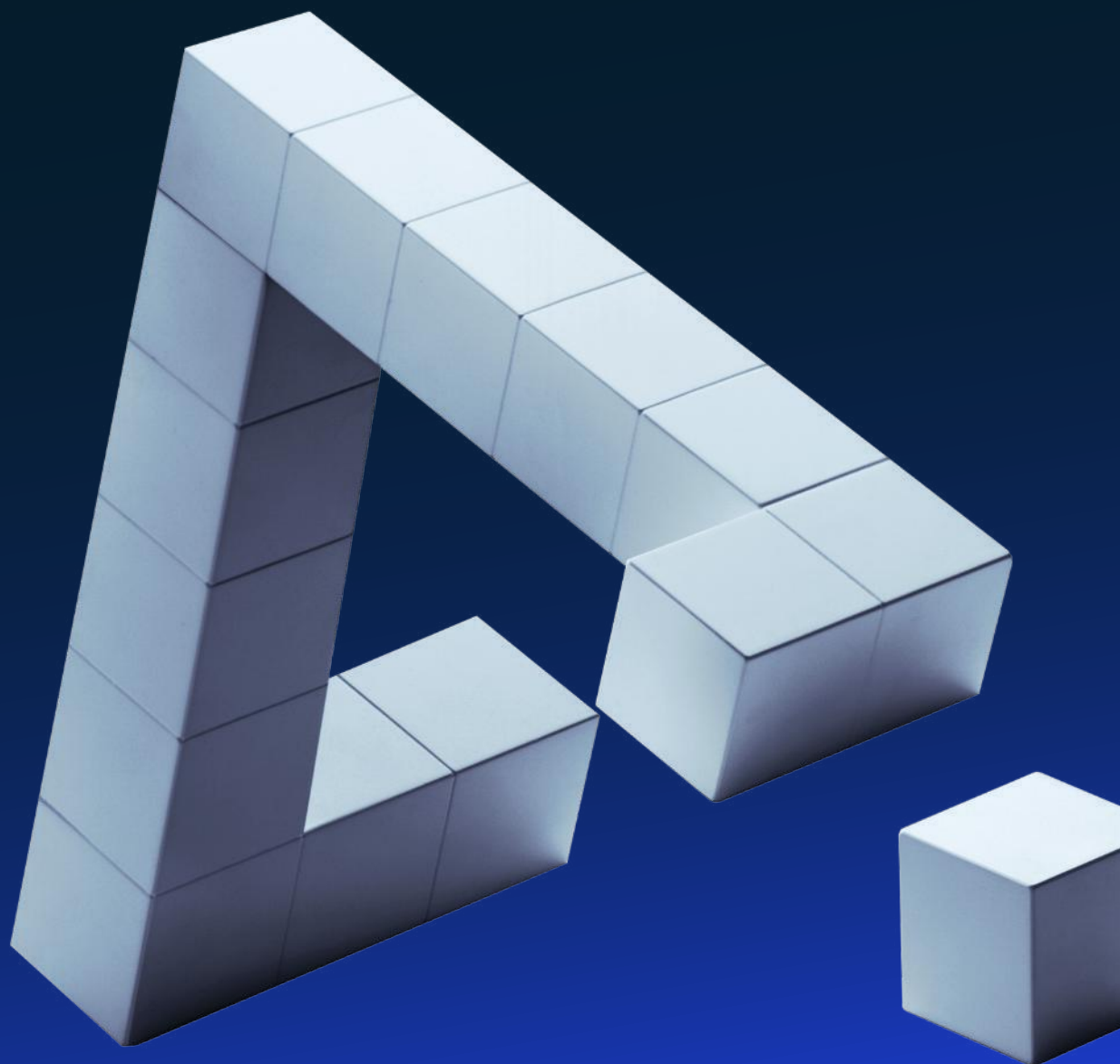


McKinsey
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Reimagining European philanthropy

European philanthropic foundations have an opportunity to step up and address the needs arising from or exacerbated by the coronavirus.

June 2020



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Introduction

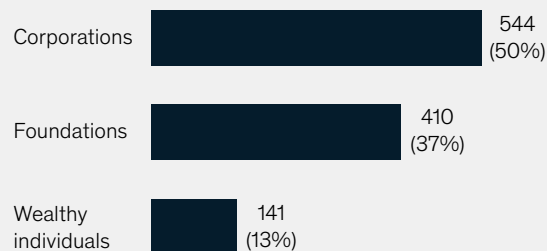
by Michael
Conway, Karen
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Probst

We are facing an irreversible humanitarian and economic crisis that will permanently change our world. As societies around the world remain near a standstill, the COVID-19 pandemic has magnified the preexisting vulnerabilities and inequalities of our social systems. Although governments have put a sweeping range of policies and programs in place to combat the pandemic's impact on public health and the economy, the scale of the challenge requires more.

Exhibit 1

European philanthropic commitments for COVID-19 response total almost €1.1 billion.

Publicly announced COVID-19 donations from European donors, € million (%)



Source: Funds for coronavirus relief, *Candid*; Member announcements, ECF; Billionaire tracker, *Forbes*

European foundations have an opportunity to step up and address the rising needs.

With economic forecasts predicting the biggest-ever peacetime recession and stock markets and other asset prices being down, the value of foundation endowments has declined substantially. One might expect financial pressure and self-preservation instincts to lead foundations to reduce their payouts.

But to the contrary, the coronavirus crisis has mobilized an unprecedented response by the global philanthropic community, with commitments of €10 billion. The list is led by Jack Dorsey's donation of \$1 billion and 16 grants from Google.org totaling €850 million.¹ But does this picture also hold true when looking at Europe? Our analysis² identified combined commitments for COVID-19 response by European philanthropy of almost €1.1 billion from corporations, foundations, and wealthy individuals (Exhibit 1). Similarly, the majority of executives we interviewed from large European foundations confirmed that their organizations are planning to maintain or even increase their grant-making budgets for 2020 and 2021 to address the rising needs in their program areas despite financial pressures.

Strategic challenges and opportunities arise in all program areas

About the research

Our analysis of “Europe” focuses on EU countries plus Norway, Switzerland, and the United Kingdom. References to other subsets of geographies are called out accordingly.

This analysis combines publicly available data with some proprietary insights. To complement our data, we interviewed 24 foundation representatives from seven countries across Europe (see “Acknowledgments”) to learn about their organizations’ responses to the crisis.

The current crisis challenges all the programmatic areas that foundations typically address. While COVID-19 is first and foremost a public-health crisis, we believe the recent developments in the global public health space and their implications for foundations are relatively well researched and documented. We want to focus this report on some of the other programmatic areas of foundations and how they are being affected by the current crisis—and in turn will shape how our society will emerge from this crisis (for more, see sidebar “About the research”). Indeed, basic needs such as food, housing, education, and employment have been shown to account for 40 percent of health status.³ When these health-related basic needs are not fulfilled, populations find it more difficult to adhere to COVID-19 recommendations and are more vulnerable to severe outcomes.

To provide foundation leaders with a strategy and initial knowledge base for evaluating their portfolios of initiatives, we illustrate a changing environment across six exemplary program areas. For each program area, our analysis explores the underlying social challenges before the pandemic, how the COVID-19 crisis is changing the situation, and opportunities for intervention by foundations.

Exhibit 2

European countries have around 900,000 documented homeless people.

People in unsuitable housing, millions; 2018 in Europe



Source: OECD Affordable Housing Database 2018

Basic needs

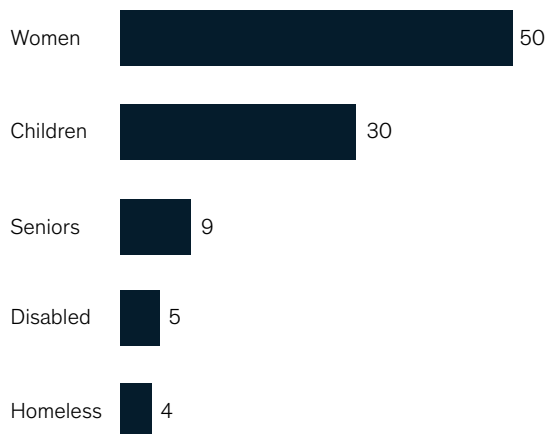
Compared with the rest of the world, European countries have extensive and relatively well-functioning public safety nets. These social-security measures should ensure universal access to basic human needs such as adequate housing, sufficient food, and personal safety.

Housing: European countries have around 900,000 documented homeless persons, with the largest numbers in France, Germany, and the United Kingdom. The homeless population, which has been steadily rising since 2010, now includes more young people and children, women, migrants, and other disadvantaged minorities.⁴ Even among those who have housing, some individuals endure severely deprived living conditions (Exhibit 2). Two percent of European households don’t have access to a flushing toilet; this number reaches 26 percent in Romania.⁵ Space is another important element of housing quality: nearly 80 million Europeans live in overcrowded housing. The overcrowding rate—determined from an individual household’s personal-space needs based on each member’s age, gender, and relationship to others—is especially an issue in Eastern Europe and the Mediterranean.⁶

Exhibit 3

Women and children are most vulnerable to not having their basic needs met.

People receiving Fund for European Aid to the Most Deprived (FEAD) support, %¹



¹Multiple categories can apply.
Source: FEAD evaluation 2019

Food: Even before the crisis, millions of Europeans' basic needs were not being met. Overall, 22 percent were at risk of poverty or social exclusion in 2018, and 5.9 percent of the EU population was severely materially deprived—that is, they could not afford items considered necessary to lead an adequate life.⁷ Between 2014 and 2017, the Fund for European Aid to the Most Deprived (FEAD) supported an average of 12.7 million people a year,⁸ including a large percentage of women and children (Exhibit 3).

Food insecurity has been a rising issue in Europe for the past ten years. Across 30 countries, 6.5 percent of the population (more than 34 million people) faces moderate to severe difficulties in accessing sufficient nutritious food.⁹ Indeed, the Federation of European Food Banks (FEBA), which consists of 326 food banks from 23 countries, distributed food to 9.3 million people across Europe in 2018¹⁰—almost double the number of recipients in 2010.¹¹

Personal safety: Personal safety, especially of women and children, is problematic in Europe. In the European Union and United Kingdom, 35 percent of children experience physical, sexual, or psychological violence by an adult perpetrator before the age of 15; 33 percent of women have experienced physical or sexual violence (or both) since turning 15, 21 percent sometimes worry about being assaulted, and 4 percent sometimes avoid going home because of potential threats there.¹²

Effect of the COVID-19 crisis

The ongoing public-health emergency has made it more obvious than ever that adequate housing and health are intrinsically linked: living without suitable accommodations is directly damaging to health. Homeless people often have many complex health issues, including tri-morbidity (the coexistence of problems with physical health, mental health, and addiction). Compromised immune systems, poor nutrition and hygiene, and long-term residence in overcrowded shelters increase the risk of contracting contagious diseases; several studies outline the negative effects of overcrowded dwellings on health outcomes.¹³ Moreover, many of the coronavirus-containment measures aimed at the general population—such as self-isolation, increased hygiene, staying at home, and strict physical distancing—are not realistic for people who lack adequate housing. And at the same time that the needs of homeless people are increasing, reports from several countries indicate that pertinent medical and other services are closing because staff either lack protective equipment or have to care for their own families.¹⁴

With several million livelihoods on the line due to the economic crisis, housing issues will substantially increase in the coming months and years. The coronavirus crisis puts about 54 million people (10.4 percent) in Europe who are already housing insecure at risk of losing the roofs above their heads.¹⁵ Today, 6.3 percent of households are behind in paying their utility bills, and 3.2 percent have arrears on mortgage or rent payments. Single parents are especially vulnerable to housing insecurity; in fact, they are three times more likely to have arrears on mortgage or rent.¹⁶ Several European governments' COVID-19 stimulus packages have therefore included a moratorium on payments for housing (for example, in Austria, Germany, and Italy) or for utility services (such as in Spain).¹⁷ Although these measures may provide short-term relief, they cannot fix the underlying affordable-housing challenge.

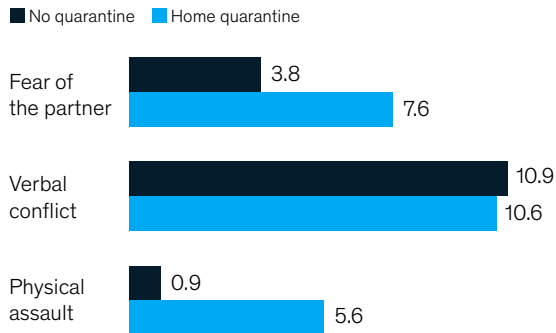
With financial hardship rising for many people, four out of five European food banks report an increase in the number of people requesting food aid.¹⁸ While Eastern Europe seems to have been relatively spared, in Belgium, France, Italy, and Spain the demand for food aid has already grown by 20 to 25 percent on a

national level and 30 to 40 percent in some urban centers, such as Amsterdam, Geneva, and Madrid.¹⁹ In the United Kingdom, five million people living in households with children under 18 have experienced food insecurity since lockdowns began—double the level of food insecurity among households with children reported by the Food Standards Agency in 2018 (5.7 percent). Parents of two million British children said they had experienced one or more forms of food insecurity, and more than 200,000 children have had to skip meals because their family couldn't access enough food during lockdown. At the same time, UK food-bank network Trussell Trust reports an 81 percent increase in people needing support from food banks at the end of March 2020 compared with the same time in 2019. UK demand from children for food bank services has soared by 121 percent.²⁰

Exhibit 4

People in quarantine report fear of domestic partners twice as often and physical assault six times as often.

People experiencing domestic conflicts, %



Source: COVID-19 Snapshot Monitoring (COSMO)

While most European food banks remain open, 54 percent struggle to redistribute food because of the closure of distribution locations (41 percent), lack of volunteers (29 percent), and fear of infection among recipients (18 percent).²¹ Another major supply issue is the disruption of free school meals provided to children from poor families. The World Food Program estimates that 25 million children in Europe are missing meals that they would have had at school.²²

As more people stay at home, domestic violence is also likely to escalate,²³ exacerbated by added stress on families prompted by school closures and potential job losses. A German survey finds that people in home quarantine report fear of their domestic partners twice as often and are more than six times more likely to experience physical assault (Exhibit 4).²⁴ Furthermore, reports from several European countries indicate that calls by women to support hotlines have increased since the beginning of the COVID-19 outbreak,²⁵ and European member states in the United Nations have reported up to a 60 percent increase in emergency calls by women subjected to domestic violence in April.²⁶ Spain's government help line for gender-based violence reported a 12 percent increase in call volume in the first two weeks of lockdown—with a 270 percent increase in online visits to the help line's website.²⁷ France's police reported a nationwide

spike of about 30 percent in domestic violence,²⁸ and official statistics in some Balkan countries also point to a rise in domestic violence.²⁹ The United Kingdom's largest domestic-abuse charity, Refuge, has reported a 700 percent increase in calls to its help line in a single day, while calls to a separate help line for perpetrators of domestic abuse seeking help to change their behavior rose by 25 percent after the start of the lockdown.³⁰

With financial hardship rising for many people, four out of five European food banks report an increase in the number of people requesting food aid.

Opportunities for foundation intervention

Foundations should focus on addressing the underlying issues of affordable housing, food security, and personal safety.

Provide emergency relief. Europe's sizable group of vulnerable populations is growing as demand rises and the supply of support services is disrupted. While foundations usually focus more on addressing the underlying societal challenges than tending to the symptoms of people in need, several foundations have pivoted as the coronavirus pandemic has brought immediate social needs close to their own backyards at an unprecedented scale. Philanthropies have stepped in to reestablish and increase the supply of emergency housing and food aid as part of their emergency response.

Case examples

Roger and Mirka Federer set up an emergency assistance fund of 1 million Swiss francs to distribute food and childcare vouchers to families in Switzerland. The initial announcement was widely publicized,¹ sparking a flurry of donations for emergency response in Switzerland: two days later, Novak Djokovic also announced an emergency fund of 1 million Swiss francs for medical equipment in his home country of Serbia. UBS CEO Sergio Ermotti donated million Swiss francs to coronavirus victims in

Ticino, and Michelle Hunziker collected more than €1.2 million for a hospital in Bergamo.

Fondation Nexity supports nonprofits that distribute food and hygiene products to homeless and poor people. It announced a donation of €3 million to be distributed across Samu Social de Paris, Secours Populaire, Agir pour la Santé des Femmes, the Women's Foundation, and the Women's Solidarity Federation. In addition, Nexity made 300 accommodation units in Studéa student residences available to caregivers and

vulnerable groups. Its subsidiary Domitys is setting up a temporary-stay offer for isolated and vulnerable elderly people and extended it to town halls, local authorities, CCAS, CIAS, associations, and other partners.

¹ 1918,861 Likes (Instagram) / 287,458 Likes (Facebook) 17,477 comments (Instagram) / 16,801 comments (Facebook), 15,257 Facebook re-posts and 27 mentions in Swiss national and local newspapers; immowebk.fr.

Address the underlying challenges. While the attention to short-term needs is necessary and laudable, foundations have neither the capacity nor, in many cases, the mandate to provide emergency relief to people in need on an ongoing basis. In the longer run, foundations should focus their energy on addressing the underlying societal issues of affordable housing, food security, and personal safety. Philanthropies can help to identify people at risk of severe deprivation and violence, quantify their need, and promote awareness of these population groups. Foundations can also be the facilitator for large-scale public–private partnerships around these issues, such as the Compagnia di San Paolo affordable housing program.

Philanthropies can help to identify people at risk of severe deprivation and violence, quantify their need, and promote awareness of these population groups.

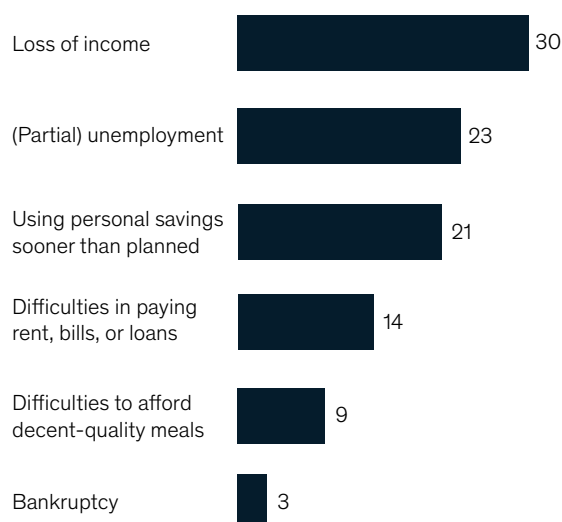
Livelihoods

After recovering from the global financial crisis of 2008–09, Europe has experienced a period of sustained economic growth and high employment. In January 2020, unemployment in the EU stood at 6.6 percent overall, though it was still high in Greece (16.5 percent), Spain (13.7 percent), and Italy (9.8 percent).³¹

Exhibit 5

One-third of Europeans are seeing their household finances negatively affected by COVID-19.

Experiences since the start of the coronavirus pandemic, %¹



¹Multiple categories can apply.
Source: Eurobarometer May 26, 2020: Public opinion in the EU in time of coronavirus crisis

Effect of the COVID-19 crisis

The pandemic's health risks have been matched by the accompanying widespread economic impact, which has colored the sentiments of residents on the challenges that lie ahead. Recent McKinsey consumer surveys found that European residents are less optimistic than those in other regions about the ability of their countries to recover from COVID-19. In fact, the economy is a greater concern for Europeans than health: 68 percent of Europeans are very or extremely concerned about their country's economy; 72 percent believe their finances will be affected for more than two months. In addition, 37 percent of respondents are very or extremely concerned about not being able to make ends meet (reaching 52 percent in Spain and 44 percent in Italy), and 32 percent report that the coronavirus has already negatively affected their ability to meet financial obligations.³²

This is in line with the most recent survey by the European Parliament, which shows that one-third of Europeans are already experiencing a significant negative effect on their financial situation (Exhibit 5).³³

The situation will only get worse as the economic crisis deepens. Significant job losses are clouding the immediate economic outlook. We estimate that up to nearly 59 million jobs (26 percent of total employment) across Europe could be at risk of reductions in hours or pay, temporary furloughs, or permanent layoffs. Overall unemployment due to the crisis could peak at more than 11 percent in 2021. The economic downturn will fall hardest on those who are already vulnerable.

1. The risk of unemployment disproportionately affects workers with lower levels of education: 80 percent of all jobs at risk do not require a tertiary degree, and these employees are almost twice as likely to be at risk of losing their job than workers with a university degree.
2. Forty-one percent of employees aged 15 to 24 have jobs that are at risk compared with 25 percent of those aged 25 to 54.³⁴ The pandemic could cause youth unemployment to rise significantly.
3. Single parents, who are three to four times more likely to work in higher-risk occupational categories (such as part-time customer care jobs), account for 24 percent of the jobs in the highest risk category.³⁵

The social consequences of unemployment, although difficult to quantify, can be significant as social-welfare systems cannot fully alleviate the negative effects of job losses. Waning access to basic needs and increases in crime rates and social unrest are among the potential consequences of rising unemployment. Moreover, unemployed people are twice as likely as employed people to experience mental illness.³⁶ Analysis from previous recessions suggests that a 1 percent increase in unemployment correlates to a 0.8 percent rise in suicides,³⁷ which could result in an additional 1,400 to 5,500 deaths in Europe from suicides alone.³⁸

Case example

The Good Things Foundation, the UK government, and several corporations have partnered to provide free online courses to support “digital inclusion.” The Skills Toolkit was launched in April 2020 to help people whose jobs have been affected by the outbreak, as well as those looking to boost their skills while they are staying at home. Courses on offer range from basic to more advanced and include everyday math and presentation skills, digital marketing, and learning to code.¹

¹ “Government toolkit features our free courses,” Good Things Foundation, April 28, 2020, goodthingsfoundation.org.

Opportunities for foundation intervention

The need to find a solution to the underlying structural factors shaping the future of work has become especially urgent to avoid sustained job losses. As Jeffrey Brown from the Bertelsmann Foundation North America pointed out, “What was once a long-term, work-dominated discussion centered on upskilling and vulnerability to task automation has devolved into how to best stanch the loss in jobs, incomes, and livelihoods.”³⁹

Like the Bertelsmann Foundation’s past efforts on the future of work, philanthropy can help identify which jobs will see an increase in demand and what exact skill profiles will be required for them in the post-coronavirus era. For example, from April to May 2020 Incorpora, Fundación La Caixa’s job-creation project for vulnerable populations, placed 1,600 people in essential COVID-19 response jobs.⁴⁰ Supporting social entrepreneurship is another strong lever to promote job opportunities for particularly vulnerable communities (such as people with disabilities or a criminal record or homeless people). Many more—and much larger—initiatives will be needed in the near future to address the employability challenge. The current crisis may turn out to be the catalyst that forces us to build a more resilient workforce much faster.

Primary and secondary education

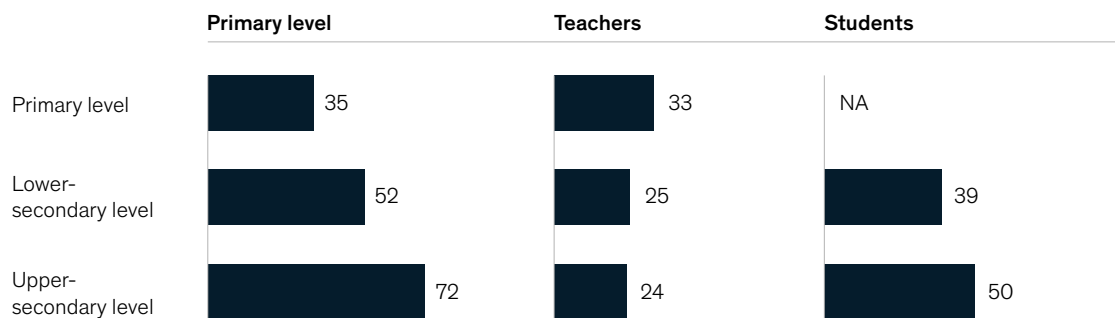
A study by the European Commission from 2019 found that 94 percent of European teachers in primary school, 92 percent in lower-secondary school, and 86 percent in upper-secondary school believe that the use of information and communication technology (ICT) in teaching and learning is essential to prepare students to live and work in the 21st century.

However, ICT is not widely used in primary or secondary education in Europe, with the exception of the Nordics. While most students (95 percent) have access to a digital device at home, one out of five upper-secondary students never or almost never use a computer at school, even though most schools have the necessary infrastructure (Exhibit 6).⁴¹ Only 40 percent of European students attend schools whose teachers have the necessary technical and pedagogical skills to integrate digital devices in instruction.⁴²

Exhibit 6

Although most European schools are equipped with the required infrastructure, fewer than one-third of teachers are digitally active.

Digitally active and supported education in EU and UK, %



Source: EU report ICT in education 2019

Effect of the COVID-19 crisis

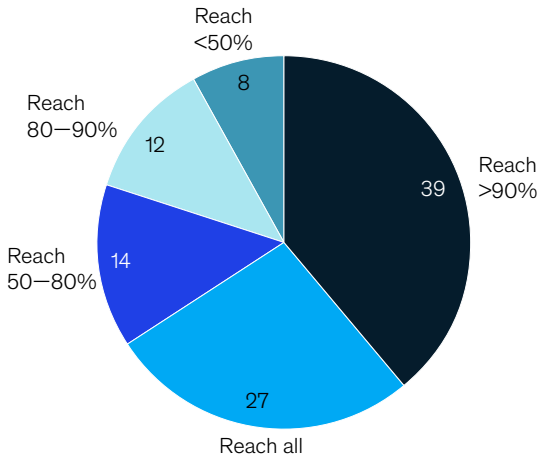
By late March 2020, digital education was expected to become the new norm when every European country but Sweden temporarily closed all education facilities to limit the spread of COVID-19. These closures affected 30 million students in primary school, 21 million in lower-secondary school, and 22 million in upper-secondary school. In May, some countries gradually reopened their school systems. How the disruption will affect student learning, especially for the poorest and most vulnerable populations, remains difficult to quantify. But some learning will indeed be lost, and the impact will have far-reaching consequences that are not likely to be evenly distributed. Children who do not receive adequate education miss out on future opportunities, including economic benefits such as additional earnings. Researchers from the German ifo Institute estimate that one-third of the school year lost due to closures related to COVID-19 could reduce the income of current students by 3 to 4 percent throughout their working life.⁴³

Supply side: Almost all European countries switched to distance learning in education, but schools' ability to offer remote learning varies considerably. Estonia, Italy, Latvia, and others published nationwide guidelines on distance learning; Austria, France, and Slovenia provided governmental online platforms for distance learning; and Croatia, Cyprus, Hungary, and Spain broadcast educational or school programming on television.⁴⁴ However, while more than 80 percent of schools in Denmark, Finland, and Norway already in 2018 had an effective online learning platform available, only one-third of the schools in Germany, France, or Greece had this capability.⁴⁵

Exhibit 7

Remote education-system reach varies significantly.

Share of students who can be reached with digital learning,¹% of schools



¹Study covers Austria, Germany, and Switzerland.
Source: IBB Schul-Barometer COVID-19

So it's not surprising that most schools are relying on low-tech options to deliver remote learning during the current closures. For example, 79 percent of teachers in Austria, Germany, and Switzerland use email to communicate with students and parents, 46 percent use the telephone (especially from primary schools), and only 45 percent use digital platforms (mostly those in upper-secondary school).⁴⁶ In Germany, just 7 percent of students participate in daily online learning.⁴⁷ And although 69 percent of principals report that their staff is motivated to offer remote learning, 27 percent of teachers don't feel qualified to administer it, and 46 percent feel only somewhat competent.⁴⁸

Although 27 percent of schools can reach all their students with digital learning, 8 percent cannot reach the majority of their students through digital offerings (Exhibit 7).⁴⁹ Students from these schools are most likely to show significant learning losses after the crisis.

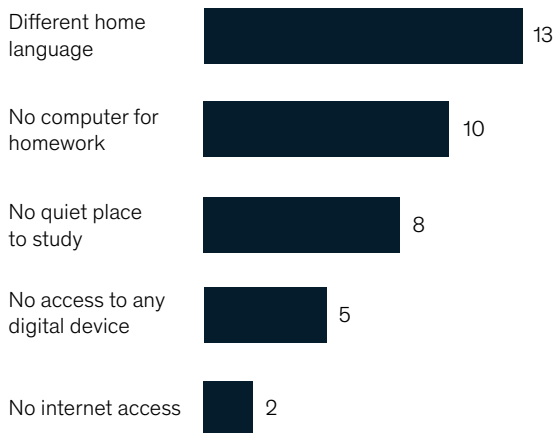
Even when schools reopen, many European schools will face additional capacity constraints: a significant share of their teachers and staff belong to specifically vulnerable populations. In fact, 7 percent of primary-school teachers and 11 percent of secondary-school teachers in Europe are older than 60 years and therefore at higher risk of COVID-19. This rate is much higher in Estonia and Italy.⁵⁰

Demand side: The pandemic has taken a toll on families: 52 percent of students and 41 percent of parents reported feeling strongly personally stressed by the current situation.⁵¹

Exhibit 8

The digital divide affects fewer than 10 percent of students.

Barriers for students to learn at home, % of European students



Source: PISA 2018 results

The digital divide—access to internet and devices—affects fewer than 10 percent of students (Exhibit 8). A bigger barrier to remote learning is that 13 percent of students speak a different language at home than at school, which makes it difficult for them to understand remote-learning materials in the national language.⁵² In a recent survey, students from Austria, Germany, and Switzerland indicated that limited communication with schools and teachers (25 percent), difficulties in structuring the day (19 percent), and lack of support from parents (14 percent) are the main challenges they face in remote learning.⁵³

Overall, half of students report that they are not learning as much compared with traditional classroom teaching.⁵⁴ The majority of Germany's teachers—around 60 percent across all education levels—feel that lost learning will be limited. However, around 86 percent of teachers expect that inequalities among students based on different social backgrounds will be magnified by school closures.⁵⁵ Groups that will require special support to mitigate the negative impact of the pandemic on learning outcomes include 9.8 million non-native-speaking students in Europe⁵⁶ and the 3 million European K-12 students with special needs.⁵⁷

Positive outcomes have also been reported in this crisis: 25 percent of students in Austria, Germany, and Switzerland report that they are

learning more now than before, and 37 percent of students and parents are happy with the alternative forms of learning and would like to keep them in the future. The stated advantages include greater flexibility to accommodate the speed of advancement for individual students, better intrinsic motivation, and more personalized schedule and methods used.⁵⁸ This is in line with the results of the representative McKinsey consumer survey, in which 41 percent of respondents from six European countries indicated that they would like to maintain some level of remote learning for their children.⁵⁹

Opportunities for foundation intervention

Foundations can help minimize or remedy the negative impact of school closures on learning outcomes as well as help schools and teachers across Europe to increase capacity and maintain a higher use of ICT and self-directed learning in the future.

Provide evidence base on effects and emerging needs. Foundations are well positioned to quickly launch representative studies to assess the impact of school closures in Europe—which students need help and in which areas. Foundations could evaluate the variations and effectiveness of solutions within countries and carefully document lessons, which could then be shared and analyzed internationally. Robert Bosch Foundation and Vodafone Foundation in Germany have conducted representative surveys of teachers and parents about the impact of the coronavirus school closures. Establishing cooperation and collaboration platforms among the foundations on their research fields can help improve access to such research.

Case example

In the United States, the Bill and Crissy Haslam Foundation's newly created Tennessee Tutoring Corps recruited 1,000 stuck-at-home college students to offer in-person tutoring to as many as 5,000 students, helping them catch up on content they may have missed because of lost time in the classroom.¹

¹ <https://tntutoringcorps.org/>

Maximize student learning and thriving. Foundations can support students who are struggling to keep up with their learning by ensuring access to the necessary technology and safe spaces to study. In Spain, the Association of Foundations coordinated an effort with corporate partners to distribute more than 5,000 tablets and 3,000 SIM cards through 28 foundations working on the ground with disadvantaged youth.⁶⁰

Support teachers and staff to adapt to the new reality. The crisis has revealed the need for better training and assistance for teachers to embrace digital learning tools. Foundations are well positioned to help develop curricula and delivery models for capacity building in the education system.

Mental health

Mental health already represented a major issue before the coronavirus. In 2015, the estimated prevalence of mental disorders in the WHO European Region was 110 million, equivalent to 12 percent of the entire population. Substance-use disorders add an additional 27 million.⁶¹ The WHO European Region has the largest mental-health workforce in the world: 50 mental-health workers, comprising psychiatrists, nurses, social workers, and speech therapists, are available per 100,000 people. Rates vary widely among countries, however.⁶² And despite the relatively large number of mental-health workers, Europe had a widely acknowledged treatment gap even before the pandemic. According to WHO mental-health surveys, Europe's treatment gap decreased in relation to disorder severity but remained vast in severe disorders.⁶³

Effect of the COVID-19 crisis

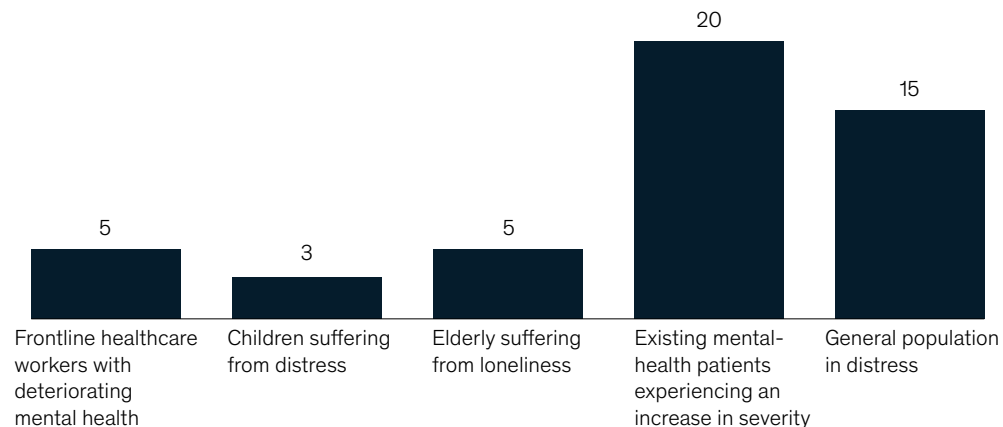
Once the need for intensive-care-unit beds, ventilators, and protective equipment subsidies, another health crisis will take center stage: caring for the European population suffering from mental-health disorders. A recent UN report demonstrated that the mental health and well-being of whole societies have been severely

affected by the COVID-19 crisis,⁶⁴ highlighting specific population segments particularly affected by COVID-19. A significant proportion of healthcare workers, children, and the elderly will experience mental-health issues anew due to the crisis, and some people with existing mental-health conditions will see their situation worsening (Exhibit 9).

Exhibit 9

The crisis will see mental-health issues emerge or worsen for various population groups.

Estimated rise in people with mental-health issues, millions in Europe



Source: McKinsey estimates, based on COVID-19 reported distress prevalence and historic evidence

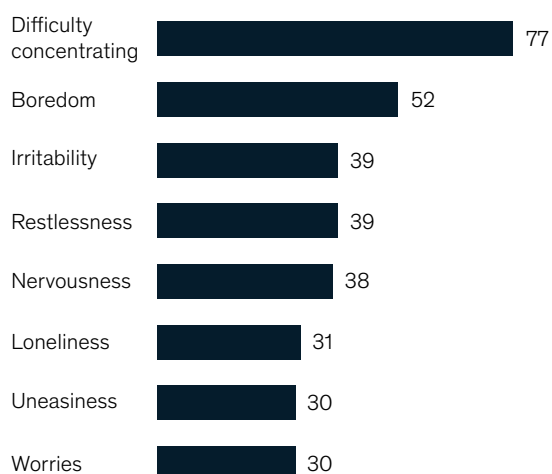
First responders and frontline healthcare workers play a crucial role in fighting the pandemic and saving lives. However, they are under exceptional stress: they have endured extreme workloads and difficult decisions, risked exposure and spreading infection to families and communities, and witnessed deaths of patients. Millions of nursing professionals (4.1 million) and healthcare assistants (4.6 million) and practicing physicians (1.9 million) in Europe are at elevated risk of mental-health issues. In an Italian survey, approximately 50 percent of healthcare workers reported post-traumatic stress disorder (PTSD) symptoms, and 25 percent said they were suffering from severe depression.⁶⁵ Similarly, in the United Kingdom, 50 percent of healthcare workers reported that their mental health had deteriorated, and 30 percent cited deteriorating physical health.⁶⁶

85.7 percent of parents perceived changes in their children's emotional state and behaviors during the quarantine.

Exhibit 10

Disruption due to the pandemic could expose children and adolescents to mental-health challenges.

Behavioral changes due to COVID-19 lockdown,
% of children showing these symptoms



Source: Mireia Orgilés et al., "Immediate psychological effects of the COVID-19 quarantine in youth from Italy and Spain"

The pandemic's disruption of education, support programs, and family and home life could leave children and adolescents particularly exposed to mental-health challenges (Exhibit 10). A recent survey of parents in Italy and Spain sheds some light on the impact of the quarantine measures on children and adolescents. As expected, children of both countries used monitors more frequently and spent less time doing physical activity during the quarantine. Furthermore, when family coexistence during quarantine became more difficult, the situation more serious, and the level of stress higher, parents tended to report more emotional problems in their children. As a result, 85.7 percent of parents perceived changes in their children's emotional state and behaviors during the quarantine.⁶⁷ Existing mental illness among children and adolescents may be exacerbated by the pandemic—with school closures, they will not have the same access to key mental-health support. A study involving UK young people with a history of mental-health needs reports that 32 percent of them agreed the pandemic had made their mental health much worse, and 51 percent said it had made them somewhat worse.⁶⁸

Another group particularly exposed to mental-health challenges during the coronavirus is the more than 100 million elderly Europeans, especially the 30 million elderly living alone and the almost 3 million living in institutions like nursing homes or residential care facilities.⁶⁹ Older people are more likely to develop serious illness if they contract coronavirus, making it especially important for this population to practice physical distancing even when overall lockdowns are lifted. These measures will

limit their interactions with caregivers and loved ones, which could lead to increased feelings of loneliness and anxiety. These in turn are independent risk factors for depression, anxiety disorders, and suicide.⁷⁰

Beyond these particularly vulnerable groups, almost all Europeans have dealt with a lack of social interaction and some degree of loneliness. PTSD and other mental-health issues will likely rise by the millions. Around 70 percent of European households report that the health of their family or friends has been negatively affected by COVID-19. In addition, more than 63 percent of the general population reported feeling depressed or anxious, and 80 percent indicated they were experiencing some level of distress related to COVID-19.⁷¹ The first effects in rising demand for support are already visible. Healing for the Heart, a mental-health charity in Scotland, has seen a 50 percent increase in people requiring their services since the start of the coronavirus lockdown.⁷²

As a result of the increased levels of distress, substance use has also been prevalent during the crisis: in particular, alcohol consumption is on the rise across several European countries. In Britain, for example, the growth in sales of alcohol outpaced that of groceries by 22 percent. In Belgium, the sale of alcohol in supermarkets increased by 10 to 15 percent.⁷³

While mental-health and substance-abuse challenges related to COVID-19 have increased the demand for mental-health support, the pandemic has also disrupted the provision of mental-health services. Key factors affecting services are: infection and risk of infection in long-stay facilities, including care homes and psychiatric institutions; barriers to meeting people face to face; mental-health staff being infected with the virus; and the closing of mental-health facilities to convert them into care facilities for people with COVID-19.⁷⁴ The use of outpatient mental-health services has decreased because of fear of infection, particularly among older people. As an example, McKinsey's US Consumer Insights survey finds nearly 10 percent of respondents have canceled or intend to cancel mental-health appointments, with 83 percent of these patients intending to reschedule after the stay-at-home orders are lifted.⁷⁵

The pandemic will increase the prevalence and severity of mental-health and substance-use issues; as a result, more individuals will need services.

Many services have had to switch to remote mental-health care. There is increased focus on digital self-help and mental health and listening services (including the use of more basic technologies such as the telephone and SMS). A McKinsey consumer survey shows a 97 percent increase in the use of teletherapy in Europe during COVID-19 lockdowns, with more than 40 percent of consumers wishing to maintain the digital channel even after the crisis has subsided.⁷⁶

Opportunities for foundation intervention

Good mental health is critical to the functioning of society at the best of times; it must therefore be front and center of every country's response to and recovery from the COVID-19 pandemic. There is also a silver lining: the more people with lived experience of mental distress, the greater the understanding and demand for better mental healthcare. This pandemic could offer an opportunity to finally overcome the stigma of mental-health issues. Those who are suffering are not the weak; they are our national heroes, our neighbors—all of us. It has become acceptable to express feelings of suffering and to seek help in this crisis.

Case example

Royal Foundation of The Duke and Duchess of Cambridge's Heads Together initiative launched a new COVID-19 mental-health series with Radiocentre. The Royal Foundation has been working closely with the mental-health sector to support and amplify its efforts to deal with the pandemic's immediate and long-term impact on the nation's mental health.¹

¹ "Mental health and COVID-19," The Royal Foundation, royalfoundation.com.

Provide evidence base on emerging needs. Mental-health and substance-use systems have historically struggled to develop a comprehensive perspective on incidence rates and outcomes because of challenges in data, funding, and other structural barriers. There is a crucial need for real-time, high-quality monitoring across the population and vulnerable groups—whether from mental-health services or charities or from social media. Foundations could help by financing rapid assessments of mental health and psychological support issues, needs, and available resources, including training needs and capacity gaps across the spectrum of care. Current examples include the Carlsberg Foundation's grant of 25 million kroner to social behavioral research during the COVID-19 epidemic or the Jacobs Foundation's call for research on COVID-19's effects on adolescents.

Expand the capacity for providing mental-health support. The pandemic will increase the prevalence and severity of mental-health and substance-use issues; as a result, more individuals will need services. This demand will require greater investment in the capacity of our mental-health and substance-use delivery systems, including community-wide resilience and prevention efforts as well as targeted outreach to populations with elevated risk that may not seek specialty care (for example, screening in health- and social-care services). Foundations can greatly enhance the capacity of the response system through investments in training of non-health frontline workers (including volunteers, teachers, social workers, and other community professionals) on essential psychosocial care principles, psychological first aid, and referral protocols. Foundations could also develop activity toolkits that parents, teachers, and families can use. Even if a foundation doesn't directly address mental-health capacity constraints, initiatives aimed at vulnerable populations should include mental-health support considerations in their programs.

Accelerate the adoption of teletherapy. In the wake of the coronavirus pandemic, several dramatic changes have been implemented to facilitate the delivery of teletherapy, especially for mental-health and substance-use services. A substantial pre-COVID-19 evidence base for telepsychiatry already existed: research found that telepsychiatry's effectiveness is comparable to in-person care as measured by therapeutic

engagement, quality of care, validity and reliability of assessment, and clinical outcomes.⁷⁷ It will be important to build on this evidence base and fully understand which mental-health services delivered through digital channels, including self-help and clinical support apps, are complementary and/or preferable to in-person care, and then adapt services accordingly.

Case example

France's Fondation FondaMentale launched CovidEcoule (COVID listen), a site that provides a combination of services, including access to trained professionals (such as psychiatrists and addiction specialists), an application with an AI robot that detects symptoms, meditation guidance, and other resources.¹

¹ "COVID listening: A response to the stress of confinement," FondaMental Foundation, fondation-fondamental.org.

International development

Many European foundations traditionally not only invest in their home countries, but also have strong programs in international development. We therefore want to extend the analysis to highlighting some effects of the COVID-19 crisis on developing countries.

Underlying health systems in developing countries are chronically weak. In many low-income countries, large parts of the population do not have access to essential health services because of a lack of health workers, particularly in rural and remote areas.⁷⁸ In the least developed countries, 35 percent of hospitals and health centers do not even have running water and soap for handwashing.⁷⁹ The entire African continent may have just 20,000 beds in intensive-care units (ICUs), equivalent to 1.7 ICU beds per 100,000 people. By comparison, China has an estimated 3.6 ICU beds per 100,000 people, while the United States has 29.4. And ventilators are in short supply in many parts of the world, that shortage being particularly acute in Africa. There are an estimated 20,000 ventilators across the continent, far too few to accommodate large numbers of COVID-19 cases. Excluding northern Africa and South Africa, the rest of sub-Saharan Africa might have as few as 3,500.⁸⁰

Effect of the COVID-19 crisis

Our interviewees noted that their partner organizations and projects in developing countries are somewhat more resilient than those in Europe, in part because some type of disruption, from political unrest to natural disasters, is an ever-present risk. As a result, these organizations are better prepared to handle the current situation and have shown more flexibility in adapting their operations.

Nevertheless, the pandemic poses a massive risk to developing countries, which don't have the healthcare infrastructure and level of resources that developed nations enjoy. Under-resourced hospitals and fragile health systems are likely to be overwhelmed by a spike in cases.⁸¹ The COVID-19 crisis will divert already scarce health resources away from other issues (such as vaccinations, malaria, and HIV treatment) and lead to worsening health outcomes overall. UNICEF estimates that more than 6,000 additional children under five could die every day from preventable diseases caused by the diversion of resources to battle COVID-19.⁸² In Africa alone, more than \$5 billion will be needed to strengthen the health system's capacity immediately.⁸³

Across all developing countries, income losses are expected to exceed \$220 billion.⁸⁴ The jobs and incomes of 150 million Africans⁸⁵ and 30 million Indians are vulnerable in the crisis, and an estimated 55 percent of the global population has no access to social safety nets. The disruption from COVID-19 could cause losses that reverberate across all facets of society—education, human rights, and, in the most severe cases, basic food security and nutrition. The effect of the coronavirus pandemic on hunger will be particularly severe. National lockdowns and physical-distancing measures are halting work and incomes and are likely to disrupt agricultural production and supply routes—leaving millions to worry how they will get enough to eat.

Already, 135 million people had been facing acute food crisis, and an estimated 75 million children with chronic malnutrition were living in the 55 food-crisis countries in 2019.⁸⁶ According to Arif Husain, chief economist at the World Food Programme, 130 million more could go hungry in 2020 because of the pandemic; altogether, an estimated 265 million people could be pushed to the brink of starvation by year's end.⁸⁷

Opportunities for foundation intervention

Foundations can invest in low-tech and low-cost solutions.

Adapt and expand healthcare and sanitation. Foundations with ongoing healthcare and sanitation efforts in developing countries are experiencing requests to shift their activities to respond to COVID-19 and if possible to scale up their efforts now. Philanthropic resources are faster to deploy and come with fewer strings attached than most official development assistance, so foundations have a unique opportunity to quickly help the public-health response in developing countries to ramp up to manage the pandemic and expand capacity. Foundations can invest in the development, testing, and rollout of innovative, low-tech, and low-cost solutions to address prevention, testing, and treatment of COVID-19 in developing countries, but also to ensure that other healthcare needs remain supported during the crisis.

Support basic-needs provision. Besides supporting the healthcare response in developing countries, foundations should try to strengthen their initiatives addressing basic-needs provision. With more livelihoods affected by the containment measures and the economic crisis, rates of extreme poverty are expected to increase dramatically. Foundations can help quickly identify hot spots for particular needs and direct private and public resources toward the most vulnerable populations.

Case example

The European Lung Foundation developed a low-cost (less than €67), easy-to-build, noninvasive ventilator that performs similarly to conventional commercial devices. Researchers say the prototype ventilator could support treatment of coronavirus and other severe respiratory diseases in low-income regions or where ventilator supplies are limited. The foundation provides an easy-to-replicate, open-source description for how to build the ventilator.¹

¹ "Low-cost, easy-to-build ventilator performs similarly to high-quality commercial device," European Lung Foundation, April 21, 2020, europeanlung.org.

Sustainability

Climate change and the environmental crisis were and remain an emergency for humanity to address. Foundations focused on these issues had looked forward to 2020, with a schedule that featured a series of breakthrough events and policies such as COP26 and the European Green Deal.

Before the COVID-19 crisis, foundations had increased their giving to environmental causes by 8.6 percent. Foundations are a key funding component for civil society organizations (CSOs) that focus on environmental topics: in a sample of 95 CSOs, 68 had received funding from a foundation in 2016, and foundation donations represented an average of 9.7 percent of their revenues. According to recent research, "Funding for EU-wide work remains very low, at 4.4 percent of the total environmental giving from foundations. This continues to stand in stark contrast to the 80 percent of European environmental legislation that is framed at the European Union level."⁸⁸

Effect of the COVID-19 crisis

The COVID-19 pandemic has stalled COP26 negotiations (delaying them by a year, to November 2021) and sidelined the issues of climate change and the environment. At the same time, coverage of the pandemic has highlighted the importance of these issues and provided a unique window of opportunity for action.

On the one hand, the sustainability crisis has contributed to the severe effect of the COVID-19 pandemic: unsustainable human activities such as the destruction of natural habitats, wildlife trading, poaching, and bush meat hunting coupled with climate change have pushed wild animals beyond their usual habitats, leading to increased contact with humans. As a result, the past 30 years have seen a rise in emerging infectious diseases; UNEP estimates that “60 percent of all infectious diseases in humans are zoonotic, and on average a new infectious disease transmitted by animals emerges in humans once every four months.”⁸⁹ In addition, continuous air pollution tends to exacerbate the severity of respiratory diseases. New research published in *Science of the Total Environment* has found that long-term exposure to air pollution may be “one of the most important contributors to fatality caused by the COVID-19 virus” around the world. A study from the United States estimated that an increase of only 1 µg/m³ in PM_{2.5} is associated with an 8 percent increase in the COVID-19 fatality rate.⁹⁰

On the other hand, a study in the *Lancet* suggests that in China improvements in air quality because of containment measures have reduced pollution-specific mortality, which could potentially have outnumbered the confirmed deaths attributable to COVID-19.⁹¹ The drastic shifts in behavior imposed by the crisis have also demonstrated the potential impact on the environment (albeit at a very high cost): global CO₂ emissions were 5 percent lower in quarter one 2020 compared with quarter one 2019, NO₂ dropped by 40 percent in some areas of Europe, and energy demand per week for countries in full lockdown declined by 25 percent. The International Energy Agency has estimated that global greenhouse-gas (GHG) emissions might fall by 8 percent in 2020,⁹² which is more in absolute terms than in any other year on record.⁹³ This decrease is in line with UNEP estimates showing that global GHG emissions must fall by 7.6 percent every year from 2020 to 2030 to keep temperature increases under 1.5°C.⁹⁴ As Emily Kirsch, founder and managing partner of Powerhouse Ventures, stated, “The coronavirus has shown us the scale of the response needed to fight the climate crisis.” The effects of confinement are an encouraging reminder of nature’s resilience, but experts agree that they are unlikely to persist once lockdowns are lifted around the world (Exhibit 11).

Exhibit 11

The coronavirus crisis is estimated to result in an 8 percent decrease in greenhouse-gas (GHG) emissions in 2020.

Year-to-year changes in global GHG emissions from energy, %



¹Estimation for 2020.

Source: IEA energy-related CO₂ emissions 1990-2019; IEA Global energy review 2020

Opportunities for foundation intervention

The opportunity now lies in incorporating sustainability principles into the core of our economic-recovery actions. European countries have an opportunity to restart their economies in a low-carbon, environmentally friendly, and socially responsible mode.

There is strong support for a green stimulus among the general population: in a global survey, 65 percent of respondents said they support the prioritization of climate change in their country's economic recovery, with the highest levels of support in the developing nations of Brazil, China, India, and Mexico. Even in the United States, which ranked lowest among surveyed countries, 57 percent of the population supports a green recovery stimulus.⁹⁵ McKinsey research reinforces that countries don't have to choose between job creation and climate change. Some green stimulus measures (for example, clean energy, public transportation, or organic farming) can match, and even outperform, comparable conventional measures (for example, fossil fuel investments, construction or roads, or conventional farming) in socioeconomic impact such as job creation.⁹⁶ And professional economists also see clean energy as one of the most desirable longer-term investments.⁹⁷

Case example

A lesson from the past provides evidence that economic stimuli linked to sustainability can be very successful in promoting both the environment and the economy. After the financial crisis, the South Korean government invested 80 percent of its economic stimulus in green measures, and its economy achieved one of the fastest rebounds among Organisation for Economic Co-operation and Development (OECD) members. South Korea's response to the COVID-19 crisis is following a similar path: the country is addressing the climate-change and economic crises simultaneously, in addition to setting a net-zero emission goal (for example, financing renewable energies and moving away from coal).¹

¹ Helen Mountford, "Raising climate ambition in the time of COVID-19," Climate 2020, April 27, 2020, climate2020.org.uk.

However, much work remains to ensure that our societies act responsibly in the rebuilding of our economies. In March and April 2020, governments across the world took unprecedented action, with more than €10 trillion in stimulus measures announced. European countries account for €3.5 trillion,⁹⁸ a figure that vastly exceeds the European Green Deal's proposed investment of €1 trillion. So far, only three out of 11 countries in a recent study had some (small) proportion of their stimulus linked to potential positive environmental outcomes.⁹⁹

Foundations can play a pivotal role in ensuring that the current opportunity to rebuild our economies is used to the benefit of societies and the planet. They can invest in research as well as finance awareness campaigns, journalism, and advocacy. Foundations need to ensure that climate change is not forgotten amid this crisis while continuing to build on the momentum of the disruptions to promote a more sustainable mindset.

Foundations can also use the opportunity of the current change in mindsets to shift people's behavior toward sustainability. IKEA Foundation's "Take Action" campaign, for example, created awareness about the environment and promoted a number of positive behaviors to address climate change. Similarly, new campaigns can build on behaviors adopted during the crisis and ensure they are sustained in the longer term.

European foundations need to reimagine where and how they work

With needs rising everywhere, COVID-19 represents an unprecedented challenge both operationally and strategically for foundations. In their response to the crisis, foundation leaders have a chance to reexamine their portfolios, simplify processes, and implement nimble and flexible practices that multiply their impact today and in the future.

Reevaluating where they work

In light of the changing environment, European foundations need to reassess their portfolios of initiatives.¹⁰⁰ The foundations we interviewed noted a push by trustees or on-the-ground partners to do a complete shift in strategy and focus all energy on fighting COVID-19. However, most foundations made the deliberate choice to stay in their pre-crisis programmatic areas. Overall, we tend to agree. The majority of foundations have been deliberate in developing their program areas, and the problems they focused on in the past have not disappeared with COVID-19. On the contrary, as our sample analysis showed, the current crisis affects all programmatic areas and, in many cases, makes preexisting inequalities even more severe. In addition, we believe foundations can add the most value (in the near term) in their areas of expertise and where they have networks and partnerships already in place.

However, this commitment doesn't mean foundations should continue their business as usual. While staying within their areas of focus and expertise, foundations should critically review each individual grant or project and reflect on how well suited it is to implement the foundation's overall mission in light of the new environment. This assessment is primarily a forward-looking exercise for the foundation's new initiatives. However, some ongoing grants could also shift through mutual agreement with the grantee. By reevaluating their portfolios of initiatives, foundations can focus future resources toward the endeavors with the greatest impact in our changing world, taking into account the feasibility and relevance of the initiatives in light of the new circumstances.

Many of the foundations we interviewed have already done or are planning to do a very deliberate strategy review this year. Some foundations planned to conduct this reassessment in 2020 anyway, while others put it on the agenda (again) because of the crisis. "We are now looking at every grant through the eyes of: Is that where we can have the most impact in post-COVID society?" noted one of our interviewees.

As the environment continues to change rapidly, foundations will have to reexamine their initiatives along two axes: relevance to changing needs and feasibility (Exhibit 12).

Exhibit 12

Foundations should reevaluate their portfolios according to changing needs.



Key questions to ask should include the following:

- Do we address a relevant need for our focus constituents? Are there more vulnerable groups emerging in the crisis?
- Are we making an impact on an appropriate scale compared with the scope of the issue?
- Is the delivery model feasible in light of current and possible future restrictions?
- Do we have the necessary capacity (internally and within our network) to implement the initiative successfully?

Answering these questions against the background of the changing landscape in each programmatic area will help plot existing and planned initiatives on this matrix. The initiatives should then be grouped into the following categories:

Prioritize. When initiatives respond to the emerging needs and are highly feasible, they will naturally become a priority. In this context, foundations should strongly push the scale of their activities. Are they sufficiently moving the needle on the issue at hand? Is there any way they can expand their own activities? Could they broaden their reach by “franchising” the solution to others?

Adapt. When an initiative can have high tangible impact for communities yet presents logistical or capacity challenges, foundations should try to adapt the delivery model to overcome obstacles. For grant makers this means to release contractual restrictions and develop an alternative approach together with the grantee. Can they learn from other organizations or look to other sectors as a source of inspiration? Could they consider an ideation session or a hackathon as a means to develop innovative and more resilient approaches?

Examine. While certain initiatives may have been highly relevant before the pandemic, they may now have lower potential impact because of more pressing concerns, even if they might still be highly feasible. Once preexisting contractual obligations have ceased, these projects can be postponed or redirected in mutual agreement with the implementing partner. Here, foundations should examine their portfolios more closely and ask: Are these programs time sensitive or can they be postponed? Can the resources be (partially) redeployed to more pressing needs?

Reassess. When assessing the portfolio, some initiatives might be less relevant for current needs as well as technically difficult to accomplish. Foundations will need to reassess and recognize that some initiatives and some partners will not make the cut. This decision can be a difficult one to make. Leaders should ask how they can help exit these initiatives responsibly: Can other forms of support for these communities and partner organizations be established? Can we capture knowledge, learnings, and other assets?

A rigorous reevaluation of their portfolios will help foundations to focus their scarce resources on where they can make a significant difference in these challenging times.

Reinventing how they work

Foundations need a higher level of flexibility and increased speed to respond to the ongoing shifts and challenges in their programmatic areas. Our interviews with more than 24 foundations across seven European countries confirmed that in the past two months most foundations have fundamentally changed their internal operations. As with any other organization, most foundations were surprised by the speed and intensity of lockdown measures implemented across Europe. Several interviewees summarized the situation in this way: “We had to go from 0 to 100 percent remote working literally overnight.”

Some foundations faced IT challenges and other difficulties in adapting to remote working and collaboration. “The ability to work remotely has never been part of our job descriptions,” noted one interviewee. For some foundations, their technical infrastructure and qualifications were “still stuck in the 1980s.” Besides the technical hurdles to remote working, many foundation interviewees identified the top challenge as the increased burden of combining family and work responsibilities, especially for colleagues with young children at home. Some said their organization experienced a reduction of 25 to 50 percent in staff capacity for personal reasons, especially in the beginning of the crisis. At the same time, many foundations faced an increase in their activities from adjustments to existing initiatives and partnerships, additional grant making, and the need to gather more information. However, over time, most foundations found their rhythm for the new way of working. Contrary to the overall sentiment in our March 2020 webinars,¹⁰¹ most of our discussions in April and early May 2020 revealed that foundations had much more positive views of their new internal operations.

The disruptions caused by the COVID-19 pandemic are challenging foundations to shift their underlying paradigm. We are now seeing organizations change how they balance stability and dynamism. While in the past the focus had been on gaining a deep understanding of a program, engaging in detailed planning, and applying analytical rigor in execution, the new paradigm calls for rapid responses and more flexible deployment of resources.

Many foundations implemented some new ways of working during the crisis.¹⁰² Among others, they reduced the burden and increased flexibility toward implementing partners and accelerated the pace of giving. Several foundations deployed rapid-response grants, cutting the approval process time—in some cases from several months to less than 24 hours. Foundations across Europe clearly understood that in a time of crisis, they need to be nimble and flexible. The universal feedback from our interviews was that foundation leaders are planning to maintain some of the newfound flexibility and decision-making speed in the future.

Several foundations have already decided to keep some level of remote and more flexible work and will continue to scrutinize all their travel and in-person meetings to reduce them to an essential level even when restrictions are lifted. With regard to faster and more flexible approaches to grant making and project management, the outlook is less clear. While many foundation executives stated the desire to maintain the new agility, they also questioned how to reconcile this approach with the need to apply the necessary rigor to review initiatives and provide stability to their implementing partners.

To address the changing environment, foundations can build on lessons from agile transformations in the private sector. This method originated in the IT sector and uses incremental, iterative work sequences. It focuses on keeping things simple but highly structured by fostering recurring feedback, building and testing minimal viable products before building additional components, and ensuring stakeholders are involved throughout the process.

Our firm's experience and research demonstrate that truly agile organizations master a seeming paradox—they are simultaneously stable (resilient, reliable, and efficient) and dynamic (fast, nimble, and adaptive).¹⁰³ Three elements of agile might be particularly helpful for foundations in responding to the increased demands and changing environment: short-term process sprints focusing all the attention on a particular end product, flexible teams bringing expertise from across organizational structures and boundaries together, and delegating more decision making to implementing partners (see sidebar “A nimble and flexible approach: The Roger Federer Foundation”).¹⁰⁴

Break down the overall process into smaller increments and work in sprints

For foundations, an agile approach could involve cutting the grant-making or project-development process into smaller segments. The overall initiative is outlined in a multiyear road map, which is then broken down into smaller increments of three to four months. A more detailed plan is only developed for the next two increments ahead and the others will be mapped out in detail later on, incorporating learnings from the last phase. Lastly, the increments are divided into two- to four-week sprints (for example, scoping out a specific investment opportunity or running a “user test” of the proposed method), each with defined tasks and end products to be delivered. An important element of each sprint is a deliberate review process at the end, in which performance is evaluated, learnings are captured, and any required changes to the following increments and overall road-map planning are incorporated. Speed and accuracy can also be enhanced by trying out several small experimental initiatives in parallel to investigating the issue landscape before increasing the engagement to the full desired scope.

Deploy temporary, cross-cutting teams

Agile organizations deploy flexible teams that cut across formal structures. These cross-cutting teams form, dissolve, and re-form responding to the need of the work at this point in time. In the context of the COVID-19 crisis, some philanthropic foundations have already used “tiger teams”¹⁰⁵ from across the organization to manage the crisis response. Going forward, this approach means supplementing the traditional structure of programmatic areas and functional focus with agile teams that bring together people with relevant expertise

Case example

The Roger Federer Foundation supports early learning and basic education projects in six countries in southern Africa (Botswana, Malawi, Namibia, Zambia, Zimbabwe, South Africa). All activities are implemented in preschools and schools by local nongovernmental partners in close collaboration with the local communities.

Using short sprints of work and deploying field staff flexibly, the foundation was able to rapidly adapt to the pandemic and successfully reorient their efforts in light of changes to the environment of its local partners.

Anticipating the impact that the crisis would have on African countries, the Roger Federer Foundation worked in efficient weekly cycles in close cooperation with its board and on-the-ground partners to adapt its initiatives. When the first discussions about restrictions started in Europe, before COVID-19 was even on the agenda in Africa, the foundation sensitized its local partners and encouraged them to prepare for a potential disruption. As an example, local partners made sure ICT infrastructure was up and running and collected mobile phone numbers of the

teachers in their programs so they could stay connected. When the restrictions went into effect in Africa, the organizations were set up to continue working from home.

Furthermore, like many other funders the Roger Federer Foundation communicated at an early stage to the partners that it will remain a reliable partner and stay committed to its financial obligations even in a worst-case scenario of a complete shutdown and delays in the implementation of the programs. The lockdown brought activities on the ground to a standstill. This moment was used by the partners to catch up on administrative tasks that usually take a back seat, such as improving documentation or filling out and reviewing monitoring and evaluation forms. They have also invested in producing mentoring videos for teachers that can be included into the regular program at a later stage.

The day schools had to close in most countries where the foundation has active programs, so its board decided to invest an additional \$1 million into delivering “school” meals to the homes of the most vulnerable students in its programs—a total of

56,000 children and their families. Existing on-the-ground partners implemented the meal delivery program; since their salaries were covered by normal program budgets, it made the intervention highly cost-effective. This approach also provided them with humanitarian permits to move around in their communities, use the meal delivery to also check in on their students, and distribute other forms of assistance.

In many countries, teachers will return to school to prepare for the restart of classes. The partners intend to use this time on capacity building with their teachers. Hopefully, the coming phase will show that teachers are able to catch up on the missed time and allow for a resumption of normal activities.

The foundation's trust and true partnership with the implementing organizations on the ground were the key prerequisites to enable its flexible approach.

from across the foundation and its partners to collaborate on specific tasks for a short time. The Fondazione Compagnia di San Paolo is grouping its grant-making team around specific objectives and missions. For example, a dedicated team is looking at fostering technical, cultural, and social innovations across all the initiatives the foundation works on.

These temporary teams could also span organizational boundaries. During the crisis the philanthropic sector has already seen an increase in collaboration between foundations due to the virtual nature of the work, often also spanning geographies. Some Spanish and Italian research foundations, for example, have arranged review teams from the other country for each other to avoid conflicts of interest in the grant review process.

Delegate decision making as much as possible

Agile organizations parse larger decisions into smaller ones and delegate them as close to the front line as possible. For foundations, this entails giving more autonomy and flexibility in decision making and resource allocation to their implementing partners on the ground—just as they did in their emergency operating response. More unrestricted funding and general support allow implementing partners to deploy the resources where they are most needed and can have the highest impact in light of changing circumstances on the ground.

In addition to giving high levels of autonomy to the implementing team, agile organizations also ensure a rapid response mechanism to escalate quick but far-reaching decisions on additional resources to the board level. They dynamically rotate individual members of committees, hold virtual meetings when necessary, and spend their meetings engaging in robust discussion and real-time decision making.

We believe that implementing these three principles from agile will enable foundations to react quickly to new information, adapt their approach, and amplify their impact in these changing, difficult times—and in a hopefully more stable future.

Conclusion

It's time for European foundations to reevaluate their portfolios of initiatives and reimagine the way they work. Now more than ever, society needs their innovation, willingness to take risks, flexible funding, and fast deployment of private philanthropic resources. Fast, decisive, and bold initiatives for systematic change could turn this crisis into an opportunity.

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