marketing and automation: SEO-driven guest-posting pipelines, user-generated content workflows, and blockchain-focused writing for a technical audience on LinkedIn and Instagram. His field research maps how crypto investment distribution operates across north India, particularly the advisor-led and franchise-led channels through which retail participation flows.

EUROPEAN NITROGEN AND METHANE REGULATIONS, ALONGSIDE BROADER CLIMATE COMMITMENTS, ARE EVOLVING OVER MUCH SHORTER TIME-FRAMES...

AVOIDING A STRANDED ASSET CRISIS – HOW PHILANTHROPIC CAPITAL CAN SHAPE THE PROTEIN TRANSITION: A CASE STUDY

JASMIJN DE BOO AND EVE MOSLEY – PROVEG.ORG

The intersection between donating, social investment, and impact investing is well-illustrated by sustainable food systems that deliver on nutrition, price, taste, convenience and profitability. Unlike the tech sector where returns are often fast and risky, food tech and agriculture innovations can take years, due to regulatory hurdles, typical startup 'valleys of death' and lack of scaling finance. Non-profits can play a vital role in accelerating ideas to market and connecting stakeholders, while blended finance can de-risk processes and manage expectations and outcomes.

The concept of 'stranded assets' — investments that lose value due to policy, technology, or social change — has long shaped thinking in the energy transition. A similar risk is emerging in farmed animal agriculture, as food systems shift under climate, environmental, and public health pressures, reshaping agrifood value chains.

This transformation carries profound implications; for sustainability and financial stability. While it creates risks of stranded agricultural infrastructure, it also presents a major opportunity for philanthropic and impact capital to help steer the transition early, protecting farmers and rural economies while reshaping investment portfolios toward more resilient, future-fit food systems.

For impact investors, family offices and foundations, this is both a risk to manage and a rare opportunity to actively shape a major global asset transition. Unlike previous system shifts, food system transformation remains undercapitalised, leaving space for targeted interventions to meaningfully influence outcomes.

A SYSTEM UNDER TRANSITION

With the rollout of sustainability reporting frameworks across Europe, environmental and social impacts of food production are now central to investment decision-making.

At the same time, rapid technological innovation — from precision fermentation to advanced crop systems — is bringing plant-based and hybrid products into parity with animal-based counterparts. As many meat-processing facilities and dairies operate on narrow margins, even modest market shifts can significantly affect viability.

Consumer preferences are gradually shifting toward plant-rich diets, particularly among younger demographics. And globally, food-based dietary guidelines, often inspired by the Lancet Commission's Planetary Health Diet, are becoming increasingly plant-forward.[1]

Yet agricultural investment logic remains rooted in outdated assumptions. Around 78% of fixed agricultural assets in the EU and UK are linked to animal-based systems, financed over long horizons and depreciation schedules.[2]

This financial model is increasingly misaligned with policy trajectories. European nitrogen and methane regulations, alongside broader climate commitments, are evolving over much shorter time-frames, creating a gap between asset valuation and real-world viability.

REGULATORY DRIVERS OF INVESTMENT AND ASSET STRANDING

We are currently in a moment of regulatory transition; globally, we are moving from voluntary disclosure to mandatory environmental reporting across sectors and assets.

TNFD (Taskforce on Nature-related Financial Disclosures) and SBTi FLAG (Forest, Land, and Agriculture) now require investors to report on nature-related risks. If a portfolio relies on animal agriculture, it can be flagged as a high-emissions or high-deforestation risk. In the EU, CSRD (Corporate Sustainability Reporting Directive) requires large

[1] Rockström, Johan, et al. *"The EAT–Lancet Commission on healthy, sustainable, and just food systems."* The Lancet 406.10512 (2025): 1625-1700.
[2] Kortleve, A.J., Mogollón, J.M., Harwatt, H. et al. *"Stranded assets in European agriculture during food system transformations."* Nat Food 7, 38–44 (2026). https://doi.org/10.1038/s43016-025-01283-z

companies to report on Scope 3 emissions and transition risks, highlighting the financial vulnerability of livestock-heavy portfolios. Globally, ISSB (International Sustainability Standards Board) creates a baseline for sustainability-related financial disclosures (IFRS S1 and S2) designed for investors. Standardised reporting allows global investors to identify — and potentially divest from — companies with assets likely to become 'stranded' by the protein transition.

As environmental reporting requirements become compulsory and comprehensive, there is a risk of increased capital flight out of agriculture. This creates a window of opportunity for philanthropy, as donors and impact investors can validate nature-positive alternatives that mitigate asset stranding.

WHY TRANSITION MANAGEMENT MATTERS

Stranded assets are most disruptive when transitions are abrupt.

If demand falls faster than expected, farmers may be left servicing debt on infrastructure that no longer generates sufficient income, leading to defaults, bankruptcies, and instability. Many producers are locked into systems that take decades to amortise. Without viable diversification pathways, financial pressure can slow transition even where alternatives exist.

PHILANTHROPY AS A MARKET SHAPER

Philanthropy is uniquely positioned in this early, risk-bearing phase, where public funding is constrained and private capital remains cautious, allowing it to shape enabling conditions before markets fully reprice risk. Through a portfolio approach to market shaping addressing supply, demand, innovation, and enabling policy conditions simultaneously, it can help create a transition that is both investable and inclusive.

1. **Transforming production systems**
ProVeg Portugal collaborates with academia and farmers' associations, with majority funding from EIT Food's ISAAP project to transform production systems. The consortia supports farmers to cultivate legumes and develop innovative legume-based products.

For philanthropists, this is a rare opportunity: time-limited support that shifts production onto a profitable trajectory while de-risking transition pathways and delivering climate and livelihood benefits.

2. **Shaping demand signals**
Interventions that shape downstream food demand can play a critical role in strengthening and stabilising market signals for producers and processors.

One of the most powerful levers is public food procurement. European governments collectively spend tens of billions of euros annually on food for schools, hospitals, and public institutions. Through initiatives like ProVeg's school and hospital plates programmes which increase the share of plant-rich meals in these settings, philanthropy can help create stable, long-term demand signals.

Engagement with retailers and food manufacturers represents another critical pathway. As gatekeepers of consumer choice, these actors influence product availability to pricing and marketing. Initiatives such as the Protein Tracker (led by ProVeg Netherlands and the Green Protein Alliance) demonstrate how tracking and comparing the share of plant-based and animal protein sales across supermarkets shifts retail behaviour. Philanthropic support for programmes that combine accountability with practical guidance accelerate market development while smoothing the pace of change.

3. **Accelerating innovation**
Innovation plays a central role in enabling the protein transition.

While there is growing recognition that public and philanthropic capital must increasingly step in to stimulate alternative protein innovation—particularly as some funders pull back from purely private investment—early-stage companies still need support to move from promising concepts to commercial reality.

Initiatives such as the ProVeg Incubator, the world's first and leading incubator for plant-based, fermentation and

IN THE FOOD SYSTEM, THERE IS STILL TIME TO ALIGN POLICY, MARKETS, AND CAPITAL BEFORE LARGE-SCALE STRANDING OCCURS, REDUCING FINANCIAL RISK WHILE SUPPORTING FOOD SECURITY, LIVELIHOODS, AND CLIMATE GOALS.

cultivated protein startups, illustrate how this gap can be bridged, combining structured incubation, mentorship, and investor access to help startups overcome the 'valley of death' and reach market readiness.

Through programmes like these, philanthropy can ensure that high-potential innovations are not only de-risked, but actively accelerated into a more diversified and resilient protein ecosystem.

4. Enabling policy environments

Policy engagement is equally essential. Clear, predictable, and aligned regulatory frameworks reduce transition uncertainty and help ensure capital is allocated in line with emerging climate, environmental, and health realities — rather than being locked into declining high-emission infrastructure.

Philanthropy can play an enabling role by supporting evidence-based advocacy and research that helps align agricultural, climate, and health policy in a coherent direction. This can accelerate the development of policy pathways that actively reduce the risk of stranded agricultural assets, by signalling transition trajectories early and enabling producers, processors, and investors to adapt in a managed way.

ProVeg International's policy work illustrates this in practice. Through sustained engagement with policymakers, ProVeg helps integrate plant-rich food system goals into national and international agendas, contributing to the regulatory clarity needed to accelerate investment and reduce the risk of abrupt market shifts.

A window for proactive leadership

From the energy transition we have learned a clear lesson: delaying increases the risk of a disorderly transition.

In the food system, there is still time to align policy, markets, and capital before large-scale stranding occurs, reducing financial risk while supporting food security, livelihoods, and climate goals.

Philanthropy has a critical role to play by filling data gaps, shaping demand, supporting innovation and enabling a just transition.

The question is no longer whether the system will change, but how — and how quickly. Those influencing capital today have an opportunity to move from passive observation to active stewardship of this transition.

JASMIJN DE BOO

Jasmijn de Boo (MSc, DipEd) has dedicated over 25 years to international animal protection, education and plant-based advocacy. Her career progression includes 14 years in executive leadership, demonstrating a long-term commitment to driving systemic change.

Today, Jasmijn is the Global CEO of ProVeg International, where she directs the organisation's strategy, growth and governance. To amplify the plant-based sector's voice, she co-founded the European Alliance for Plant-based Foods (EAPF) and the Plant-based Food Alliance UK (PBFA), and she holds director positions across eight entities in six countries.

EVE MOSLEY

Eve Mosley (MSc) has more than 15 years' experience across asset management, environmental disclosure and international development, with a focus on climate, human rights and sustainable livelihoods. Her career bridges financial markets and philanthropy, with a track record of mobilising capital to drive systemic change across global value chains.

Today, Eve is Global Head of Development at ProVeg International, where she leads global resource mobilisation to accelerate the protein transition. She previously served as Global Head of Institutional Funding at CDP, engaging governments and multilateral funders for the world's largest environmental disclosure platform and held senior roles at other leading International NGOs. She began her career in portfolio administration at State Street Investment Management.

PHILANTHROPIC CAPITAL POWERS THE ENERGY GRIDS OF THE FUTURE: A CASE STUDY

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This year's geopolitical unrest and the ensuing energy price shock — the biggest energy disruption in history — is a stark reminder of the urgent need to shift away from fossil fuels and prioritise local energy security. A key challenge for catalytic financing in the clean energy sector is to pinpoint strategies that can withstand the test of time, transforming high-risk ventures into viable investment opportunities.

In the Global South, where billions still lack access to reliable electricity, the integration of clean energy into already ageing infrastructure poses a challenge. Crumbling grids, strained by rapidly escalating demand, are not configured to absorb the fluctuations in supply that wind and solar bring. As countries' clean energy ambitions grow, in line with their economic, security and climate goals, we are in a race against time to ready electricity grids for a cleaner, more abundant energy future.

Philanthropic capital, strategically deployed, can help by catalysing changes that can – with the right technical support and multi-sector collaboration – shift markets, reform regulations and advance new technologies. The goal is twofold: shore up a single grid and unlock pathways to scale that crowd in further investment.

A GAME-CHANGER IN DELHI

A project in India offers key insights into how this is done.

May 2025 saw the launch of a pioneering electricity grid enhancement project in Kilokri, New Delhi. In a city of escalating energy demand and ageing, over-burdened electricity grids, a new battery energy storage system (BESS) - the largest of its kind in South Asia - is serving 100,000 people with reliable power, and reducing carbon emissions by 1.8 million tons over the lifetime of the project (equivalent to some 20,000 cars off the road in India each year).

The 2,000 square metre battery site, wedged into the urban sprawl of south Delhi, greatly enhances the stability of the local power grid.

The project was proposed in 2019 but never made it past the drawing board. Regulators, concerned that consumers would bear the cost, hadn't officially authorised battery storage as a viable technology. And state distribution companies, already financially stretched by soaring power demand, were cautious about committing to new technologies.

In May 2023, Global Energy Alliance, in partnership with Deloitte and the local utility BSES Rajdhani Power Limited (BRPL), began a study to determine the feasibility of re-igniting the 2019 project, examining how the industry and technology had evolved. Instead of relying solely on forward-looking estimates, the team used BRPL's actual data to determine how the utility would have benefited from the storage facility had it been up and running at an earlier point.

The analysis found that, compared to 2019, BESS now offered greater benefits while costs had marginally reduced. This meant that if structured intelligently, concessional capital could make the project viable and help establish a scalable business model.

The RFP, issued in September 2023, explicitly included a concessional loan from Global Energy Alliance to cover up to 70 percent of the project debt. The loan helped bring down the project's price tag and therefore the likely cost to consumers, a key element in the eventual granting of regulatory approval. By aligning policy and providing catalytic financing and technical support, the Kilokri project overcame regulatory uncertainty and tariff and cost concerns to turn what was once considered a high-risk endeavour into a viable, investable market. Thanks to the regulatory and policy changes the project helped to secure, today India's stand-alone BESS

pipeline represents an estimated $5-6 billion in anticipated public and private investment.

The project offered valuable insights.

First, catalytic capital is most impactful when backed by strong partnerships. By bringing regulators, energy companies, utilities and lenders together we helped overcome misconceptions, mitigate regulatory uncertainty and reduce early-stage risk. In 2023, the national Ministry of Power published a framework that embraced battery storage technology. This gave BRPL confidence that the project would achieve regulatory backing. The Global Energy Alliance's concessional loan helped reduce the likely tariff by an estimated 55 percent.

Second, philanthropic capital has higher risk tolerance, meaning we can invest early and unlock bottlenecks to prove viability at scale. It also works best when it is long term and patient. When the Kilokri project was first conceived, the clean energy transition was just beginning. This year, India has already surpassed its 2030 target of having 50% non-fossil fuel installed electricity capacity. In this rapidly changing environment, the multiplier effect of attracting investments from both public and private sources can have a significant impact.

Third, learnings are transferable across geographies. In July 2026, Malawi will commission its first-ever utility-scale BESS project – harnessing learnings gleaned by Malawi dignitaries on visits to Kilokri. Both projects are key outcomes for Global Energy Alliance-convened BESS Consortium - a group of global partners working together to unlock 5GW of battery storage capacity in emerging and developing economies across Africa, Asia and Latin America and the Caribbean.

Fourth, now is the time for public, private and philanthropic capital to invest. According to BloombergNEF, the cost of BESS equipment fell by 40% year on year in 2024 alone. The International Energy Agency (IEA) estimates that the total upfront cost of big battery storage projects will drop by another 40% by 2030. At the project level, this alters the calculus of the power utility. Based on data from BRPL, Global Energy Alliance estimates that the Kilokri project benefits the utility by US$800,000 per year.

WOOCHONG UM

Woochong Um is CEO of the Global Energy Alliance for People and Planet (since August 2024), where he leads global efforts to accelerate clean energy transitions and eliminate energy poverty. He oversees the Alliance's strategic, programmatic, and financial direction; builds partnerships across governments, philanthropies, multilateral institutions, and the private sector; serves as a leading voice on just energy transitions; and drives climate finance mobilization. Under his leadership, the Alliance operates through two pillars: Grids of the Future, which modernizes power systems for clean energy at scale, and Powering Opportunity, which connects distributed clean energy to jobs and economic growth in emerging economies.

Before joining the Alliance, Woochong spent over 30 years at the Asian Development Bank (ADB), rising to Managing Director General (2021–2024), the institution's highest career staff position. He previously served as Director General of the Sustainable Development and Climate Change Department, leading ADB's COVID-19 response across health, economic stabilization, and vaccine access, and as Secretary of the Bank (2014–2018). His tenure included major climate achievements: launching the Energy Transition Mechanism to retire coal assets in developing Asia, raising ADB's climate finance target to USD 100 billion by 2030, and creating the Innovative Financing Facility for Climate in Asia and the Pacific (IF-CAP). He also led the USD 1.5 billion Nam Theun 2 Hydropower Project in Laos, a major public-private partnership, and managed ADB's evacuation and relocation of Afghan national staff during the 2021 crisis.

Woochong began his career in the private sector at Pfizer and Pitney Bowes. He holds an MBA from NYU and a Bachelor's degree in Computer Science and Management from Boston College.

GRIDS OF THE FUTURE

India alone needs to invest at least $160 billion annually in clean power and infrastructure to stay on track with its climate goals. Globally, energy storage capacity must increase sixfold by 2030 to enable the planned deployment of renewables. At the same time, next-generation distribution systems require grid digitalisation, integration of distributed energy, and stronger local ecosystems, alongside ensuring people have the tools, skills and financing to turn electricity into jobs and improved livelihoods.

In this context, catalytic capital can pilot innovations, generate evidence of what works and build pipelines of bankable, high-impact projects that can scale.

SCALING UP

Moving forward, Global Energy Alliance is working with champion utilities across three continents to demonstrate a new paradigm for utility transformation and create replicable blueprints for modern, digitally enabled power systems. By 2030, Grids of the Future is expected to reach 462 million people with reliable electricity, avoid 1.5 gigatons of carbon emissions, unlock $65 billion in financing and create or improve 64 million jobs and livelihoods.

In a time of limited climate finance and increasing energy insecurity, these catalytic interventions are more crucial than ever to modernising electricity systems and expand reliable, abundant, clean power to millions of people across the Global South.

THE FLOWER AND THE SEED: WHO WILL CATALYSE NATURE'S RECOVERY?

CLARE QUIGLEY – WWW.PLANTLIFE.ORG.UK

Financial sustainability reporting has a problem. Companies looking to make, and report on, credible investments in nature do so by purchasing carbon and nature credits: units generated by projects that sequester carbon or restore habitats. But bottlenecks in the supply of high-integrity credits are constraining the market, leaving companies unable to make the nature-related disclosures they need.

At Plantlife, we call this bottleneck the 'Flower and Seed' problem. The flower (the landowner) cannot bloom without investment. The seed (the investor) will not grow without a guaranteed return. Both are ready, but neither moves first and without that first move, credits are never created, the market stalls, and nature loses.

To understand why the bottleneck exists, you first need to understand the businesses whose demand should be driving the market.

THE HESITATION TO PUBLISH

Corporate environmental reporting has matured significantly. What began as voluntary, often performative commitments have shifted towards formal standards, with listed companies increasingly expected to report on both climate and nature impacts.

Of course, that progress is far from universal. Some organisations remain content with superficial commitments, or no commitments at all, but a growing number of companies, largely led by institutional investors, are choosing to publish environmental reports voluntarily.

Many are beginning to grapple seriously with the operational changes required. They've done the groundwork - conducting assessments, improving operations, reducing emissions. And yet, many still hesitate to publish. Why? In many cases, it is the fear of the repercussions of falling short - of not being entirely 'net-zero', of disclosing nature impacts not yet fully addressed or reporting on investments in nature that are later revealed as sub-standard. In an era where greenwashing accusations stick fast and reputational damage is hard to undo - transparency has itself become a risk.

THE ROLE OF HIGH INTEGRITY MARKETS

Closing that gap—those final, hard-to-abate emissions – requires investment in the very nature and carbon markets that can neutralise what cannot yet be removed.

Carbon and nature credits have received significant criticism, some of which is justified. Protecting our environment, sequestering carbon and restoring nature is no simple task. These markets must be scrutinised to ensure that every promise and agreement being made is of high integrity, is additional and is genuinely permanent. Under such close examination, it is understandable that companies are hesitant to invest.

Fortunately, the UK leads the world in nature and carbon market standards, with a robust framework of governance, legal permanence, and rigorous measurement, reporting and verification (MRV) requirements. Any project worth investing in will follow all of these standards.

This architecture is what makes the difference between a credit that can stand up to company checks and public scrutiny, and one that can't. In turn, it gives businesses the confidence to invest - and to be open about doing so.

THE FLOWER AND THE SEED: A STRUCTURAL GAP

Yet, despite this growing commitment to high-integrity markets, one fundamental problem remains. It is a classic case of the chicken and egg conundrum or, as we like to put it, the Flower and the Seed. Which comes first?

ENSURING THAT SMALL FARMERS CAN PARTICIPATE IN NATURE MARKETS IS THEREFORE NOT SIMPLY A QUESTION OF FAIRNESS OR RURAL INCLUSION; IT IS ESSENTIAL IF WE WANT TO ACHIEVE NATURE RECOVERY AT SCALE.

Should the landowner (the flower), already operating on a limited profit margin, be the first one to invest? For example, to bring a Biodiversity Net Gain site to market, significant upfront work is required: baseline ecological assessments, Habitat Management and Monitoring Plans (HMMPs), and a Conservation Covenant to secure the site for the long term. These costs typically run to £50,000-£60,000 per site, a figure that falls squarely on the landowner.

Investors (the seed) are reluctant to fund this work without knowing that units will be sold, while landowners are hesitant to invest before a buyer is secured. The result is a standstill.

This is not a failure of ambition on either side. It is a gap in how nature markets are designed.

WHO LOSES OUT? THE SMALL FARMER

This problem impacts smaller landowners hardest. Most MRV costs are the same for small farms as they are for large estates, but small farms generate far fewer credits. As a result, those who would benefit most from access to nature markets are effectively priced out.

Yet small farmers are vital for nature recovery. Around 81% of UK holdings are less than 100 hectares. Aggregated across landscapes, these smaller farms can deliver meaningful habitat restoration and connectivity - but only if they can access the market.

Ensuring that small farmers can participate in nature markets is therefore not simply a question of fairness or rural inclusion; it is essential if we want to achieve nature recovery at scale.

INVEST UPFRONT: A SOLUTION

So, what can people who care about nature recovery, fair access and rural inclusion do?

Philanthropic grant funding for baseline work is one option and is always impactful. But if you are looking for a return on investment, or if you anticipate making nature or carbon claims in the future, funding the development of units can be an even more effective choice. Doing so guarantees your supply, fixes unit prices before demand increases, and gives you a direct connection with the land being restored.

It not only unlocks nature recovery at scale but helps to create the high-integrity supply that gives hesitant companies the confidence to act, report openly, and join those already leading the way.

Nature markets won't scale through waiting - they scale through leadership. Be the seed.

CLARE QUIGLEY

Clare Quigley is the Nature Economy Specialist for Plantlife. With a background in environmental economics, policy and corporate sustainability reporting, she works at the intersection of ecological recovery and private investment. Her work focuses on developing strategies to fund habitat restoration through high-integrity nature markets.

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Inspiring Philanthropy and Investing for Impact

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