

# Maximizing your impact

UBS Philanthropy Compass



**UBS**



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# How to use this philanthropy compass

We're at a critical juncture in the path to creating a better world. The global output economy, represented by GDP, has grown over the past decades. But if we look at progress on the UN Sustainable Development Goals (SDGs), we're actually moving backwards. Fortunately, the world is already transitioning from an output-based economy toward an impact economy. The impact economy goes beyond a valuation of only financial performance to factor in impact on people and planet. The transition to an impact economy needs to be supported by partnerships between investors, businesses, social enterprises, NGOs, philanthropists, communities, academic institutions and governments worldwide.

We believe that philanthropists have an exciting role to play in supporting the transition towards an impact economy – an economy that balances people, planet and profit, and understands the interconnections between them. In this context, a big part of that is thinking differently – and understanding that philanthropy has a critical role to play and will need to be more creative and strategic than ever. It will need to take smart risks on promising scalable and innovative solutions, actively focus on accelerating results and create more impact transparency. A philanthropy that's collaborative and promotes learning from others, because no one person, government or institution is going to solve the world's issues on their own.

Strategic philanthropy aims to tackle the root causes of social and environmental problems. Something we believe is needed now more than ever. This is because we've got big problems to solve, like the one billion people without access to basic healthcare or the 50% increase in global CO<sub>2</sub> emissions since 1990.<sup>1</sup>

There is no single true path to becoming an effective, impactful philanthropist. The journey is as individual and

unique as every person is – driven by passions, skills and aspirations to have a positive impact on the world around us. What is common to most philanthropists, though, are the questions that guide them:

What exactly does making an impact mean? How can I successfully support a solution or program? And is there a way I can collaborate with others to amplify my impact?

These are the questions that we hear from our clients all the time.

This UBS Philanthropy Compass is inspired by our interactions with families and individuals around the globe who are driven by their passion for making the world a better place. Here, we share what we've learned, over the 25+ years we've been walking clients through key questions and considerations. We relay some pitfalls and aim to inspire you to take a more radical approach to your philanthropy. Our compass is intended to be valuable to a wide range of readers, including:

- active philanthropists seeking to enhance their knowledge;
- novice philanthropists looking to inform their approach;
- philanthropy, family or financial advisors needing a handbook to advance their understanding and share these learnings with clients;
- those working in the philanthropic and social sector seeking new insights and ideas.

Philanthropy has never had more potential. It's crucial that philanthropists understand the vital role they play in addressing the global challenges that we collectively face. By educating yourself, seeking help from others and taking smart risks, you can contribute to building a world that works for all.

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<sup>1</sup> US EPA. (2016.) Climate Change Indicators: Global Greenhouse Gas Emissions. <https://www.epa.gov/climate-indicators/climate-change-indicators-global-greenhouse-gas-emissions>

# How and when to engage in philanthropy





Before we look at how you might engage philanthropically, it's important to get a sense of all the different ways you can pursue impact. When you decide that philanthropy is one of the right pathways to the impact you want to see, you'll want to make sure that what you do is strategic.

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# Making an impact

You might have an interest in putting time and resources into projects and ventures contributing to solving the world's biggest social and environmental challenges. By being intentional about these decisions, you can create lasting impact in line with your values and beliefs.



# What is impact?

We know that impact means the effect or influence on situations, people and environments. This impact can be positive or negative, intentional or unintentional. The impact can be short or long term.

You can purposefully direct your impact toward the change you want to see for people and planet. And this goes far beyond your philanthropic activities. While this guide will help you define and pursue the impact you

want to see from your philanthropy, it's important to be aware of the many ways that you can have impact with your wealth. Aligning your impact pursuits is important. And so is making sure that you use the most effective pathway to achieve impact. Sometimes that pathway will be philanthropy but other times it might be embedding sustainability into your business activities or integrating Environmental, Social and Governance (ESG) factors into your investment strategy.



## Dive deeper

The Impact Management Project (IMP) is a forum for building global consensus on how to measure and manage impact from an investment or enterprise. In coordination with over 1,000 industry members, the IMP found that understanding impact performance requires collecting data across five dimensions of impact.<sup>2</sup>

- **What:** Understanding the outcomes an investment/enterprise is contributing to and how important the outcomes are to stakeholders
- **Who:** Understanding which stakeholders are experiencing outcomes and how underserved they were prior to the investment/enterprise
- **How much:** Understanding how many stakeholders experienced the outcome, what degree of change they experienced, and how long they experienced the outcome for
- **Contribution:** Assessing whether an investor's/enterprise's efforts resulted in outcomes that were likely better than what would have occurred otherwise
- **Risk:** Assessing the likelihood that impact will be different than expected

<sup>2</sup> Global Impact Investing Network (GIIN) and IRIS+. (2019.) IRIS+ and the Five Dimensions of Impact. <https://iris.thegiin.org/document/iris-and-the-five-dimensions/>

# How can I have impact with my wealth?

There are many pathways to impact and they reinforce each other: As an individual and a family. As an entrepreneur and business leader. As an investor. And as a philanthropist. When your purpose is aligned across these roles and related strategies, your wealth – in the form of purpose-driven activities – can create far greater impact.





## As an individual and a family

Your and your family's well-being is about much more than money. It's also about **defining and sharing values** with the next generations and the people around you. By understanding what values are important to you, and what you feel passionate about individually, you can determine how you can engage purposefully to have impact and seek to find common values and topics – and you can do this by yourself or together with your family.

By **connecting and advocating** you can create positive impact aligned with these values. Together with your family or as an individual, you can engage and activate your network to advance agendas and allocate resources to issues you deeply care about.



### Learn more

Your philanthropic strategy should be aligned with your overall family strategy to achieve maximum impact. For more information consult the UBS Family Strategy Compass.



## As an investor

By **investing sustainably**, you can have impact through investments where sustainability objectives represent a core element of the strategy – in addition to market-rate financial returns.<sup>3</sup>

Through **impact investing**, you can make investments that have an explicit intention to generate measurable, verifiable, positive sustainability outcomes – in addition to market-rate financial returns.<sup>3</sup>



### Did you know?

In its 2020 report, the Global Sustainable Investment Alliance (GSIA) reported that the sustainable investing market had grown to over USD 35 trillion in assets under management. A portion of that is impact investing: the Global Impact Investors Network (GIIN) estimated the size of the worldwide impact investing market to be USD 1.164 trillion in 2022.<sup>4</sup>

<sup>3</sup> Disclaimer: Your capital is at risk. The value of an investment may fall as well as rise and you may not get back the original amount.



## As an entrepreneur and business leader

In your business life, you can have impact by **leading with purpose**. By embedding your purpose throughout every element of your business and work, you can ensure long-term benefits for the company and the planet.

Part of this involves **operating sustainably**, conducting your business with high ESG standards, lowering the carbon footprint of the company and setting standards around the most material impacts of the company.



### Learn more

If you're interested in learning more about how to make your business a force for good, check out our guide, [Good for business, Business for good](#).



## As a philanthropist

You can share your time, skills and network by **volunteering** to support affected communities and meaningful causes.

By **donating strategically**, you can make grants with a focus on outcomes and engaging over a longer period. Goals for impact should be clearly articulated, with evidence used to select philanthropic solutions.

And by **financing outcomes**, you can provide catalytic new **funding opportunities** for non-profit organizations and social enterprises through recoverable grants and social investments of charitable assets.



### Learn more

A good place to start developing your pathway to impact is by looking into your values and purpose. See Section 2 for a more detailed discussion and some activities that can help you form your vision and mission.

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4 Dean Hand, Ben Ringel, Alexander Danel (2022,) GIIInsight: Sizing the Impact Investing Market <https://thegiin.org/research/publication/impact-investing-market-size-2022/>

# Building an impact economy

The world is changing rapidly, traditional paradigms are coming under pressure, and societies continually face new and evolving challenges. If we are to overcome some of the most critical challenges of our time, we need to evolve to an impact economy in which philanthropists, businesses, governments, civil society organizations and private investors all work together toward the goal of positive impact. While the traditional economy focuses narrowly on economic output, an impact economy focuses more broadly on profit, people and planet, recognizing that the three are intimately connected.

Neither traditional philanthropy nor private enterprise alone can solve the current social and environmental challenges we face. If we rely merely on charitable donations and development assistance, we'll never solve problems at the scale we need to bring about systemic change. And while return-seeking capital is increasingly looking for measurable impact, it could take decades – or longer – for this market to emerge organically.

We need to leverage the full spectrum of capital if we are to make a difference in the scale and pace at which positive social and environmental change is happening. And philanthropy is uniquely positioned to pool resources from across the spectrum of capital to help achieve this. One way? Through social finance. Philanthropists can help grow the impact economy and solve problems at scale by investing in impact first and using philanthropic capital to help de-risk commercial investment (more on this later).



## Did you know?

The lines between private enterprise, impact investing and philanthropy continue to blur. Thought leaders across the spectrum are converging on the goal of pursuing an impact economy. A fully developed impact economy would help power economic growth while at the same time solving global social and environmental challenges. Check out our white paper, [The Rise of the Impact Economy](#).



## Work it out

Consider the ways that you can make an impact in the following four areas. Identify where you're already making an impact and what you might want to consider for the future.

1. In what ways could you and/or your family have an impact?

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2. How could your business be more impactful?

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3. How can you make an impact with your investments? And, if you have a foundation or charitable structure of your own, how does its investment strategy support the impact you wish to see?

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4. In what ways would you like to have an impact with your philanthropy?

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# Key takeaways



## **The five dimensions of impact**

As you look at ways to have impact, keep in mind these five dimensions: **What, who, how much, contribution** and **risk**.

## **There are many pathways to impact**

Beyond philanthropy, you can make an impact through your individual actions, business activities and investments. Always consider these pathways to impact alongside your philanthropic efforts.

## **Invest in line with your philanthropic values**

Analyze your portfolio to avoid investments that are inadvertently harming your mission. Pursue impactful investments that further your philanthropic mission.

## **Pursue multiple strategies for impact**

You're not limited to choosing one pathway to impact in supporting your causes. You might start with a grant to help a social enterprise launch. But later you might use impact investing to support the enterprise in scaling while also pursuing a financial return.

# Embracing strategic philanthropy

We've seen that one of the ways to create impact with your wealth is with philanthropy. Being philanthropic is different to being charitable. Charity aims to meet people's immediate needs like food, shelter and healthcare – which is impactful and necessary in emergencies. But philanthropy for long-term impact involves tackling the root causes of social and environmental problems. To achieve this, you have to engage in strategic philanthropy.



# Why does strategic philanthropy matter?

Every philanthropist wants his or her giving to have a positive impact: beneficial change for people and/or the planet. And not just in the short term. You want this positive change to be sustained and not just vanish as soon as funding is stopped. There are other powerful reasons why impact is so important:

## Billions of dollars are involved in philanthropy

The OECD estimates that the private philanthropy spend was, on average, USD 10.6 billion every year from 2016-19.<sup>5</sup> So, philanthropic giving is significant and plays an important role in social and environmental change.

If not spent wisely, we risk squandering precious philanthropic funds. Developing a clear vision and goals to define success can help you plan your philanthropy in a way that connects every resource at your disposal to impact.

## Impactful giving can create a virtuous cycle

Many philanthropists are motivated by the desire to give back. Impactful giving can create a virtuous cycle where generating positive change can be fulfilling not only for the those positively impacted but also for the philanthropists helping to make it happen. Those positively impacted are more likely to give back and the philanthropist is likely to repeat the cycle.

It's okay that philanthropy makes you feel good. It ought to! But without measurable positive impact as a result, philanthropy risks becoming all about the giver. Increasingly, the philanthropists we talk to are getting more involved in their giving – they want to understand the evidence behind a solution, and they're keen to learn from and collaborate with others. This is a significant and positive shift from traditional, so-called checkbook philanthropy.



## Did you know?

There are an estimated 5.4 million children in orphanages worldwide,<sup>6</sup> but the vast majority (about 80%)<sup>7</sup> actually have at least one living parent. They are mainly there because their parents cannot afford to feed and educate them, or because of health issues that can't be addressed locally. Well-meaning volunteers – or voluntourists – take service trips to spend a short time at the orphanages, bonding with children only to leave in a matter of days, leaving the children emotionally distressed.

Does this help? Actually, what we've seen in many countries is as the number of voluntourists and donors increased, the number of orphanages also increased. Supply equals demand. Philanthropy aimed at orphanages inadvertently created a big business for orphanages by allowing them to expand and appeal to families in need. The actual problem in many cases is not that there are many orphans – often it is extreme poverty that is forcing families to give up their children. So, the best solution isn't more orphanages but support for families so they can meet their children's needs within their family setting.

5 OECD. (2021.) Private Philanthropy for Development: Data for Action Dashboard. <https://oecd-main.shinyapps.io/philanthropy4development/>.

6 Olarte, V. (2021.) How many children are there in orphanages around the world? Hope and Homes for Children. <https://www.hopeandhomes.org/blog/how-many-children-in-orphanages/>

## Ineffective philanthropic programs can actually cause harm

It's important that philanthropists consider the unintended consequences of their projects and programs. You might not always be aware of some of the pitfalls, which is why it's so important to do your research and consider all angles before committing.

What are some of the common unintended negative effects we've seen over the years?

- In emergencies, people are naturally inclined to immediately donate items like food, clothing and toiletries. We'd encourage you to first find out what on-the-ground organizations really need. With emergencies, it's often cash.
- Giving with lots of strings attached can burden organizations, preventing them from being as effective as they can. Trust vetted partners to deploy your money in the most impactful way. Unrestricted funding is a key component of trust-based philanthropy, allowing the experts to fund what they need most.
- Giving with the heart (without the head) can result in your giving not getting the results you intend. Take the time to really look into the key evidence rather than acting on impulse. Get intellectually invested in your philanthropic journey by asking questions and being willing to learn (and unlearn, pivot and adapt).



### Top tip

Sometimes negative impact can be an unintended result of a promising program that is poorly implemented. Make sure that in addition to seeing that a solution is effective, you also carefully plan implementation and think about possible negative side effects to avoid unintended harm.

An example? Malaria nets – when used correctly – can be very effective in lowering malaria rates in countries where the disease is rampant. But in addition to being used correctly, millions of malaria nets have often ended up being used as fishing nets. The problem is that the insecticide-treated mesh nets trap fish while also polluting waterways. It's an ongoing struggle to distribute the nets to be used properly to effectively lower the rate of malaria while also employing strategies to ensure they don't end up being used in harmful ways.

7 Csaky, C. (2009.) Keeping Children Out of Harmful Institutions: Why we should be investing in family-based care. Save the Children UK and the Save the Children Child Protection Initiative. <https://resourcecentre.savethechildren.net/document/keeping-children-out-harmful-institutions-why-we-should-be-investing-family-based-care/>

# Maximize impact with six key principles

How can we make sure to use resources wisely, create a virtuous cycle and avoid causing harm? By using six key principles – known as the 6-s framework – to minimize negative incomes and maximize impact at scale.





## Situation

Before deciding what you want to give, you need to understand the situation. To find the path that's best for you – and where you can make the biggest difference – you must first be aware of the issues, root causes and just how much needs to be done.

Eradicating poverty, improving health and education, tackling climate change, spurring economic growth – there are many social and environmental problems that urgently need to be addressed. Thinking about some of these most pressing issues can be incredibly daunting. Awareness of these issues and reminding yourself that no one person can solve them alone is the starting point.



## Solutions

Identifying the right solutions will impact whether you can ultimately translate your vision and strategy into concrete activities. Take the time to explore what it would take to solve the issue and what ecosystem already exists (what we call a landscape analysis, which we'll discuss later). That way, you can identify where the gaps are and where you'll be able to add the most value.

When acting strategically, any solution must focus on results – not on activities. Literacy outcomes, not number of textbooks sent. Maternal mortality outcomes, not number of hospitals built. Poverty outcomes, not number of emergency payments provided. In other words, it's not the effort that matters but meeting the objectives (ideally with the least effort) – that is, having an impact. Equally important to the chosen solutions are the partners you'll choose once your strategy is in place.



## Strategy

A strategy sets out what needs to happen so that you can reach your goals, identifies how those actions fit together and plans where you'll act. You need to take your time to do this, as it will be the basis for your philanthropic success.

The right strategy will help you set clearly defined goals and use evidence based strategies to achieve those goals. You monitor your progress so that you can actually assess whether or not you're successful and on track to achieving these goals. And, of course, make course corrections when you need to.



## Structure

When thinking about the right giving vehicle to serve your strategy it's important to consider what structure makes the most sense given the impact you'd like to achieve and the flexibility you might need in the future as well as tax, legal and operational aspects. A foundation might seem the most obvious choice at first, but maybe it's not.

Starting philanthropy by setting up a foundation just because "that's what people do" is like starting a family by buying a house. It might be the right vehicle – or it may well not be.



### Top tip

Strategy should ideally precede structure, but in some cases, legacy questions, tax benefits and timing might force the structure decision before the strategy is in place to maximize the amount a family has to allocate to their giving strategy. That's okay! Your UBS advisor can help you think through creative ways to build out your strategy regardless of what vehicle you have.







## Sustainability

Saying goodbye to a solution you've been supporting can be hard, but there is always a time when you need to phase out programs – either because the potential to multiply impact is absent or because you've achieved your desired impact.

You have different key pathways to make sure your philanthropy is sustainable. You may decide to set up an endowment for an issue with ongoing need or advocate for policy change to address the root cause of a social problem. Some issues demand the ultimate path to sustainability: an exit strategy based on commercial viability or governments taking over responsibility for a solution.

## Scale

When you find a solution to a situation, develop a strategy and the right structure, you'll not only want to ensure its sustainability – you'll want to scale it.

The world's problems are large and they require large-scale solutions. The traditional model of setting up individual schools, hospitals or institutions one at a time – while well intentioned – will never drive the scale required to solve systemic issues. Even the wealthiest philanthropists don't have enough resources to solve problems alone. Scale requires collective action with diverse stakeholders to bring effective solutions wherever they are needed.



## How they did it

Rising Academies, a UBS Optimus Foundation grantee, created a growing network of schools in West Africa, where in-school learning lags and youth literacy is shockingly low. Rising Academies' mission is to unleash the full potential of every student, equipping them with the knowledge, skills and character to succeed in further study, work and day-to-day life.

Their approach has three pillars:

- A curriculum, which they've developed with international education experts and adapted to local settings where they operate.
- Coaching, so their teachers receive intensive on-the-job training.
- Data, with field teams monitoring learning progress and operations so Rising Academies can continuously improve their schools.

Independent evaluations in Sierra Leone and Liberia have found that Rising Academies students make two-to-three times more progress in reading and numeracy every year compared to their peers in other schools. These are the sought-after outcomes that they wanted to see from the new curriculum and coaching.

Rising Academies is using their knowledge to operate public-private partnerships – or PPPs – and engage in licensing deals so they can reach even more students. They've grown from an emergency education provider during the Ebola epidemic to scaling their solution to one million children directly and 25 million children indirectly with their Rising on Air program.<sup>8</sup>



## Top tip

Want to learn more about philanthropy?

- Go to philanthropy events
- Participate in roundtable discussions
- Go on one of our philanthropy insights trips to see firsthand the impact your philanthropy has on the ground
- Build yourself a network and connect with peer philanthropists
- Read publications on your topic of interest

<sup>8</sup> Rising Academy Network (2021.) One year on. <https://wearising.medium.com/one-year-on-bd233b65ed4e>



# Key takeaways



## **Impact matters in philanthropy**

Poorly strategized philanthropy can result in resources wasted and possibly even harm. Philanthropy done well can create a virtuous cycle: outcomes that are thoughtful, strategic and impactful will generate even more positive outcomes and benefits.

## **Strategic philanthropy aims to maximize outcomes and impact while minimizing inputs and activities**

Understand the situation, identify solutions that work, set out a strategy together with the right structure for giving (if any at all), and aim for sustainability and scale of impact.

## **Never stop learning!**

It's an evolving field.

# Creating lasting impact

You understand that impact matters and you have good intentions. And you now know that this means engaging in strategic philanthropy. Whether you're looking to address issues of poverty, health or education, strategic philanthropy aims to create lasting impact. This means aiming for systems change and solving problems at scale so that the problem you're addressing no longer exists (and there's an end to the need for giving).



# Aim for systems change

There is nothing wrong with using resources to end immediate suffering from hunger, illness and lack of shelter. And in some situations – like in crises – that might be the only thing you’re able to do. But it’s only by addressing the root causes and aiming to change the systems that you’ll create lasting impact.

To have this kind of lasting impact, you’ll need to engage with multiple stakeholders ranging from government agencies to private enterprises to civil society organizations. When done well, these partnerships can change systems permanently so that the problem addressed no longer exists.

Driving systems change usually happens in three distinct phases:

## 1. Research and innovation

Consider the system underlying the issue, seeking to understand what needs to change and how that change can happen.

## 2. Piloting and evidence gathering

Identify possible solutions and select partners who can collaborate. Develop transparent and accessible measurement to track impact at the grantee and the systemic level.

## 3. Scale and replication

Scale involves bringing the most successful solutions to a maximum of stakeholders, adapting the solution for new contexts. This is exactly when sustainable systems change can happen: solutions get adopted and become normal – they are now part of the system.



### Did you know?

Systems change addresses these root causes by transforming structures, mindsets and policies that help to create and perpetuate social and environmental problems.



### Top tip

It takes time to achieve sustainable systems change because of the many actors needed to come on board. Getting the public sector to take over responsibility for a social or environmental issue requires that public leaders take the reins and gain community support. Support their vision and help them build networks.





### How they did it

In 2015, UBS Optimus Foundation grantee Freedom Fund brought together 14 NGOs in Central Nepal to address the commercial sexual exploitation of children (CSEC) in Kathmandu's adult entertainment sector (AES).<sup>9</sup> When they launched the program, between 11,000 and 13,000 women and girls were working in AES – a third under the age of 18.

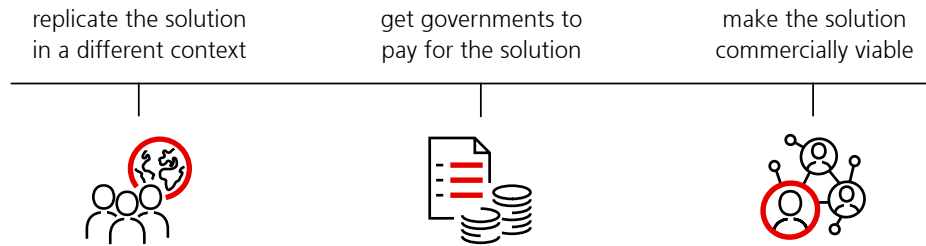
The problem of CSEC cannot simply be addressed by rescuing women and girls from the bars and nightclubs where they work since there will just be other women and girls ready to work there due to poverty, lack of education and other economic opportunities. So, Freedom Fund invested in bringing together the NGOs who collectively addressed different aspects of the problem, including improving social and legal services to the women and children, advocating for improved legislation at the national level, raising public awareness of the issue, and working with the local and provincial governments to ensure implementation of legislative frameworks that protected children from sexual exploitation.

In 2019, an external evaluation showed that the population of minors in the AES had shrunk to 1,650,<sup>10</sup> significantly lower than when they had started. Reasons for the reduction included increased government inspections of the AES and improved conditions for adult workers. And in 2020, Freedom Fund began to plan a phase-out of the program by building the capacity of the NGOs to sustain the activities and seek funding from other sources.

9, 10 Central Nepal Hotspot - The Freedom Fund by Anon (2021) <https://freedomfund.org/programs/hotspot-projects/central-nepal-hotspot/>

# Go for scale

Scaling up successful solutions is a key component of systems change and lasting impact. There are different ways to scale:





## Replicating across contexts

If a solution works in one city, why not try it in another?  
Or if your solution works in one country, why not adapt it for application in another country with similar challenges?

Scaling across contexts means that your impact per resource used can increase with each iteration. Once a concept has proven itself in one location, bringing the same solution to another location is often faster, easier and cheaper.



### How they did it

African organization Educate! designs education and employment solutions to prepare young Africans with the skills to succeed. The goal is to create a grassroots movement of young people attaining further education, overcoming gender inequities, starting businesses and getting jobs, ultimately driving sustainable development in their communities. Educate! has measurably impacted over 250,000 to date through skills-based education and employment solutions.<sup>11</sup>

Educate!'s in-school model launched in 24 schools in Uganda in 2009. With evidence to back the effectiveness of the innovative, sustainable, scalable and cost-effective solution, Educate! launched in Rwanda in 2016 and Kenya in 2018. Just as Educate! initially based their model on successful solutions in India – creating a solution that was specific to Ugandan culture, language and local needs – their work in Rwanda and Kenya was adapted for those markets. Critical for their success is working with each country's Ministry of Education to tailor to their specific needs. Replicating programs in part or whole leverages learning from others to save resources and scale more quickly.



### Top tip

To replicate across contexts, it's important that you not only demonstrate and document the success of the solution but also assess the local needs and take them into consideration when implementing it.

<sup>11</sup> Scaling Our Impact by Anon (2023) Preparing youth in Africa with the skills to success in today's economy <https://www.experienceeducate.org/scaling>



## Encouraging government adoption

For most development issues, governments are major players. In fact, with issues like health and education, governments are the primary player. So, it's vital to coordinate with governments, especially if you're proposing ideas to improve the way it operates.

How you can influence governments varies depending on the solution. It might involve working with a government department to show the feasibility of a solution, its value or how to do it.



### How they did it

Over a quarter of the population of Liberia lives at least five kilometers from the nearest healthcare facility. UBS Optimus Foundation partner Last Mile Health developed a model to provide local communities with healthcare by building a network of trained and supervised community health workers equipped with supplies, to reach these remote communities.

In areas where Last Mile Health was present, treatment rates for malaria, diarrhea and upper respiratory infections in children more than doubled, whereas in communities without their solution, treatment rates fell. They started very small but quickly expanded when the country was hit by Ebola in 2014. By showing the effectiveness of the solution, Last Mile Health was able to collaborate with the Ministry of Health and partners to design and scale the National Community Health Assistant Program to extend primary healthcare to 1.2 million people living at Liberia's last mile.<sup>12</sup>

Today, Last Mile Health focuses on working with the Liberian government on policy reform and coordination, data systems, performance measurement, quality assurance, training, finance and recruitment. And they're supporting the Ministries of Health in Ethiopia, Malawi and Sierra Leone to scale their community health worker programs to achieve similar impact.



### Top tip

Scale up will at some point require involvement of government. Find a champion within the government and ensure the individual is involved in the design and is continuously updated on progress and learning. Be prepared to make the case, backed by data, and demonstrate the benefit of your solution. You will want to engage at multiple levels within the government – local, district, national – as political leadership change is the norm.

12 Liberia by Anon (2023) Last Mile Health <https://lastmilehealth.org/where-we-work/liberia/>



Campaigning for policy change can also influence governments. Where policies or laws are failing to protect vulnerable people or – even worse – causing harm, philanthropic efforts to change these can have profound long-term impact.



### How they did it

Hope and Homes for Children, a program partner supported by UBS Optimus Foundation, works in close collaboration with governments in Eastern Europe, South and Eastern Africa, and South Asia to reintegrate children from orphanages into families, prevent family separation by strengthening families and communities, and create alternative family-based care options – such as foster care – for children who need it. But without an accompanying change in attitudes and practices, there's a risk that for every child removed from an orphanage, another child is brought in.

That's why Hope and Homes for Children uses advocacy to change hearts and minds through conducting global campaigns for the end of institutionalization, using international partnerships to build awareness, and persuading decision makers to enact laws and policies that support family-based care.



## Engaging the private sector

Philanthropists can also scale effective solutions with larger investments and more fundamental systemic changes by attracting more capital toward a particular issue.



### How they did it

The Global Innovation Lab for Climate Finance crowdsources, selects, develops and launches transformative financial solutions to drive billions of dollars of private investment into climate change action in developing countries. The Lab's theory of change revolves around the collaboration between public and private sectors, openly sourcing concepts from finance innovators and a powerful network to move the ideas into action. The Lab's structure fosters cross-sector cooperation and enables solutions to overcome investment barriers.

Since 2014, the Lab has launched 62 solutions to drive investment to action on climate change and sustainable development in Africa, Latin America, Asia and Pacific Island countries. These solutions have mobilized USD 3.5 billion for climate action in emerging economies, which includes USD 32 million from philanthropic organizations, USD 1.7 billion from public investors and USD 1.4 billion invested by private investors.<sup>13</sup>



### Top tip

Traditional investors are looking for market-aligned financial returns. Philanthropists can use social finance to put their philanthropic capital to work in incentivizing private finance for solutions that aim for systems change and scale. We'll discuss this more later.

13 Climate Policy Initiative. (2023.) Global Innovation Lab for Climate Finance announces new class of ground-breaking solutions to drive public and private investment in emerging markets. <https://www.climatepolicyinitiative.org/press-release/lab-selection-2023/>







# Key takeaways



## **Change the system**

Understand the root causes of the symptoms, and by using the collective power of individuals and organizations, you can transform mindsets, customs, policies and behaviors to achieve change.

## **Think big**

You can start small but aim for scale. Proven solutions can be more impactful when scaled across regions and contexts. Look to engage governments with proven health and education solutions.

## **Play the long game**

Sustainable systems change takes time. Be realistic but also keep this long-term goal of getting to root causes in mind.

## **Don't do it alone**

Getting at root causes of social and environmental issues requires collaboration with other philanthropists, civil society, the private sector, academia, communities and government.

# How to plan your philanthropy





When you're ready to start planning your engagement, you'll want to form your vision. Understanding your motivations and defining your big dream will help guide your plans. Once you have your vision, you'll be ready to define your mission and create a strategy for achieving success.

- 42** Forming your vision
- 56** Defining your mission
- 70** Developing a strategy

# Forming your vision

Having a clear vision creates a strong foundation for your philanthropy. It'll help you keep the focus, define what success looks like and later assess whether you're on track – that is, if you're really having an impact. Having a clear and well-articulated shared vision could also possibly bring your family together behind a common goal.



Part 2

Part 3

Part 4

# Purpose. Vision. Mission.

## What's the difference?

**Purpose:** **WHY** you want to be a philanthropist.

**Vision:** **WHAT** you hope to achieve through your philanthropy – your ultimate goal, your big dream.

**Mission:** **HOW** you're going to create positive impact and achieve your vision.



### Top tip

A vision is your big dream. It's the what, not the how (the how is your mission). It's important that the vision comes first. Think of it like building a house: you wouldn't start hiring builders and ordering materials until you'd settled on plans for the house – your vision of what it looks like. Similarly, don't start dispensing funds or making promises until you've developed your vision.

So, what makes a good vision? A good vision is focused, aspirational, clear, easy to remember and short.

You can find lots of examples online of the vision statements of various foundations and NGOs. They can be great sources of inspiration and you can even test them out by asking:

- Is it focused?
- Does it sound like a big dream?
- Is it understandable?
- Is it easy to remember?

Ultimately, it has to reflect your big dream. But a vision is also a means to inspire others to follow and act with you. So, think about them, too!



### How they did it

Who's got clear vision?

#### **ClimateWorks**

A planet that is a thriving home for all living beings for generations to come.

#### **The Luminos Fund**

A world where no child is ever denied the chance to learn.

#### **The Freedom Fund**

A world free of slavery.

# Shaping your vision: Four key steps



## Step 1

### Understand your motivation

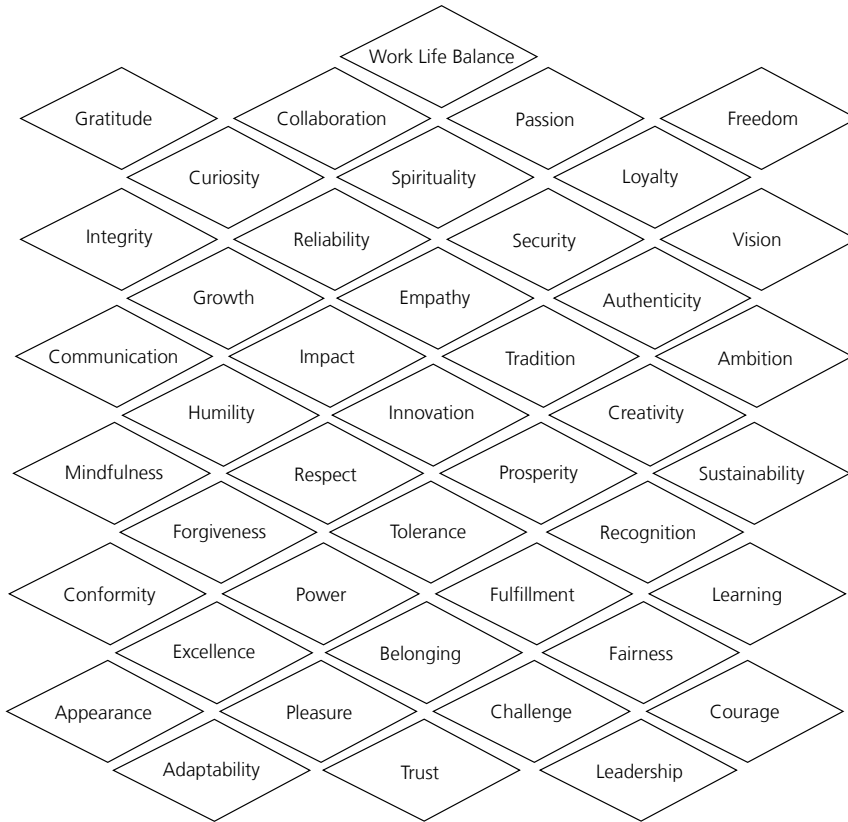
Before you develop a plan for your philanthropy, it's important to understand what motivates you. There are many reasons why you might want to be a philanthropist. Understanding your motivations starts with understanding what underlying values inform your motivations and can be very helpful in making your

future philanthropic choices. Similarly, if you want to engage your family or others in this journey, it'll be important that you understand their value structure to take their views and motivations into consideration and set the stage for a successful collaboration.





## Work it out



Above you will find a selection of core values. Using these, or thinking of your own, what are the three core values that are appealing to you, that you'd like to see reflected in your philanthropy? Why?

VALUE

WHY?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

What are the three core values that don't resonate with you? Why?

VALUE

WHY?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

## Step 2

### Find your purpose

Keeping in mind your core motivations, it's important to determine what drives you and the cause you want to advance. For many, philanthropy is an intensely emotional – even spiritual – undertaking. It's something we do not because we must, but because we choose.



#### Top tip

Consider the UN Sustainable Development Goals (the SDGs) for inspiration, as they represent the global consensus on where the greatest needs are (as well as provide a framework for measuring progress).





## Work it out

To find your purpose – why do you want to be a philanthropist – consider the following questions:

1. Is there an issue you find to be underfunded or ignored?  Yes  No
2. Is there a pressing social or environmental issue in your business?  Yes  No
3. Is there an issue that your family particularly cares about?  Yes  No
4. Is there a particular social or environmental problem within a country or community where you have ties?  Yes  No
5. Is there an issue that has moved you to take action in the past?  Yes  No
6. Is there a challenge you or your loved ones have experienced?  Yes  No

### Notes

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## Step 3

### Choose a focus

While your vision is your big dream, that doesn't mean that you should try to solve all of the world's problems. This is why choosing a focus is an important step on your philanthropic journey. Your focus can be a topic like health or a location. But it can also be an approach, like funding social entrepreneurs regardless of the issue they are addressing.

A very pragmatic approach is to break it down into the WHAT, WHO and WHERE. What will be your focus? Who will you help? And where will you focus your efforts? If you're going through this exercise as a family or with a group of people, allow everyone to do the exercise separately and then get together to discuss. This will prevent undue influence by others.



#### Top tip

The narrower your focus is, the easier it'll be to define and measure what you do. And concentrating your efforts on a particular area means you'll be more likely to achieve your goals. So, if you decide to focus on a broad area, it's wise to complement it with a narrow focus in another. For example, you might want to improve education (broad focus) for children in a specific district of India (narrow focus).



## Work it out

### WHAT

What will your focus be?

Solving a health issue

Tackling an environmental concern

Promoting social justice

Expanding education opportunities

Supporting arts and culture

Providing disaster relief

Supporting social entrepreneurship

Mobilizing capital with social finance

Other

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### WHO

Who will you help?

Particular age group (children, adults or the elderly)

Vulnerable groups (women and girls, or LGBTQ+ populations)

Populations (rural, immigrant, ethnic or religious communities)

Socioeconomic communities (low-income population, social entrepreneurs, small business owners)

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### WHERE

Where will you act?

Local

Global

A particular country or region

Multiple countries or regions

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## Step 4

Iterate (and let it sink in)

The fourth step that you can take to shape your vision is the iterative process. Put your vision in words, test it out with friends and families, let it sink in and come back to it. Take your time!





## Work it out

### Your vision

Think about your big dream for your philanthropy. For example, "I dream that..." Your statement should have a concrete goal. What's the big dream for my impact?

1. What would success look like?

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2. What key words should be in my vision statement?

• _____	• _____
• _____	• _____
• _____	• _____
• _____	• _____
• _____	• _____

My vision statement:

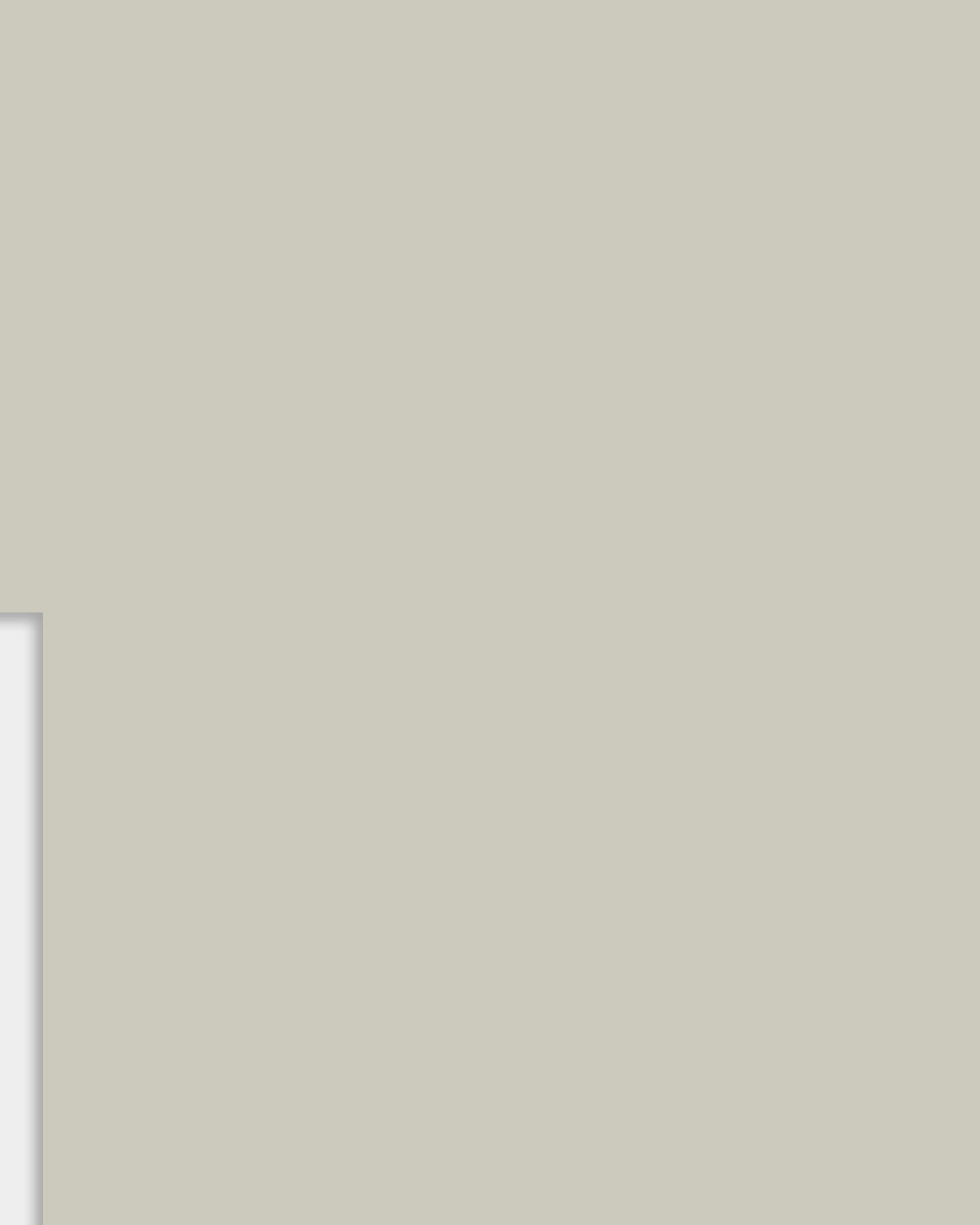
I dream that...

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# Key takeaways



## **Start with the vision**

You don't want to start planning what you'll do until you have that big dream. A well-articulated vision will create a strong foundation for your philanthropy and define what success looks like.

## **Take your time**

The four steps to articulating your vision are not meant to happen in one sitting. Go through the steps a few times until you have a vision that's authentic and resonates with you.

## **Don't overdo it**

Your goals and strategy will come later. Keep your vision focused, aspirational, clear, easy to remember and short.

# Defining your impact mission

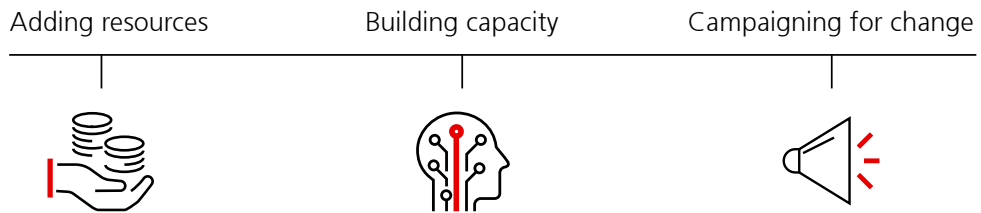
Once you have your vision, it's time to start thinking about how you can successfully achieve impact. Your approach will describe the role you want to play – based on how much commitment, ambition and ownership you're willing to accept. Your mission will clearly articulate how you're going to successfully achieve your vision. And your goals will help you decide how to measure success.



# Decide on an approach

First of all, what is an approach? An approach describes the role you want to play in your chosen cause, based on the level of commitment, ambition and ownership you're willing to take on. The approach is derived from your vision, but it'll also be important to consider your strengths and personal preferences.

Approaches to philanthropy can be grouped into three basic categories:





## Adding resources

Adding resources means providing resources to existing actors successfully working on an issue to help them increase impact. This can take the form of a monetary contribution to a program which has already

demonstrated its effectiveness but would need to be scaled up. You can provide financial or in-kind donations, lead fundraising activities or create new sources of funds.



### How they did it

In response to the devastating war in Ukraine, more than 12,000 employees and some 10,000 clients donated over USD 25 million to the UBS Optimus Foundation Ukraine Relief Fund, with 10% added by UBS. And XTX Markets not only donated to the fund – they decided to become a matching partner to help unlock even more funding to address the crisis.

Due to the generosity of donors and the power of matching, the Ukraine Relief Fund raised over USD 56 million. These funds support a range of partners including Americares, Crown Agents, the Global Fund for Children, Hope and Homes for Children, the International Rescue Committee, Lumos, Project HOPE, Street Child, UNICEF and War Child Holland.



## Building capacity

Building capacity consists of supporting those already successfully working on an issue to do better work. Philanthropists can help existing organizations

strengthen skills, instincts, abilities, techniques and resources so that they can thrive in a changing world and increase their impact.



### How they did it

Despite the huge amounts of funding pledged to Ukraine, red tape is preventing grassroots Ukrainian NGOs from accessing bilateral and multilateral relief funds to help those inside their war-torn country. Lightful, a UBS Optimus Foundation grantee, supports them with digital products and services designed to simplify and amplify the work of grassroots NGOs. Lightful created Building Resilience in Digital Growth and Engagement (BRIDGE), a capacity-building program that builds confidence in three key areas – strategy, storytelling and digital confidence – so that grassroots NGOs gain the knowledge, understanding and experience to reach more people and raise more funds.



## Campaigning for change

Sometimes the most effective path to significant and lasting social and environmental change is through mobilizing diverse actors and resources to address the root cause of an issue. You can use varied financial

resources (grants and investing) to convene stakeholders to build consensus, support research and advocate policy change. Very often, campaigning for change will require you to be more publicly visible.



### How they did it

Filippos and Andonis Lemos are brothers and entrepreneurs who co-chair several companies in a wide range of industries. Their multigenerational connection to – and deep love for – the seas led them to focus the Lemos family’s philanthropic work on the eradication of plastic from the ocean. Both are co-founders and major funders of Common Seas, which works to reduce the amount of plastic being produced and stop it polluting our rivers and seas.

Common Seas develops scalable solutions that address the source of the plastic problem and builds partnerships to deliver them on the ground. With the ability to drive government policy and shift cultural norms, it is campaigning for an effective Global Plastics Treaty while delivering a suite of programs that are reducing plastic pollution through funding research to demonstrate the negative consequences on health. Highlights include government partnerships that support small island states to eliminate single use plastics, and a reusable diaper pilot that has already avoided the use of 2.4 million single-use diapers in Indonesia, preventing over 500 metric tonnes of single-use plastic from reaching the ocean.

Common Seas recently reached global headlines when research they had funded by working with renowned academic and scientific institutions showed over three quarters of people have microplastics in their blood. They continue to use their platform to campaign for more government funding to be directed to further research alongside their own into the health impacts of plastics.

It's important to note that these approaches are not mutually exclusive. You can be active in several different approaches as your philanthropy evolves.

Perhaps a specific approach resonates more than a specific issue and you want to apply this across multiple causes. For example, if you have experience and a network in the media space, you might want to run several campaigns to raise awareness. Or if you're an entrepreneur, you could decide to support social entrepreneurship across topics as a way to bring effective solutions to scale by encouraging a more financially sustainable model.

As you reflect on your approach, it'll help you clarify the kind of philanthropist you want to be. Do you want to be very public or discrete? Do you want to fund programs that have demonstrated their effectiveness or support innovation? Are you interested in playing several roles or do you have a clear sense of what you want to contribute? The answers to these questions will help you decide which opportunities are more (or less) appropriate.

Approach	When is it suitable?	What would I do?	What would it require?
<b>Adding resources</b>	When strong organizations are already running effective programs, but need additional resources to expand, extend or replicate their work	<ul style="list-style-type: none"> <li>– Give directly to existing NGOs</li> <li>– Give through intermediaries like existing foundations</li> </ul>	<ul style="list-style-type: none"> <li>– Little structure needed for smaller donations</li> <li>– Screening and due diligence needed for larger or numerous donations</li> <li>– Creating your own foundation (rarely the best choice)</li> </ul>
<b>Building capacity</b>	When the problem and potential solutions are well understood, but not enough trained people available to carry out the work	<ul style="list-style-type: none"> <li>– Help organizations strengthen skills, abilities, techniques and resources</li> <li>– Fund third-party organizations that help build capacity</li> </ul>	<ul style="list-style-type: none"> <li>– Requires experts and program staff</li> <li>– More complex monitoring and evaluation systems may be needed</li> </ul>
<b>Campaigning for change</b>	When the issue is complex and intractable, not well understood by the public, and many different actors are needed to work together to get results	<ul style="list-style-type: none"> <li>– Forge alliances with participants, build consensus and create a campaign for policy and behavior change</li> <li>– Fund organizations that conduct advocacy, research or convening</li> </ul>	<ul style="list-style-type: none"> <li>– High-profile and credible program leadership required (possible visibility on your part)</li> <li>– Success requires many diverse participants to work together</li> <li>– Long-term commitment</li> </ul>



### Dive deeper

The approach you choose has important implications for what you end up doing with your philanthropic work. None of the approaches are right or wrong. What's important is that they fit with your understanding of the issue as well as your personal capabilities and preferences.

Keep **five** points in mind as you make your decision:

1. Have a clear vision, keeping in mind that this is what drives you.
2. Set a clear hypothesis for the problem you're addressing (but do your research and remain flexible).
3. Assess your strengths and don't limit your added value to money.
4. Think about your preferences while keeping the cause at heart.
5. Engage expected stakeholders early on and make sure you know what they think.





## Work it out

Thinking about your preferences will help you choose the right approach for your philanthropy. Mark your preferences on the relevant points on each continuum below:

### Personal engagement

Not involved

Very involved



### Breadth of resources

Just money

Money, time, networks, experience



### Resources available

Few

Many



### Visibility

Anonymous

Publicly visible



### Level of philanthropic collaboration

Independent

Very collaborative



### Concentration of efforts

Singular focus

Diverse interests



### Appetite for innovation and risk

Proven methods

Highly experimental



### Time to achieve impact

Short

Long



# Create your mission statement

As you might recall, a vision is your big dream. Your mission statement summarizes HOW you'll achieve that future ideal. A good differentiator for the mission statement is that it focuses on what your philanthropy or your organization does today to make your vision for the future come true.

Your mission statement can be used to reflect on or communicate about your values and motivation. It makes it clearer to you – and also to other family

members or your potential donors – how you'll be addressing the issue. A good mission statement is ideally no longer than two sentences – maximum 20 words.

Just as with shaping the vision, this is an iterative process. The further you advance with your plan, the more you'll know about how you plan to drive change and, so, be able to refine your mission statement.



## Top tip

In the advisory workshops we run at UBS, we often start by putting key words on sticky notes, get people to vote for their "favorite" words and then play with it. This might be an opportunity to get the family together for a brainstorming session and exchange thoughts.



## How they did it

Habitat for Humanity's vision is: "A world where everyone has a decent place to live." This is the big dream and, as such, very aspirational. But their mission is more specific. In one phrase, it tells you how they do that: "by bringing people together to build homes."



## Work it out

### Your mission

1. What strengths can I use to achieve my vision?

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3. What approach will I use?

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2. What will I contribute to achieving my vision?

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4. What key words should be reflected in my mission?

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One way to identify weaknesses or opportunities in your mission is to imagine an article written about your philanthropy 5-10 years in the future. What would the title be and what would it say...

...if your philanthropy was successful, imagining how and why you achieved this result.

...if your philanthropy was a fiasco? And why that might happen.

1. Can you identify challenges to overcome?

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3. Greatest opportunities.

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2. Areas for improvement.

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### My mission statement:

Think about what you'll do. For example, "To achieve my vision, I will..."

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# Set your philanthropic goals

Setting philanthropic goals will help you assess whether you're on the path to success. Your goals will provide you with a set of priorities and serve as the basis for monitoring progress, so they need to fit a few guidelines:

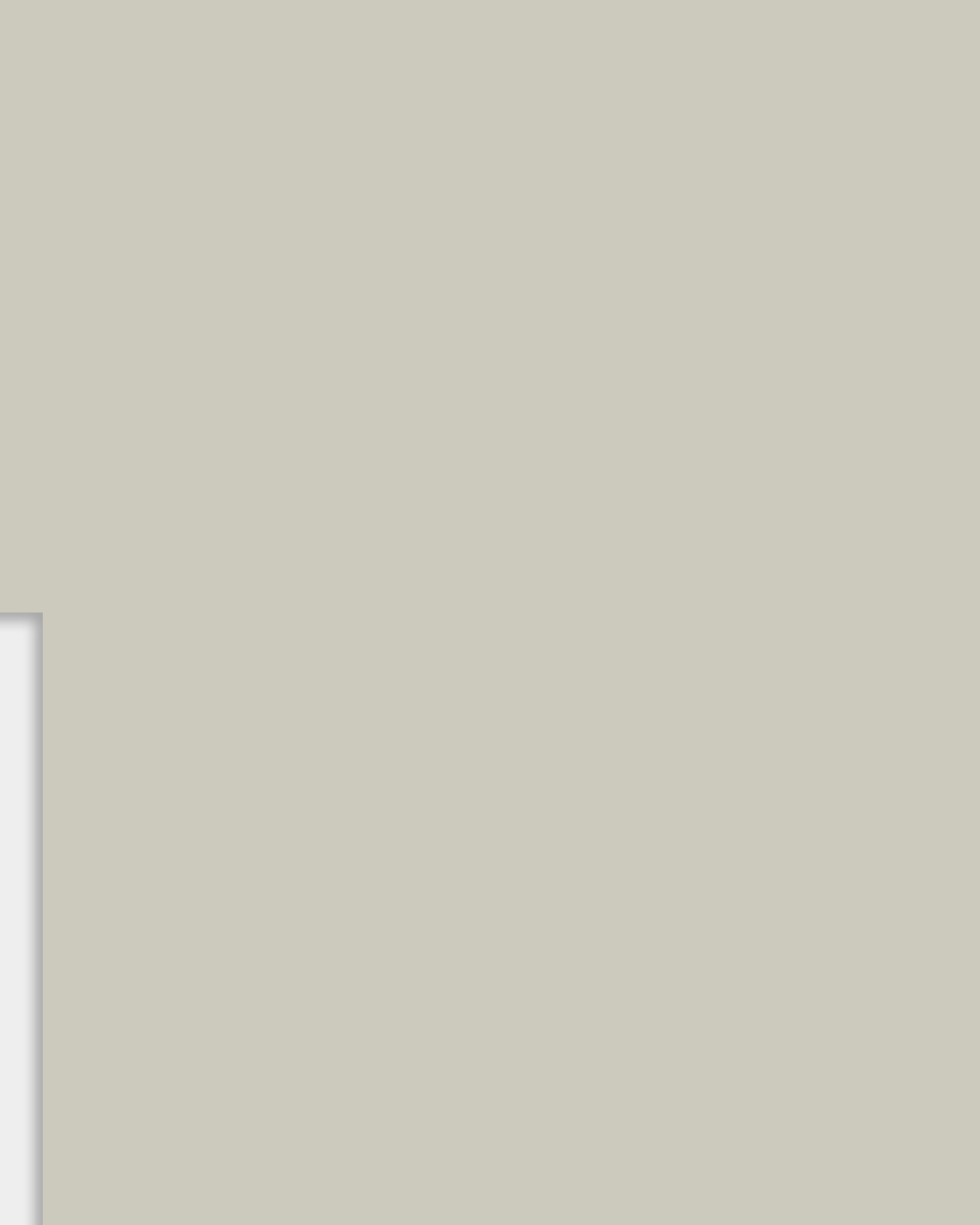
- Be clear about what you're trying to achieve. Make it concrete and measurable.
- Look for benchmarks. Explore the scientific literature or ask experts in the field. In some areas, success is quite clearly defined.
- Make sure your goals are ambitious – but realistic. You should also be able to translate them into something practical and achievable – because they'll help you map out your solution to drive change (what we call a theory of change, discussed next).
- Stay flexible! Your goals might evolve, possibly even change, over time. But keep the vision in mind. This is your big dream – and you want to make it come true.



## Top tip

There are different types of goals that you might want to set for yourself. Your philanthropic goals will determine if your solution is successful. But you also have personal goals, like sharing values as a family, learning new skills or growing your network. It's important that you take the time to think about both.





# Key takeaways



## **Be realistic about what approach fits**

Consider the level of commitment, ambition and ownership you're willing to take on.

## **Consider multiple approaches**

Campaigning for change might be the best approach for an issue you know well. But adding resources may be better for an issue where you prefer to trust the experts to employ their solution. Keep your goal and resources in mind when deciding on your approach.

## **Turn your what into a how**

Your mission statement summarizes how you will achieve that future ideal articulated in your vision. Keep it short but be specific about on-the-ground activities.

## **Set your priorities**

Your goals will identify areas of focus for your activities so you can get started. The goals will also tell you how you'll monitor progress on the way to achieving impact.

# Developing a strategy

Planning is key to successful philanthropy. A strategy sets out what needs to happen for you to reach your goals, how those actions fit together and where you'll act (just like in business). A well-planned strategy will help you clarify your goals and objectives, identify possible solutions in collaboration with key stakeholders, choose the right course of action and articulate how your solution will work – your theory of change.





# Clarify your goals and objectives

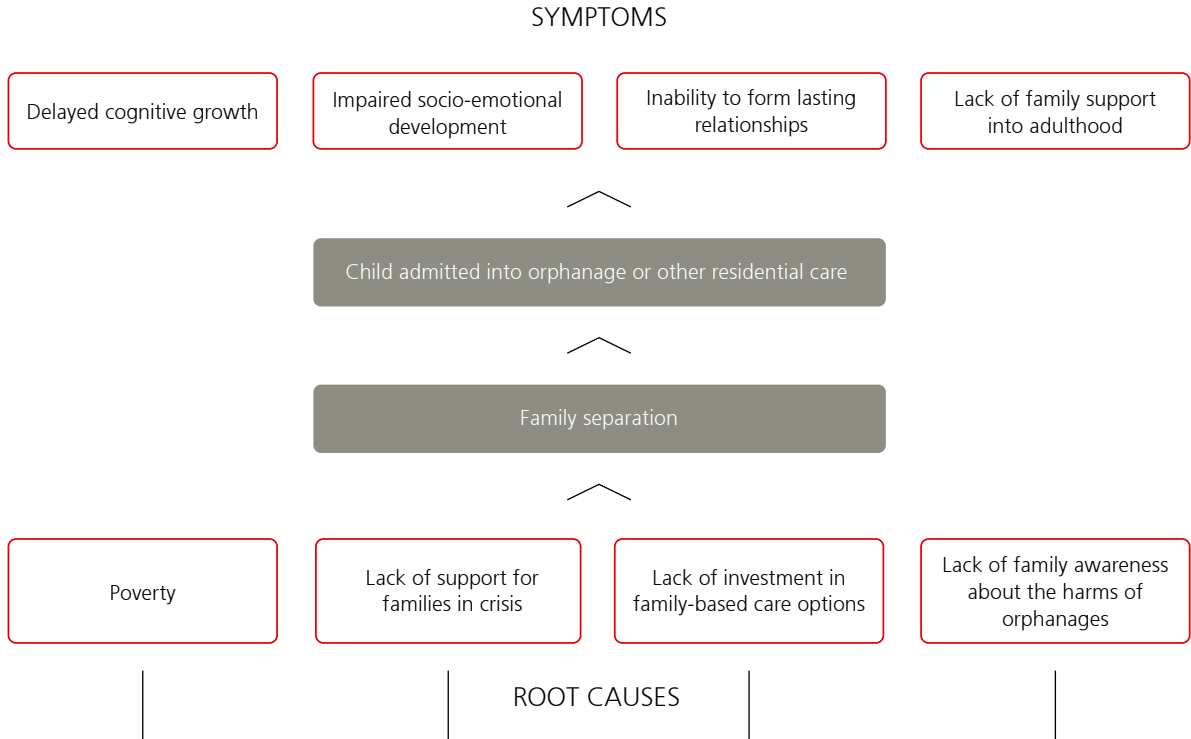
One way to get a better understanding of your goals and objectives is by using a problem tree. Setting goals will provide the starting point for working out how to make your vision come true. At this stage you should clarify:

- What is the problem you'd like to address?
- What are the visible symptoms and root causes?
- Why does the problem persist today and what are the barriers to change?
- What outcomes and impact would you like to see?

## Differentiating symptoms from causes

One way to start to answer these questions is to develop a problem tree to identify symptoms and root causes.

Working from the root causes upwards - here's how one might look if we were thinking about orphanages, with the aim of getting children back into families:



**What is the problem you'd like to address?**

The harmful situation of children who spend years in orphanages, many with at least one living parent.

**What are the visible symptoms and root causes?**

The branches show the symptoms: children in orphanages suffer delayed cognitive growth, impaired socio-emotional development, the inability to form lasting relationships and a lack of support into adulthood.

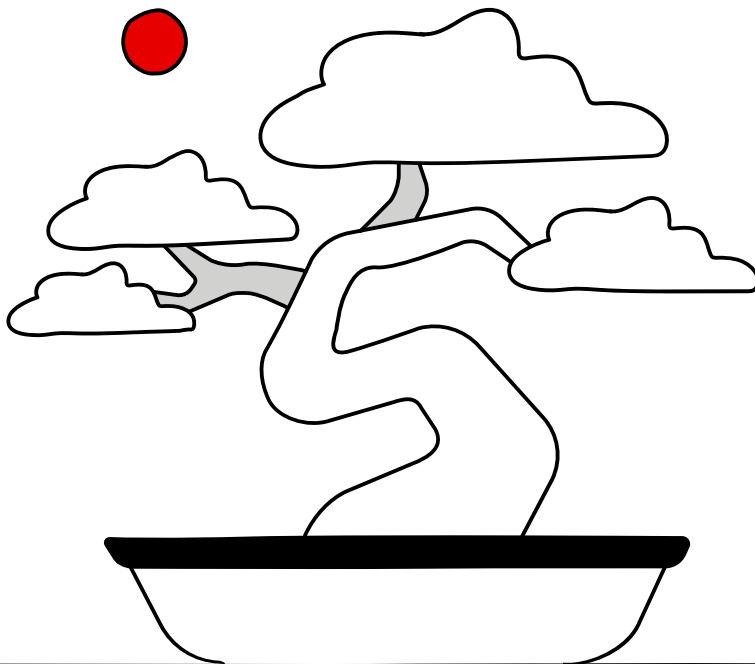
The roots identify root causes: poverty, lack of support for families in crisis, lack of investment in family-based care options and lack of family awareness about the harms of orphanages.

**Why does the problem exist today and what are the barriers to change?**

When in distress due to violence, disability or poverty, vulnerable families and children don't receive the needed support. The child ends up in a residential care institution as a short-term solution. Without a solution for the child's family or other family-based care choices – like foster care or emergency care – the child might remain in the institution, aging out without the skills needed to survive, maintain relationships and get a job. More funding goes into these institutions because people feel sad for the children without permanent families, which just leads to more children in these growing facilities. People seem more willing to fund the orphanages than the families in need.

**What outcomes and impact would you like to see?**

Children living in loving families and not in institutions, with children thriving into adulthood.







## Work it out

1. What is the problem you'd like to address?

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2. What are the visible symptoms?

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3. What are the root causes?

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4. Why does the problem persist today?

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5. What are the barriers to change?

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6. What outcomes and impact would you like to see?

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# Identify solutions with a landscape analysis

You now want to identify possible solutions, not waste resources trying to reinvent the wheel. There are a lot of effective solutions and many players out there. So, take the time to explore what it would take to solve the issue and what already exists. That way, you can identify where the gaps are and where you'll be able to add most value.

A landscape analysis answers questions like:

- Who are the key players addressing this issue?
- Where is the issue most prevalent?
- Which individuals are most affected by the issue? What are their needs?
- What solutions have been found to be most impactful? Which have failed?
- Where are the gaps in the solutions?
- Are there potential partners who can implement solutions?

Any landscape analysis will involve:

- reading the literature (academic studies, publicly available reports, evaluations conducted by implementing organizations);
- interviewing stakeholders (government, NGOs, experts, businesses, other funders);
- interviews or focus groups with those who have been impacted;
- sometimes surveys, which can often be done remotely.



## Did you know?

You might decide you don't want to conduct a landscape analysis on your own. An agency might charge between USD 50,000-500,000 for a landscape analysis. The cost depends on availability of data, depth of review and scope of the problem, among other things. Ask your UBS advisor if you need help finding a partner.



## Work it out

### Choose your course of action

Identifying the right course of action involves taking the learnings from your landscape analysis and seeing what best fits your chosen approach, reflecting on where you can best add value.

1. Where can I add the greatest value?

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2. What can I realistically do to address this problem?

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3. Which options best fit my preferences?

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4. As resources are limited, which activities will I pursue?

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5. Who should I collaborate with?

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# Articulate your theory of change

## What is a theory of change?

A theory of change is an ongoing process of reflection to explore change and how it happens.

The logic model of your theory of change is a visual representation of the journey from where you are today to where you want to be at a specific period in time.

Why is it important to develop a theory of change before program implementation? Without it, you're spending your money and waiting for something

magical to happen. A theory of change provides you with a structured way of thinking how you can establish your philanthropy to achieve impact. This will set the stage for monitoring and evaluating your philanthropy in the implementation stage.



### Top tip

A theory of change is essentially a series of conditional statements linking the five components (ie. impact, outcomes, outputs, activities, inputs). Start from the impact you want to have and think backwards, so that have the ingredients you need to make it happen.





Your theory of change will involve the five dimensions of impact: **what, who, how much, contribution** and **risk**.

#### WHAT

What social and environmental outcome/s will your solution create and how important are they to stakeholders?

Children successfully reintegrated into families with financial and other support for families that need it. For children who can't be reunited with their family of origin, an increase in number of short-term foster parents and willing adoptive families will be needed. Family reunification is important to families and living in a loving family is important to children.

#### WHO

Who will benefit from the solution?

Children in orphanages who are reintegrated into family-based care. You'll want to look at data disaggregated by gender, age and disability status, so you can track impact of the program on children according to these categories.

#### HOW MUCH

Compared to a baseline, how many stakeholders will be impacted and for how long?

Number of children reintegrated into families as well as those put into temporary foster families (and the average length of these temporary placements). Assessing the ability of children to remain with families and thrive will also be important for assessment of long-term impact.

#### CONTRIBUTION

Why did change occur and how will you know it's related to the solution?

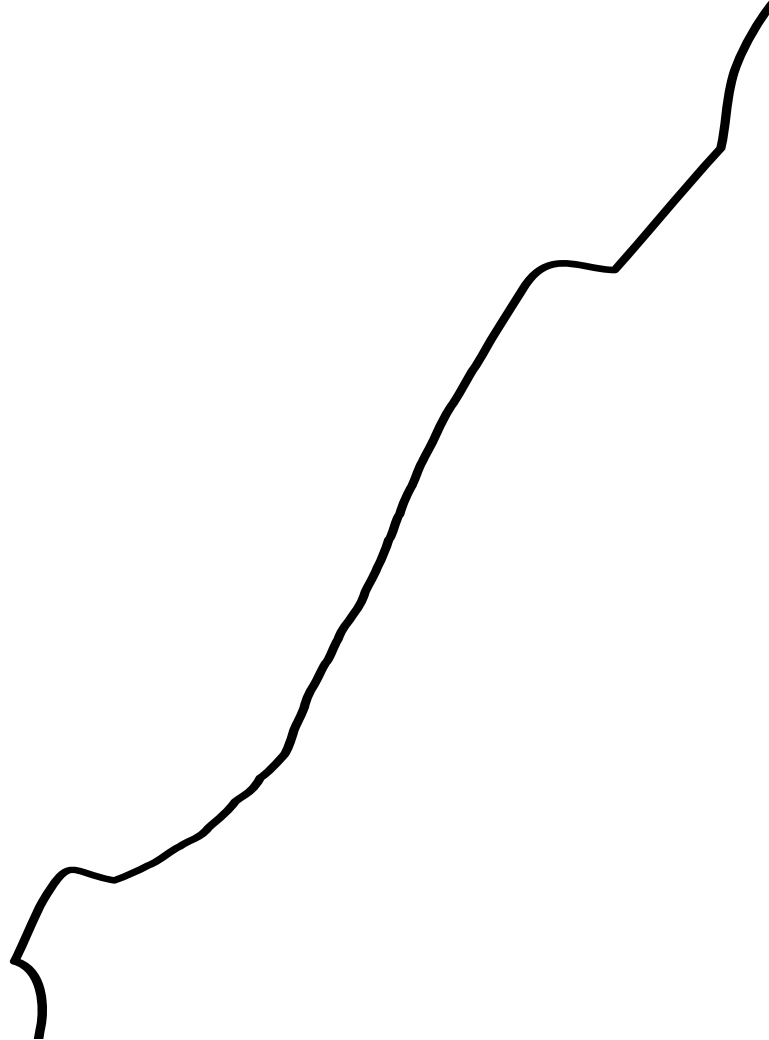
Are there other campaigns reintegrating children? Are orphanages already being repurposed into community centers? Assess the degree of contribution from any other campaigns or government programs.

#### RISK

What other unintended outcomes?

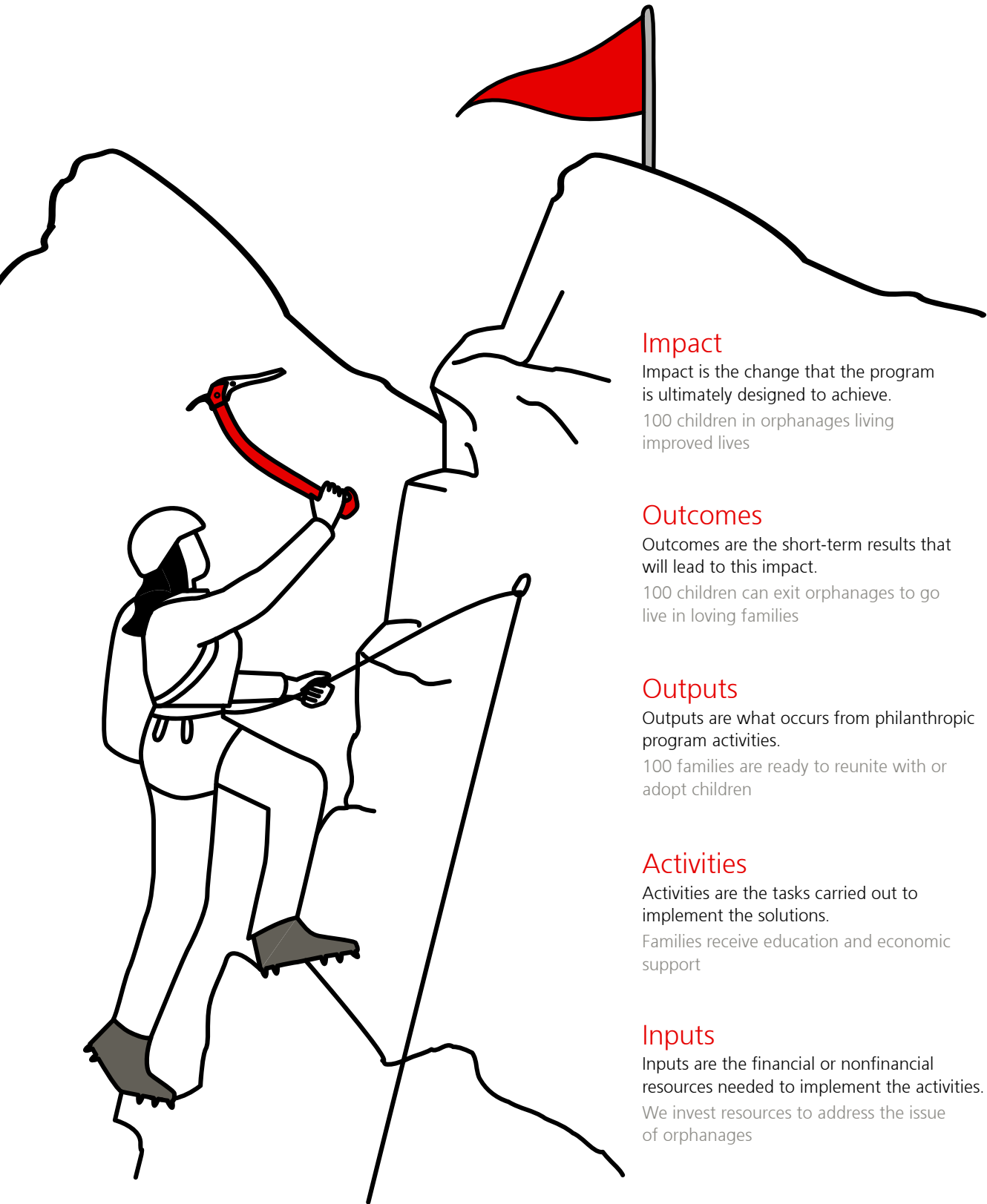
Consider how placing children in families might have negative consequences for children, their siblings and/or the family members.

# The logic model for your theory of change



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14 The example is for an organization focused on reintegrating children from orphanages into families. The same organization may also target government policy implementation as another impact, in which case relevant activities (e.g. trainings for government social workers on family-based care, meetings with government officials) will be needed, along with tracking of suitable outputs (# social workers trained, # meetings held), outcomes (policy introduced and budgeted) and impact (policy being implemented).



### Impact

Impact is the change that the program is ultimately designed to achieve.

100 children in orphanages living improved lives

### Outcomes

Outcomes are the short-term results that will lead to this impact.

100 children can exit orphanages to go live in loving families

### Outputs

Outputs are what occurs from philanthropic program activities.

100 families are ready to reunite with or adopt children

### Activities

Activities are the tasks carried out to implement the solutions.

Families receive education and economic support

### Inputs

Inputs are the financial or nonfinancial resources needed to implement the activities.

We invest resources to address the issue of orphanages



### Top tip

It's important to identify assumptions and risks associated with any theory of change.

- Assumptions refer to conditions that must be present for successful delivery of the program, like ongoing support for children who are reunited.
- Risks are factors beyond your control that could affect delivery of the program, like a natural disaster or a pandemic.



# Work it out

Start to draft the logic model for your theory of change. It's best to start with identifying the impact you want to achieve. Then, make sure that all steps are causally connected – necessary to achieving your final goal.



Impact

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Outcomes

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Outputs

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Activities

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Inputs

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**Assumptions?**

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**Risks?**

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_



## Dive deeper

Let's say your vision is to "limit the effect of climate change" and your mission is to "protect and restore mangroves in Southeast Asia." How would you go about developing your strategy?

### 1<sup>st</sup> Understand the issue you're trying to solve, clarifying your goals and objectives

Mangroves can store four times more carbon than terrestrial forests on the same area. In reading research articles and talking to experts, you learn that mangroves are being destroyed at a rapid rate in Southeast Asia. In the coastal provinces of Vietnam, the destruction is due to urbanization, climate change, sea level rise resulting in coastal squeeze and intensive shrimp farming (the root causes).

In talking to funders and implementing partners, you learn that there are solutions being implemented but they tend to be ineffective and high cost (like sea dike construction). There seems to be a growing awareness and interest in nature-based solutions – like protection and restoration of mangroves and integrated management of mangroves and shrimp farming – that are not only beneficial for the climate but also for local communities and biodiversity.

You also learn that there is limited involvement of the local communities, who are not fully aware of the problem. For this reason, solutions such as mangrove restoration are not sustained. Also, the type of enforcement that is possible varies depending on whether or not the land is public or private. And the local government has not prioritized mangroves and other nature based solutions in its policies (barriers to change).

### 2<sup>nd</sup> Conduct a landscape analysis in pursuit of solutions

What impact is the community and government seeking in the future? How long into the future (since climate outcomes are hard to measure in the short term)? Through sessions with the community, local government and implementers, you learn that the impact everyone is seeking is:

- for the coastal provinces to be a significant source of carbon sequestration (catalyzing the carbon market in Southeast Asia)
- for local communities to benefit via increased income through sustainable aquaculture
- for local government to incorporate these solutions into policies that are well funded, so the program has sustained benefits

Based on the evidence and after consultations with communities, provincial government and other stakeholders in the region, you arrive at a multipronged approach that involves:

1. protection of mangroves
2. restoration of degraded mangroves
3. training farmers on sustainable shrimp aquaculture
4. advocacy with relevant departments/ministries within provincial government on ways to integrate these approaches within their policies (how you work with communities and government will depend on whether the land is owned by government or private landowners – we'll assume it's government land)

### 3<sup>rd</sup> Map your strategy against your theory of change

- » Impact (longer-term outcomes) includes sequestration of carbon due to mangrove protection/restoration, improved incomes for farmers and integration of practices into government policies.
- » Outcomes (short-term) include hectares being sustainably fished, productivity in shrimp aquaculture and hectares of mangroves restored.
- » Outputs include seedlings planted per hectare and farmers trained in sustainable shrimp aquaculture.
- » Activities are planting mangrove seedlings, training farmers and holding meetings with provincial government.
- » Inputs consist of grant funding\* to support program staff, develop training curriculum for farmers and buy seedlings to plant mangroves.

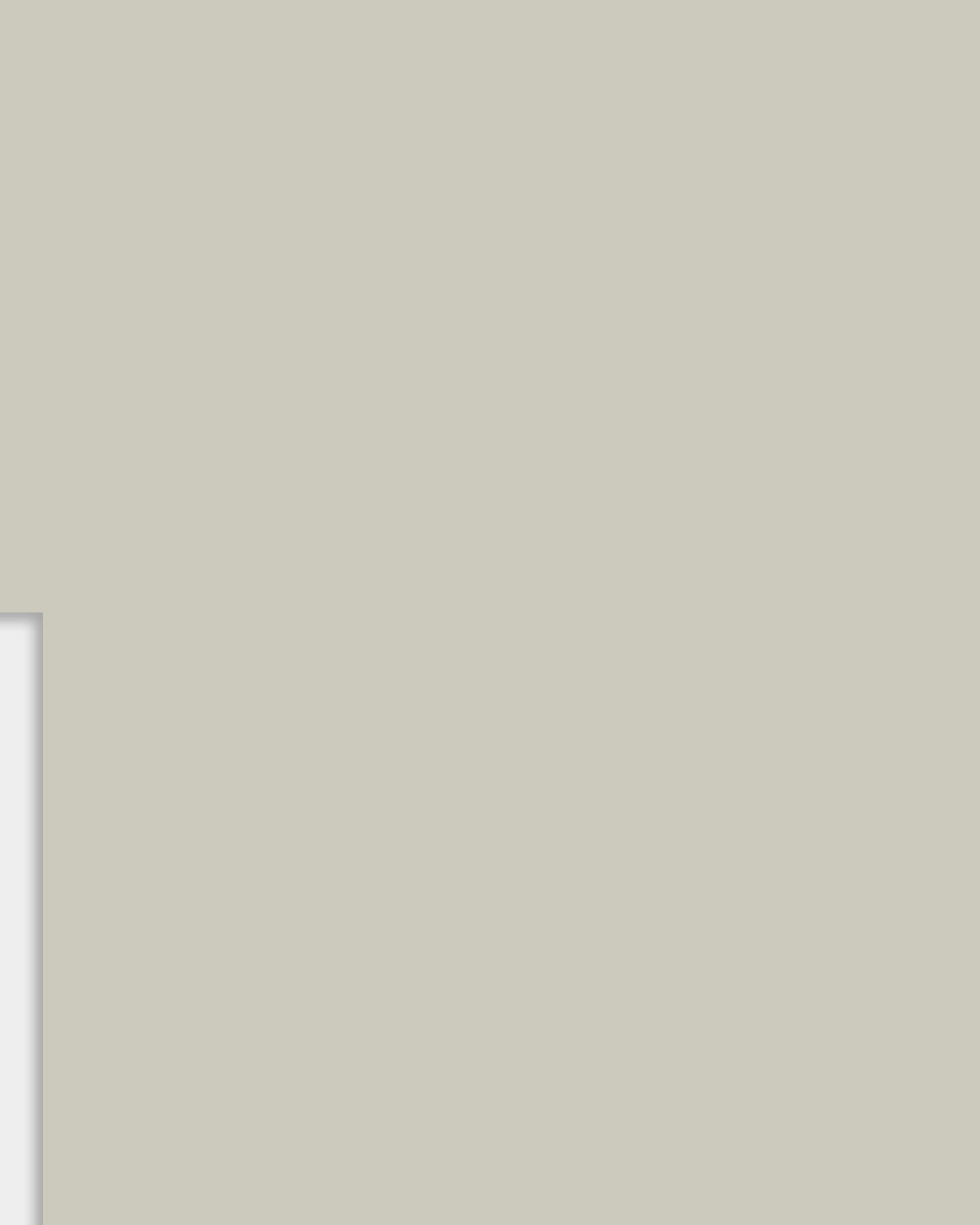
*\*You need to specify how long the funding will last, as this is important to map out what is possible to achieve during the funding and how the activities will continue beyond your funding.*

#### **Assumptions:**

- Communities are willing to participate throughout the program.
- Climate change doesn't cause further disruption.
- There is demand for shrimp from domestic and international buyers.
- Government is supportive of the program.

#### **Risks:**

- Support for climate change may decrease due to other global priorities like a pandemic or shifting government commitment.





# Key takeaways



## **Understanding the issue is key**

Take the time to conduct your research and identify the true root causes of the problem. Drafting a problem tree can help gain a thorough understanding that differentiates symptoms from root causes.

## **Conduct a landscape analysis**

Many solutions already exist. Don't reinvent the wheel but try to assess which ones are most effective in the context of your solution.

## **Develop a theory of change**

Choose your course of action summarizing how your solution is supposed to work, including any assumptions and risks.

## **Summarize your theory of change**

Create a five-part logic model to briefly illustrate your theory of change – and ideally try to quantify it.

# How to implement your strategy





Once you have your philanthropic vision, approach and strategy, it's time to translate this into concrete activity. You'll want to consider how to choose the right giving tool as well as the right giving vehicle. You'll need to select the right programs and partners. And, to make sure you're set to track progress toward impact, you'll want to establish your monitoring, learning and evaluation (MEL) framework.

- 90** Driving impact with the right tool
- 112** Using the right vehicle
- 128** Selecting the right partners and projects
- 138** Monitoring, evaluation and learning

# Driving impact with the right tool

Philanthropists have an exciting role to play to close the gap in addressing the world's most pressing problems. Philanthropists are familiar with giving grants. But there are also a variety of other financing tools available, like using investing to offer patient capital that can help bring viable social enterprises to scale and transfer risk so that more capital can then be put to work. Or structuring financing in ways that blend different types of capital, from grant to commercial capital, like we see in blended finance.<sup>15</sup> Ultimately, it's about using the most effective instrument and structure to achieve the impact you are seeking.

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<sup>15</sup> Your capital is at risk. The value of an investment may fall as well as rise and you may not get back the original amount.



# How your funding strategy can drive impact



16 Adapted Bridges Spectrum of Capital - Bridges Fund Management. (2019). Bridges Fund Management. <https://www.bridgesfundmanagement.com/publications/bridges-spectrum-capital-define-sustainable-impact-investment-market/> and Investing for Impact – EVPA Impact Strategy Paper I EVPA. (2019). <https://www.evpa.ngo/insights/investing-impact-evpa-impact-strategy-paper>

## Sustainable investing<sup>17</sup>



### Impact investing

Intent to generate measurable and verifiable positive environmental and social impact alongside competitive financial returns

### Sustainability focus

Including ESG factors into traditional investment processes to improve portfolio risk and return and address sustainability objectives

### Exclusion & ESG integration

Excluding companies or industries from portfolios where they are not aligned with an investor's values and/or integrating ESG information into fundamental investment analysis

Positive tilting ----- Consideration of ESG factors ----- Negative screening

Market-based return

Financially viable impact enterprise

Traditional businesses w/ intentional impact

ESG-compliant traditional businesses



### Did you know?

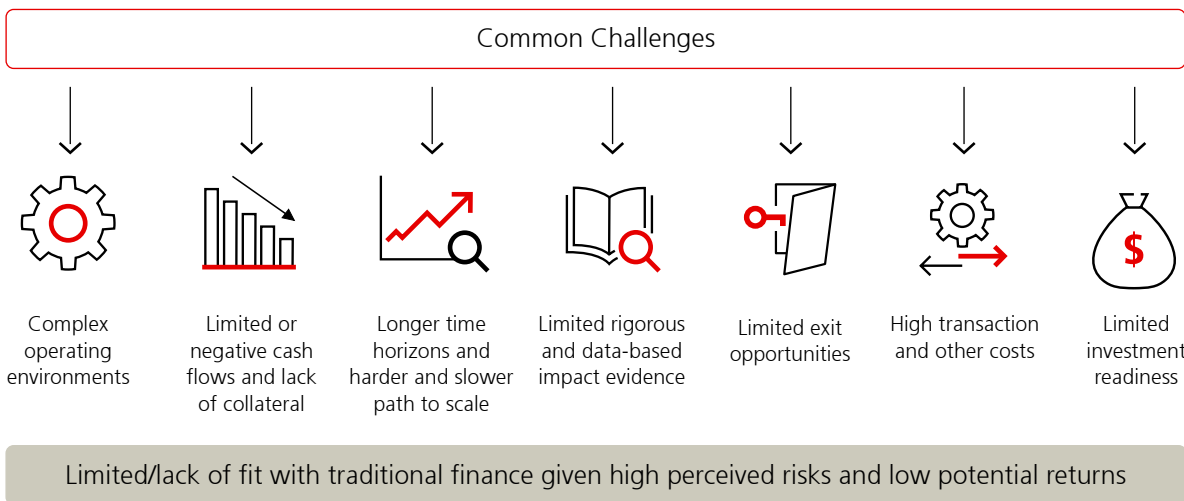
Social finance is an approach to investing that focuses explicitly on generating impact, otherwise known as impact first investing. It incentivizes and rewards the delivery of results, thereby putting impact first. Social finance mechanisms can support both market-driven entrepreneurial solutions and non-profit initiatives – as well as hybrid structures – and are often tailored to the organization's funding needs.

<sup>17</sup> Disclaimer: Your capital is at risk. The value of an investment may fall as well as rise and you may not get back the original amount.



 **Dive deeper**

Why do social enterprises and non-profit organizations find it difficult to access capital?

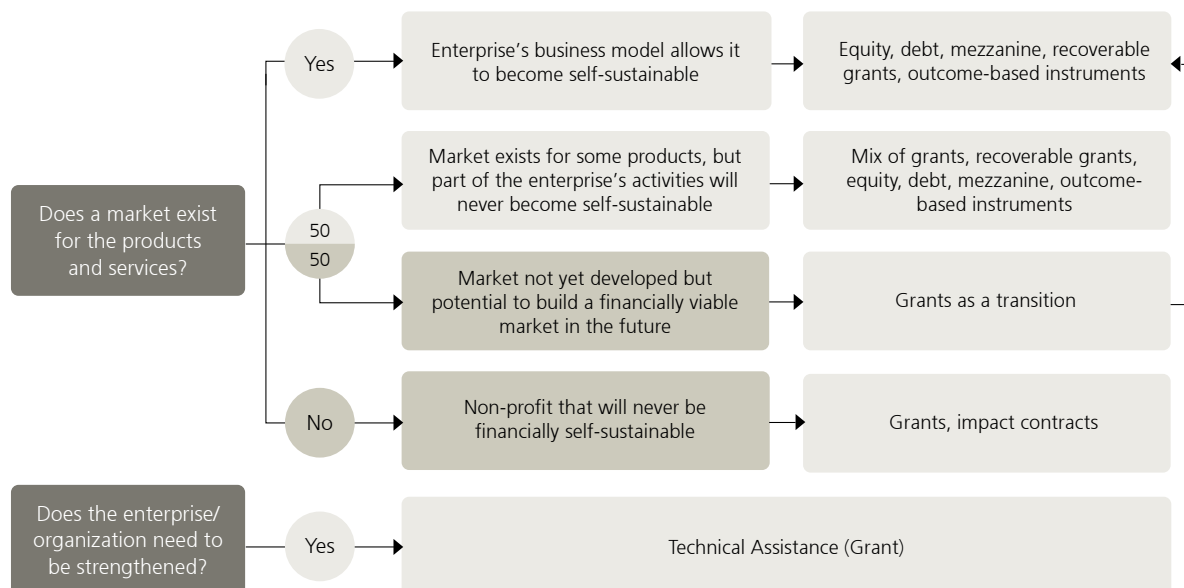


18 Adapted from Transform Finance (2017,) "Innovations in Financing Structures for Impact Enterprises: spotlight on Latin America,"





When should you use which tool?



19 Adapted from EVPA. "Financing for Social Impact: The Key Role of Tailored Financing and Hybrid Finance"

# Activity based vs. outcome based funding

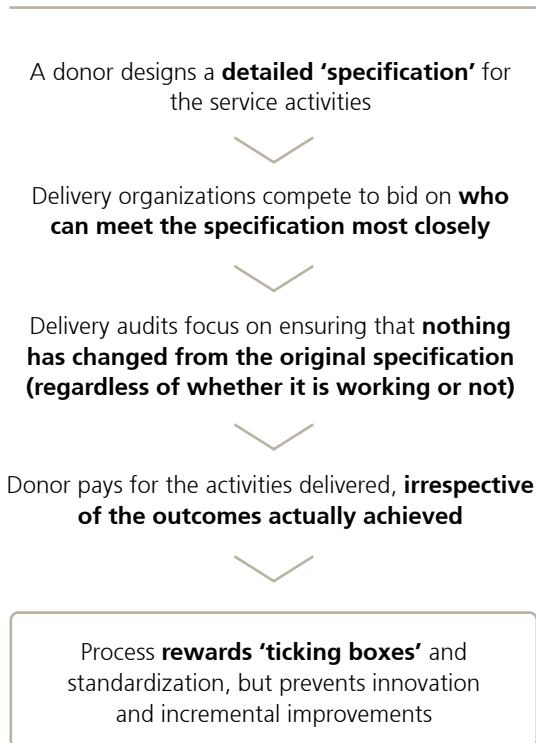
Traditionally funding has been largely based on pursuing activities but recently pursuit of outcomes has started to take precedence

More traditional philanthropy often funds activities, where the philanthropist decides to give or invest a certain sum to fund defined services or goods with the hope of reaching a certain outcome.

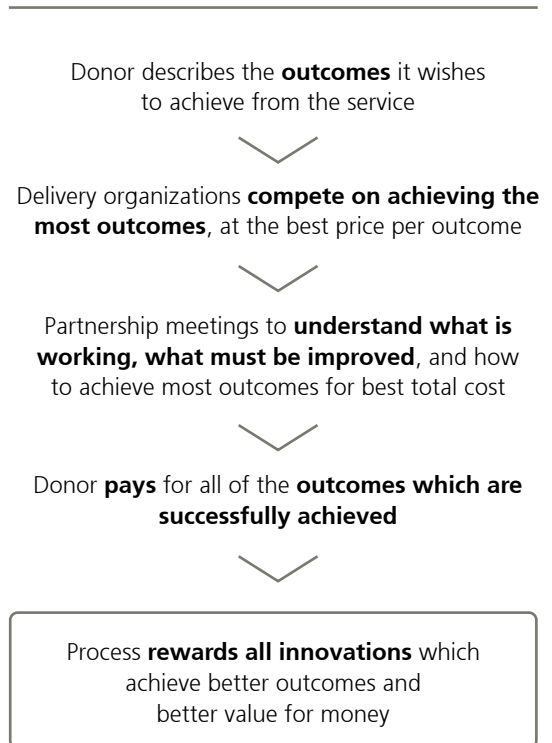
Today, we see a shift in paradigm, where philanthropists start by describing the results they'd like to reach (that is, the outcome) and partners are selected for funding based on achievement of the agreed outcomes.

When you shift the focus to outcomes, it helps to unleash social entrepreneurialism and continuous innovation and can be viewed as providing better value for money. In situations where measurements of results aren't possible or too expensive, you can still apply activity based funding.

## Activity based funding



## Outcome based funding







### Dive deeper

Outcomes contracts, also known as development impact bonds (DIBs), have emerged as one of the more innovative investment instruments allowing investors, development partners and implementing organizations to focus on results rather than inputs or activities. In these structures, outcome payers will pay for the impact, and investors take on the program execution risk and provide working capital, de-risking the program for outcomes payers who only pay for results.

Philanthropists can play two different roles in such structures. Either:

1. paying for the outcomes delivered by the programs or
2. taking the role of investor to provide the working capital for the program.

When these solutions work, outcome payers will ultimately pay for the impact, allowing philanthropists (as investors) to recycle the investment<sup>20</sup> into further programs.

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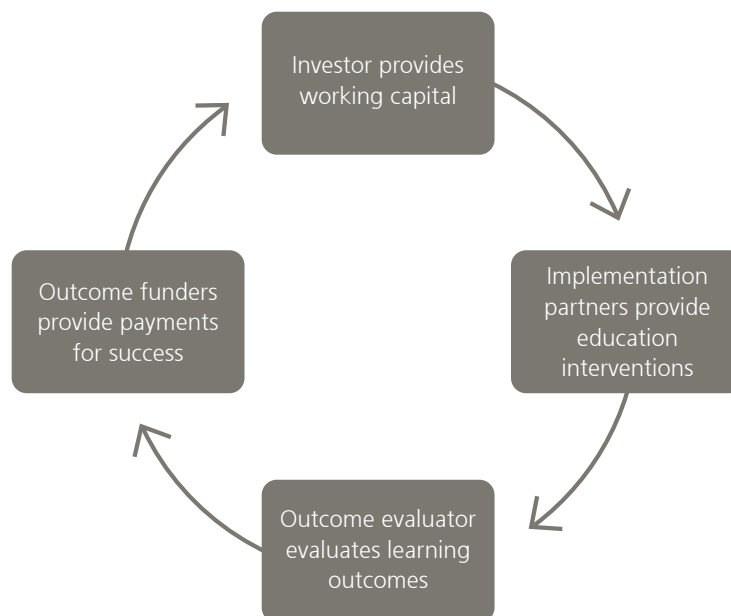
<sup>20</sup> Disclaimer: Your capital is at risk. The value of an investment may fall as well as rise and you may not get back the original amount.



## How they did it

The four-year Quality Education India Development Impact Bond (QEI DIB), the world's largest education-focused development outcomes contract, led to greatly improved learning results for students, despite the impacts of the COVID-19 pandemic.

The British Asian Trust and the Michael and Susan Dell Foundation agreed to pay for results for progress in both language and mathematics. The UBS Optimus Foundation provided the investment to support four education partners – Gyan Shala, Kaivalya Education Foundation, Society for All Round Development and Educational Initiatives/Pratham InfoTech Foundation – to improve literacy and numeracy skills for approximately 200,000 primary school children. Dalberg acted as the performance manager and independent outcome evaluator, while Convegenius assessed outcomes.



The QEI DIB demonstrated the benefits of outcome-based funding to drive innovation in the global education sector. Students in the programs learned 2.5x more than those in non-participating schools. Because this impact was achieved, the UBS Optimus Foundation received a return of 8% Internal rate of return (IRR) on its investment, showing that the implementation risk in such programs can be successfully transferred to (impact focused) investors.

# Making strategic grants

Traditional grants can range from one-time donations to a grant contingent on additional funds, to a longer-term endowment. Once given, there is no expectation of any return of funds. Though, as we've discussed, strategic philanthropy demands that grants address root causes, foster systemic change, track impact and plan for scale and sustainability.



## Top tip

Should I create an endowment? An endowment is a financial structure that enables you to donate money or property, with the resulting investment income going toward your cause. Setting up an endowment will signal to everyone you mean business and that you're committed to a cause. But it'll also create a legal structure for your assets, which you'll need to consider carefully if you decide to launch a foundation. When deciding whether to set up an endowment, it's a good idea to consult a legal and tax expert to consider such matters as your liability, tax implications and governance.



## How they did it

The waters around Ascension Island teem with marine life, including sharks, tuna, swordfish, and some of the largest recorded blue marlin and endemic fish species found nowhere else on Earth. Scores of green turtles also nest on its beaches. Until recently, a longline tuna fleet was fishing Ascension's waters. This fleet – suspected of human rights abuses and shark finning – was hauling up to a third bycatch, which included endangered fish, turtles and seabirds.

The Blue Marine Foundation (BLUE) worked with the British government to close half of Ascension Island's waters to longline fishing vessels to protect marine areas. But to close the other half would require the islands' 700 residents to forego fishing license income. An endowment fund of GBP 2 million created the ability for the yearly yield to be used over the long term to make up for the lost income and help to make the marine protection sustainable. Closing these waters to offshore industrial fishing represents a significant step forward for global conservation.



# Impact-first investing

Promising social enterprises often have trouble securing funding and commercial debt to scale while keeping their mission focused on impact. Social investors (philanthropists and foundations) can offer financing that is tailored to the needs of the social enterprise, reflecting the stage of its development and its necessities. Various financing tools can be employed. These vary from convertible grants to equity, and finally to debt. It is important that the financing has a clear impact-first objective.



Impact loans  
(debt)

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An impact linked loan, interest payments linked to achieving specific impact targets



Equity

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Directly influence the enterprise's governance by taking a direct equity stake



Hybrid  
models

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Combinations of grant, equity, loans, including options to convert from one form to the other depending on performance (on impact)





### How they did it | Impact loan

Hewatele (“plentiful air” in Swahili) is a social enterprise focused on saving lives by addressing the shortage of affordable, accessible and quality medical oxygen solutions at healthcare facilities in East Africa. Hewatele provides economical oxygen for disadvantaged patients and trains healthcare workers on delivery.

With the impact loan, UBS Optimus Foundation (lender) helped fund Hewatele’s investment in oxygen cylinders to support development and scaling of a sustainable business model. The impact loan is structured as a USD 400,000 5-year advance and will help provide medical oxygen to 45,000 people. The loan was designed to encourage Hewatele to achieve the impact targets and lower funding costs: the higher the number of oxygen recipients, the lower the interest rate, varying from 0% to 7%.



### How they did it | Equity investment

UBS Optimus Foundation partner Kreedo is a Bengaluru-based company that delivers end-to-end solutions to revolutionize the delivery of early learning to address the learning outcomes lag in the education system that sees 55% of children aged 8-11 insufficiently proficient in reading. They partner with affordable private schools and preschools to transform the curriculum by using a 6T framework that combines toys, technology, theory, teacher training, a timetable, and cooperation.

Following an independent study by FSG that showed strong student learning results, a funding round led by UBS Optimus Foundation and a grant of CHF 250 thousand in 2019 helped them to build out their model. As part of Kreedo's growth plans, CHF 250 thousand of further funding was invested in equity of the company (5% shareholding). The shareholding gives one board seat, which UBS Optimus Foundation can use to apply influence on keeping a focus on learning outcomes and on low-income families

By 2022, Kreedo had impacted over 200,000 children by implementing its curriculum in over 400 budget private schools and over 1,500 preschools. In addition, it has measured learning outcomes that are 50% better than the market in budget private schools.

This case study shows the benefits of switching from grant funding to equity funding for several reasons, it will allow the funders to exit once the business has grown and reuse their funds for other impact projects, it allows the funders a level of control of strategic direction and it provides longer term (patient) capital.<sup>21</sup>

21 Kreedo Early Childhood Solutions raises \$2.3 million Pre-Series A by Jose, T. (2022) Entrepreneur India. <https://www.entrepreneur.com/en-in/news-and-trends/kreedo-early-childhood-solutions-raises-23-million/430732>



### How they did it | Hybrid model

UBS Optimus Foundation partner, Impact Water in Uganda focuses on providing safe drinking water in schools, which in turn reduces absenteeism due to health. UBS Optimus Foundation provided a 5-year impact loan at a 5% interest rate while The Rockefeller Foundation acts as an additional outcome payer, agreeing to pay USD 200,000 split between the lender and the borrower if Impact Water can reach a target of 3,600 performing water systems over 5 years. This additional payment effectively increases UBS Optimus Foundation's return to up to 9% and reduces Impact Water's cost of debt to as low as 2%. Results are independently verified.

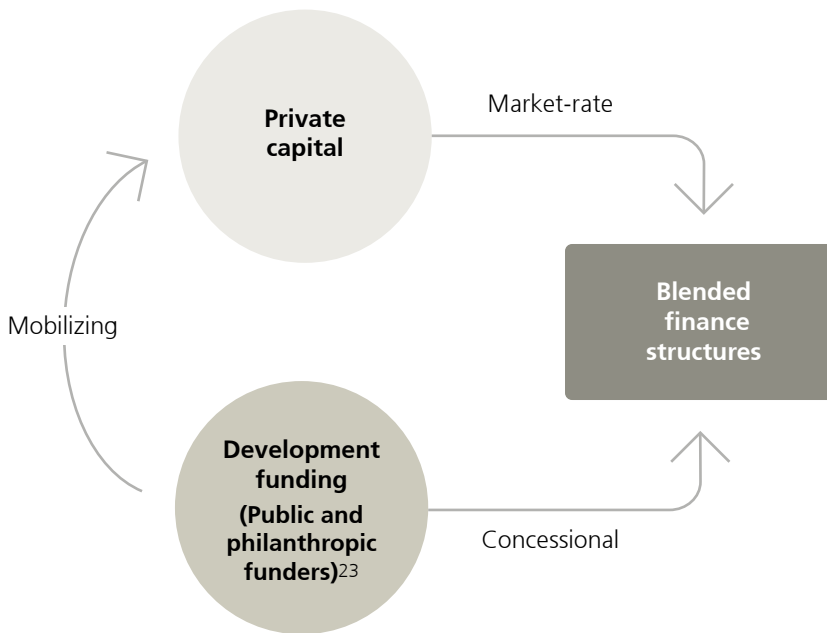
This hybrid model improves the return profile for the investor and has the potential to bring in a broader group of investors. It also offers the potential for a blended finance structure where the outcome payment is covered by private investors because there is the potential to align all stakeholders' interests: investors receive a risk-adjusted return; outcome payers achieve far greater leverage for their philanthropic money in creating impact, and social enterprises access low-cost capital allowing them to focus on social results without the pressure of offering market-rate financial returns.



# Blended finance

Blended finance is a structuring approach that harnesses concessional capital (either philanthropic or public funding) to catalyze commercial investment in development. Blended finance structures combine concessional capital with commercial capital to increase the pool of available development funding.

This allows the commercial capital to achieve market returns<sup>22</sup> while at the same time allowing concessional capital providers to achieve their impact objectives on a significantly larger scale. Through blended finance structures, philanthropists can magnify the impact that they are working to achieve.



## Dive deeper

Blended finance can be a great tool to address three main challenges that prevent us from reaching the SDGs.

<sup>22</sup> Disclaimer: Your capital is at risk. The value of an investment may fall as well as rise and you may not get back the original amount.

<sup>23</sup> Adapted from Blended Finance | Convergence (2023) <https://www.convergence.finance/blended-finance>



### Did you know?

Blended finance is not an instrument, a solution or an investment approach, like impact investing is. It is a structuring approach, where often impact investors participate in blended finance structures.



## 1 Achieving better outcomes

A shift to outcome based funding such as impact contracts has the potential to improve outcomes significantly and achieve more outcomes.



## 2 Reaching the most vulnerable

Private capital currently often cannot engage in social and environmental programs due to (perceived) risks and a lack of evidence on returns. De-risking private investment, improves the investment case and importantly creates an evidence base.



## 3 Reaching scale

Philanthropic funding, while significant, is limited in scale compared to government funding and private investment. Blended finance can help unlock multiple types of capital.



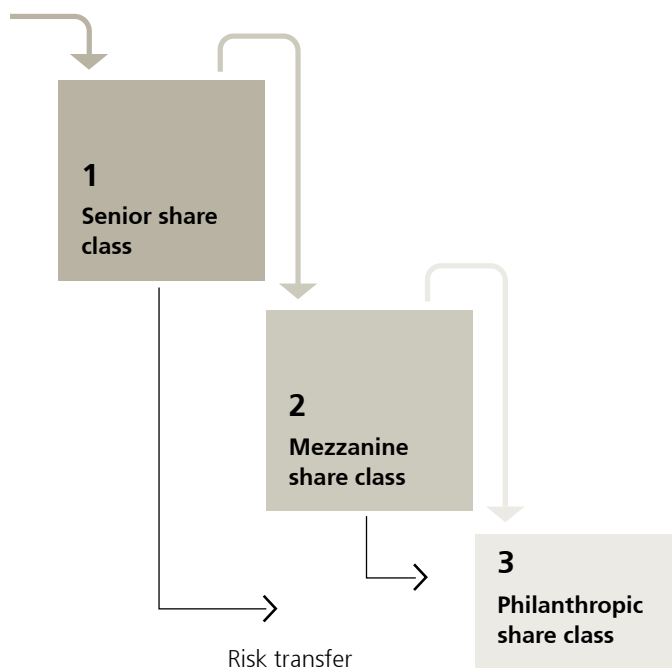
## How they did it

The Sustainable Development Goals (SDG) Outcomes initiative was developed by UBS Optimus Foundation and Bridges Outcomes Partnerships, a specialist not-for-profit acting as portfolio manager. The initiative invests in a portfolio of outcomes contracts and other similar outcomes focused on delivery programs that support vulnerable children and adults in areas like education, health, employment, livelihoods and the environment.

It works with governments, corporates and other outcomes funders to design, support and deliver projects for those who need it most, especially in sub-Saharan Africa, South Asia and Southeast Asia. The SDG Outcomes initiative uses an innovative blended finance structure, whereby UBS Optimus, funded by donations from over 30 UBS clients, is providing 20% first-loss capital to unlock additional impact-driven capital. Any returns for the philanthropic funding will be recycled into future projects.

In addition, British International Investment (BII), the UK's development finance institution and impact investor, and the U.S. International Development Finance Corporation (DFC) agreed to be anchor investors, investing alongside private investors including Legatum, family offices such as the Tsao Family Office and other high net worth individuals.

## SDG Outcome Initiative payment scheme



- Risks for the senior and mezzanine investors are reduced as they have first and second priority respectively in the fund returns
- The reduced risk allows senior and mezzanine investors to invest in this new and unfamiliar asset class – and reach the most vulnerable



## Dive deeper

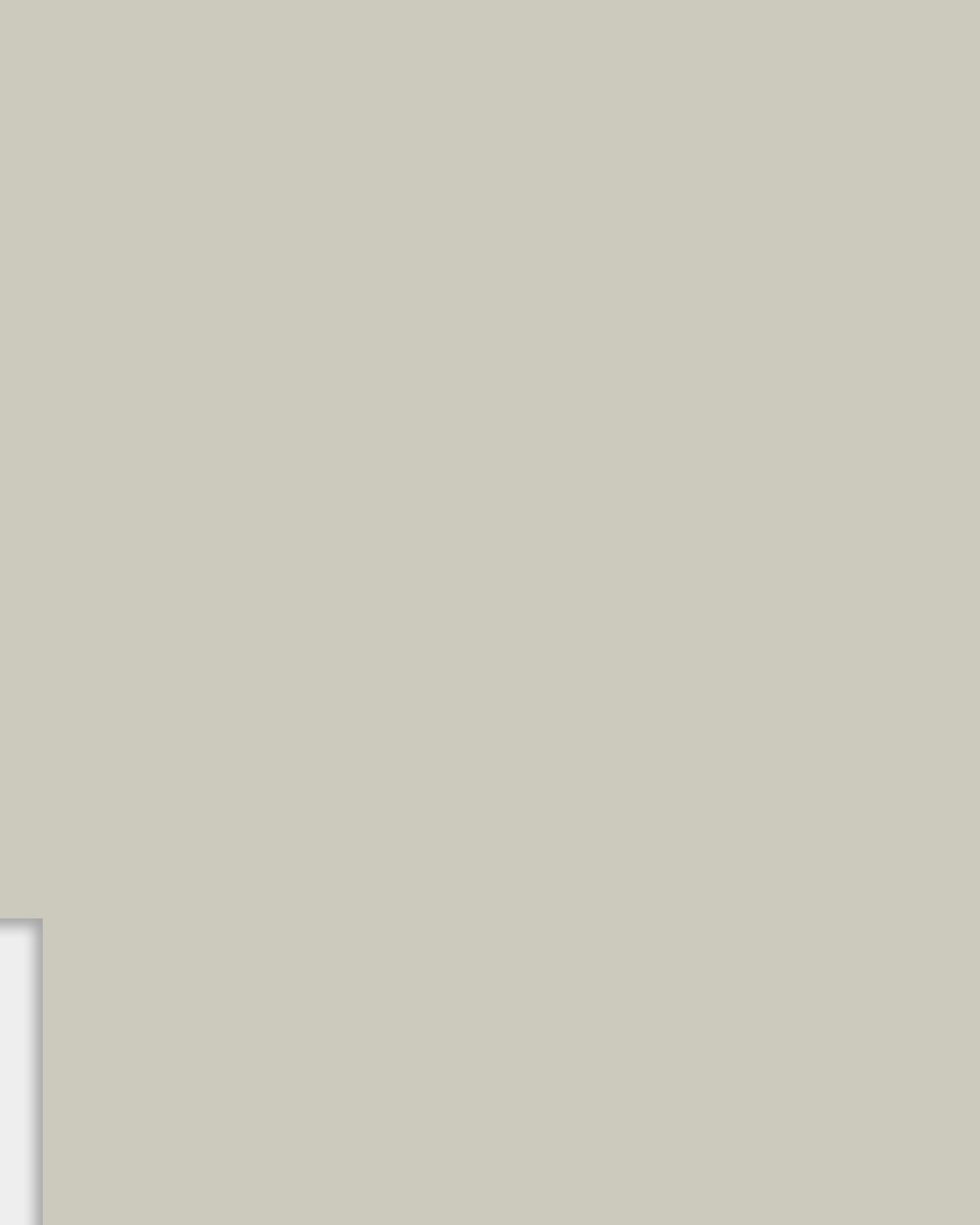
Philanthropists have a powerful role to play in growing the impact economy by:

- **Signaling that impact matters** by investing in impact-focused investments such that, if all investors did the same, it would ultimately lead to a pricing in of outcomes that demonstrates benefit to people and planet. This can then support businesses and financial markets to factor these types of outcomes in their capital allocation decisions.
- **Engaging actively** by using the expertise and networks to demonstrate investments can improve the environmental and societal performance of businesses. While significant dialogue with companies – including about ESG factors – is a normal part of the fund management process, engaging actively involves, at a minimum, significant proactive efforts to improve businesses' measurable impact on people and the planet.
- **Growing new or undersupplied capital markets** by anchoring or participating in new or previously overlooked opportunities that offer an attractive impact and financial opportunity. This may involve taking on additional complexity, illiquidity or perceived higher risk to pioneer new investment opportunities.
- **Providing patient and/or concessionary capital to catalyze more commercial capital** by recognizing that certain types of enterprises will require acceptance of lower risk-adjusted return or longer timeframe to generate certain kinds of impact. Creating a new market for previously marginalized populations can require very patient capital that can't offer a commercial return. But this patience can then help prove that previously perceived-as-too-risky ventures are investable – thereby enabling scale through greater investment.



## Learn more

Read more about how the UBS Optimus Foundation is advancing the field of social investments by building an ecosystem, scaling programs and attracting private investment in the white paper, [In good company](#).





# Key takeaways



## **Choose an impact tool that is fit for purpose**

A wide range of tools are available to help you achieve social and environmental impact, from strategic grantmaking to impact-first financing and structuring like blended finance. What matters is to choose the ones that are the most effective to tackle the issue you want to address.

## **Grants are critical to philanthropy**

There will always be a role for grants. Grants provide resources that are needed by organizations that offer services that will never be commercially viable (like emergency responses). And grants can help early-stage programs with proof of concept to be scaled for ultimate government support or commercial viability. Research, capacity building and advocacy support will always require grants. When chosen and managed strategically, these grants can be transformational.

## **Philanthropic funding can be catalytic**

The world of social finance is allowing philanthropists many more options for funding. And – critically – it offers the opportunity to make that funding catalytic, either by incentivizing private capital investment or providing an opportunity for an impactful social enterprise to become viable.

# Using the right vehicle

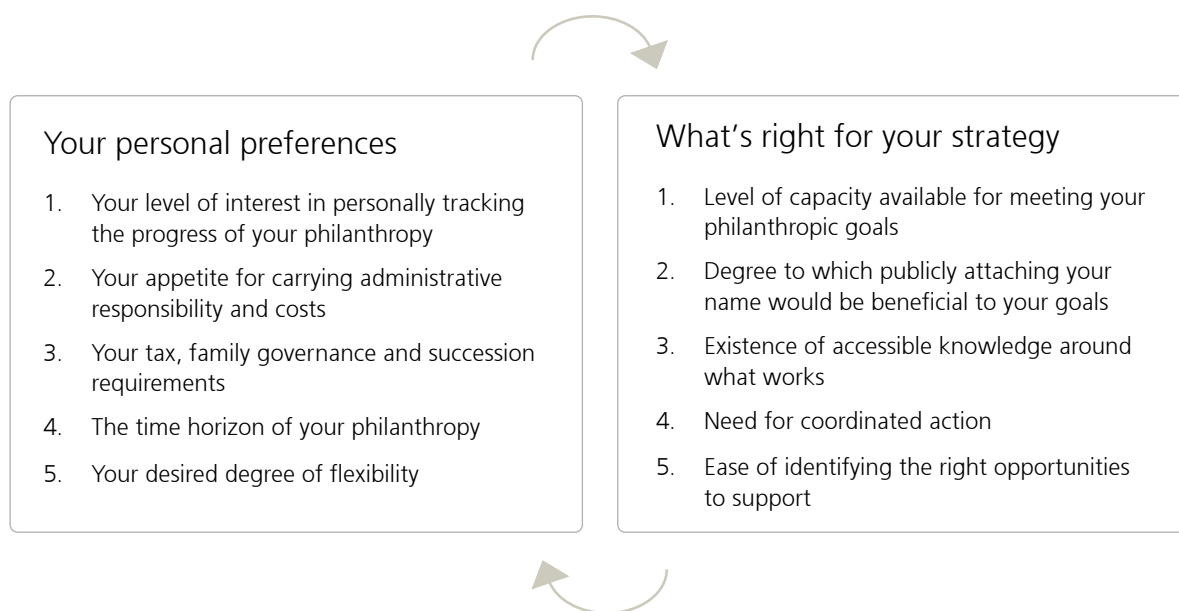
Picking the most suitable philanthropic vehicle can help you reach your vision in an efficient and effective way that aligns with your personal preferences. You can decide how much or how little you want to get involved, consider the legal and financial aspects of your philanthropy, and plan for the correct time horizon. It's important that you don't overdo it. You wouldn't drive a tank to visit a neighbor across the street – similarly, don't use more vehicles than you need to achieve your vision.



# Balance your preferences and strategy

When reflecting on the right philanthropic vehicle for you, it's helpful to look inwards at your personal requirements and preferences and outwards at what is most suited to your vision and strategy. For new philanthropists, a foundation might seem the most

obvious choice but it isn't always the most suitable choice. Gaining a first philanthropic experience by exploring different vehicles is a great way to learn about your needs – and whether they justify creating a foundation.





## Work it out

To help you decide on the right philanthropic vehicle, consider what fits with both your personal preferences and your strategy.

### Your personal preferences

1. How certain are you of what you want to do?

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2. How involved do you want to be in the organization?

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3. Do you want your philanthropy to outlive you?

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4. Would making your name public strengthen your strategy?

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5. What are your tax requirements?

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### What's right for your strategy

1. How much knowledge exists in this field?

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2. Does your strategy require coordinated efforts?

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3. Are there enough capable participants in this field?

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4. Will it be easy to find partners and projects?

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# Common philanthropy vehicles

Below are some of the most common vehicles and their key benefits. Keep in mind that your choice of a philanthropic vehicle may change over time as you scale up your efforts and your activities become more ambitious. Don't be afraid to start small and be open to changing vehicles as your needs evolve.

You may also find that to meet your philanthropic ambitions and needs, a combination of charitable vehicles may make most sense, and this may continue to change and evolve over time as your lifestyle, giving patterns and wealth change.



## Giving directly

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### WHAT



- Charitable gifts directly to non-profits
- Giving to established foundations
- Collective giving

### HOW



- You provide monetary support directly to charities, either regularly or as a one-off gift.

### BENEFITS



- You're in control of grantmaking and asset investment decisions
- No ongoing administrative costs to pay
- Potential tax write-offs as you give
- Depending on jurisdiction, you may make donations anonymously



### Top tip

Laws, regulations and requirements for foundations and other philanthropic giving structures vary according to jurisdiction (and can be complex). Therefore, as you get serious about which to choose, it's important to seek outside specialist legal advice from local experts. But don't forget, you can avoid wasting time on this by ensuring your strategy precedes structure – so that the structure you choose is supporting your philanthropy. Our team of experts at UBS can help you navigate the complexities of the different options.



### Giving accounts

- Donor-advised fund (DAF)
- Pooled income fund
- A DAF enables you to have a cost-effective and truly flexible way to donate to your favorite charities. If you wish to create a lasting legacy, you can involve family members in your giving.
- You decide which grantees to fund
- Administrative costs are low
- Potential tax write-offs as you add funds to your structure, with the option to spend the funds later
- You can make grants anonymously
- Possible to involve other family members and formalize legacy



### Your own structure

- Foundation
- Trust
- You set up a legal entity with a board and staff to focus on your chosen causes over the long term, bringing structure to your philanthropy.
- Ongoing administrative, legal and fiduciary matters
- Range of options for involvement from founder to CEO
- Much of the information about board members, grants, fees and salaries are public record
- Possible to involve other family members and formalize legacy
- Potential tax write-offs as you add funds to your structure, and you can spend it later



## Giving directly

When it comes to giving directly, donors often start with the practice of so-called checkbook philanthropy, making donations to a variety of organizations. Donations in this category are often responsive in nature and motivated by the heart. Think of donating in response to a non-profit's direct outreach, supporting a friend's race efforts, attending a gala or other fundraising event. Maybe this is part of your current giving style?

But there are some tactics you can deploy for giving directly to making your giving strategic. For example, as part of your plan, you may want to begin developing a philanthropic allocation or "bucketing strategy" that can help you decide what to fund and what not to fund. Predetermined amounts of money or percentages of your budget can be allotted to differing interests or specific causes. Another way to bucket is to separate out mission-driven from more reactive giving (feeling obligated to respond to unsolicited requests from

personal connections) and setting limits on this segment. This allows you to dedicate more resources to those issues in which you strive to have the most impact and to decline requests that are unrelated to your focus.

There may also be tax considerations you can consider if giving directly. For example, in the United States, donating appreciated securities may effectively allow you to give more instead of donating cash proceeds from sold securities that were subject to capital gains tax. Again, this kind of consideration will depend on your jurisdiction.

At the very least, consider tracking your giving to better understand where and when you've given. After all, while you might decide a philanthropic vehicle isn't right for you now, a historical log of your giving might help you identify patterns over time that might influence you otherwise down the road.







## Using a giving account

It may make sense as part of your overall wealth management plan or legacy ambitions to establish a philanthropic vehicle. While there are many types of charitable vehicles that can constitute a giving account, the most frequently used is a donor-advised fund, or DAF.

A DAF is a formalized giving account established at a public charity or umbrella foundation. It allows donors to make a charitable contribution – usually receiving an immediate tax deduction – and then recommend grants

from the fund over time. DAFs usually come with limitations as to where and how the funds can be spent but, in exchange, they are usually cost-effective and with limited administrative involvement.

Simply put, a DAF is like ready-to-wear (prêt-à-porter) clothing – one-size-fits-all or accessible with a few alterations. Compare this with a foundation, which is more like custom fit (haute couture) – tailored exactly to you but it comes at a certain cost. At the end of the day, it depends on what you need it for.



### Did you know?

The National Philanthropic Trust reported in its 2022 Donor-Advised Fund Report that DAFs reached a new record for grantmaking in the United States in 2021 with over USD 45 billion in grants to qualified charities. Charitable assets in all US DAF accounts totaled over USD 234 billion at the end of 2021.<sup>24</sup>



### Top tip

Donating to foreign entities can be complex and is influenced by the tax system of the donor as well as that of the recipients. This is important to consider when setting up your charitable vehicle – even more so if you plan on raising funds. Make sure that you select a location that is tax-efficient for your future donors and suitable for your activities.

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24 The 2019 DAF Report by Anon (2019) <https://www.nptrust.org/reports/daf-report/>



## Work it out

Should you use a donor-advised fund (DAF)?

1. Is your grant-making largely going to focus on giving only to registered charities?  Yes  No
2. Are you comfortable with making recommendations for grant recipients, as opposed to having total control over how and to whom the funds are granted?  Yes  No
3. Do you prefer minimal administrative oversight and responsibility for your philanthropy?  Yes  No
4. Is anonymity in making charitable gifts an important consideration?  Yes  No
5. Do you want to keep the costs low?  Yes  No
6. Are you at the beginning of your journey or not quite sure what you want to do but eager to formalize your giving?  Yes  No

If you answered “**yes**” to one or more of the above, then a DAF may be the right vehicle for you.



## Creating your own structure

A private foundation is a standalone legal entity, which is usually highly flexible if you set it up to meet your needs. A private foundation is, in principle, regulated by the authorities, so it requires some level of administrative work. Trusts are not distinct legal entities. They are formed by transferring legal ownership of assets into the trust, with the trustee as fiduciary owner.

If you decide that setting up a foundation or trust is the best way to structure your philanthropy (and, in our opinion, it rarely is) you'll need to consider how to put together a board or trustees. These decisions are of critical importance as they'll result in embedding your philanthropy into a larger, potentially public, network as well as ongoing operational costs and management responsibilities.

The legal requirements for creating a foundation can be varied and complex. Before you start, it pays to seek legal advice from a local expert. Generally, you'll need to set up a board (a legal requirement in many jurisdictions) and appoint staff. Your foundation's board and staff will:

- provide legally mandated oversight for your foundation
- extend your capacity to pursue your vision and goals (especially if you're short on time)
- share the workload and reduce risk in your philanthropic activities
- help ensure your philanthropy continues beyond your lifetime



### Learn more

The Swiss Foundation Code is one of Europe's most renowned good governance guidelines for charitable foundations offering four principles of good foundation conduct – effectiveness, checks and balances, transparency and social responsibility – and 28 recommendations. The first recommendation? "Before establishing a foundation, the founder assesses whether there is a social need for his/her intended support, whether an independent foundation is the best legal structure for implementing his/her intention, whether the assets set aside for the foundation are sufficient to implement the foundation's intended purpose, and whether the foundation should be established indefinitely or for a limited duration."



## Work it out

Should you use a charitable foundation?

1. Are you clear about what you need the structure for?  Yes  No
2. Are you interested in having autonomy and freedom in your grant-making?  Yes  No
3. Do you envision hiring and paying staff (possibly including family members) to execute your philanthropic vision?  Yes  No
4. Are you willing to take on administrative responsibilities such as issuing grants, handling all the related paperwork and filing tax forms? Do you have the time and interest for this?  Yes  No
5. Do you want to keep the costs low?  Yes  No
6. Do you want to be able to engage in more sophisticated grant-making activities, including (but not limited to) program-related investments, loans for impact or grants to individuals?  Yes  No
7. Do you envision making multi-year commitments and being actively involved with your grant recipients?  Yes  No
8. Do you want to create a visible legacy where the next generation can be involved today and in the future?  Yes  No

If you answered “**yes**” to one or more of the above, charitable foundation may be the right vehicle for you.



## **Dive deeper**

If you do decide to set up a foundation, there are some important things to keep in mind:

### **Give your board role descriptions**

You need to decide if you need a board to play an advisory role or if you need a deeply engaged board. A lot of this depends on how deeply involved you want to be with your philanthropy. Board members are most effective when they have diverse backgrounds and defined roles to follow. So, define their roles and what you expect from them.

### **Set up a diverse board**

A diverse board (with people of different backgrounds, cultures, genders and skills) can serve as a rich source of ideas and innovation. Setting fixed terms for board members – for example, three or five years – gives you the chance to review and change the board's composition. And remember to identify potential conflicts of interests.

### **Determine the board's strategic role from the start**

Board members may have strong opinions on how to act. But for board members to stay on track, make sure you clearly articulate your strategy.

### **Hire a manager you trust**

It's impossible to predict how much or little time you'll need to spend working in your foundation. To ensure your foundation is successful, work with a manager who shares your vision and has your trust.

### **Hire staff with the right qualifications**

It may be tempting to hire a respected expert to lead your foundation. But they may be frustrated and disappointed if their roles transpire to involve simple administrative tasks. Figure out if you need specialist expertise on staff or if you need more administrative support.

### **Consider outsourcing activities**

Just because a job needs to be done doesn't mean you need to hire a new employee. If the role is quick and specific, it may be more efficient to outsource the task to an external partner.

### **Compensate staff appropriately**

It's natural to want to devote as much of your resources as you can to your philanthropy. But to be effective, your foundation will need to invest money in well-qualified and high-caliber staff. Volunteers for short-term needs are great, but a professional organization needs professional staff with professional salaries.

### **Involve your family judiciously**

You might consider hiring family members as staff. But don't let family ties get in the way of running your foundation effectively. Make sure they have the right skills and qualifications for the role.

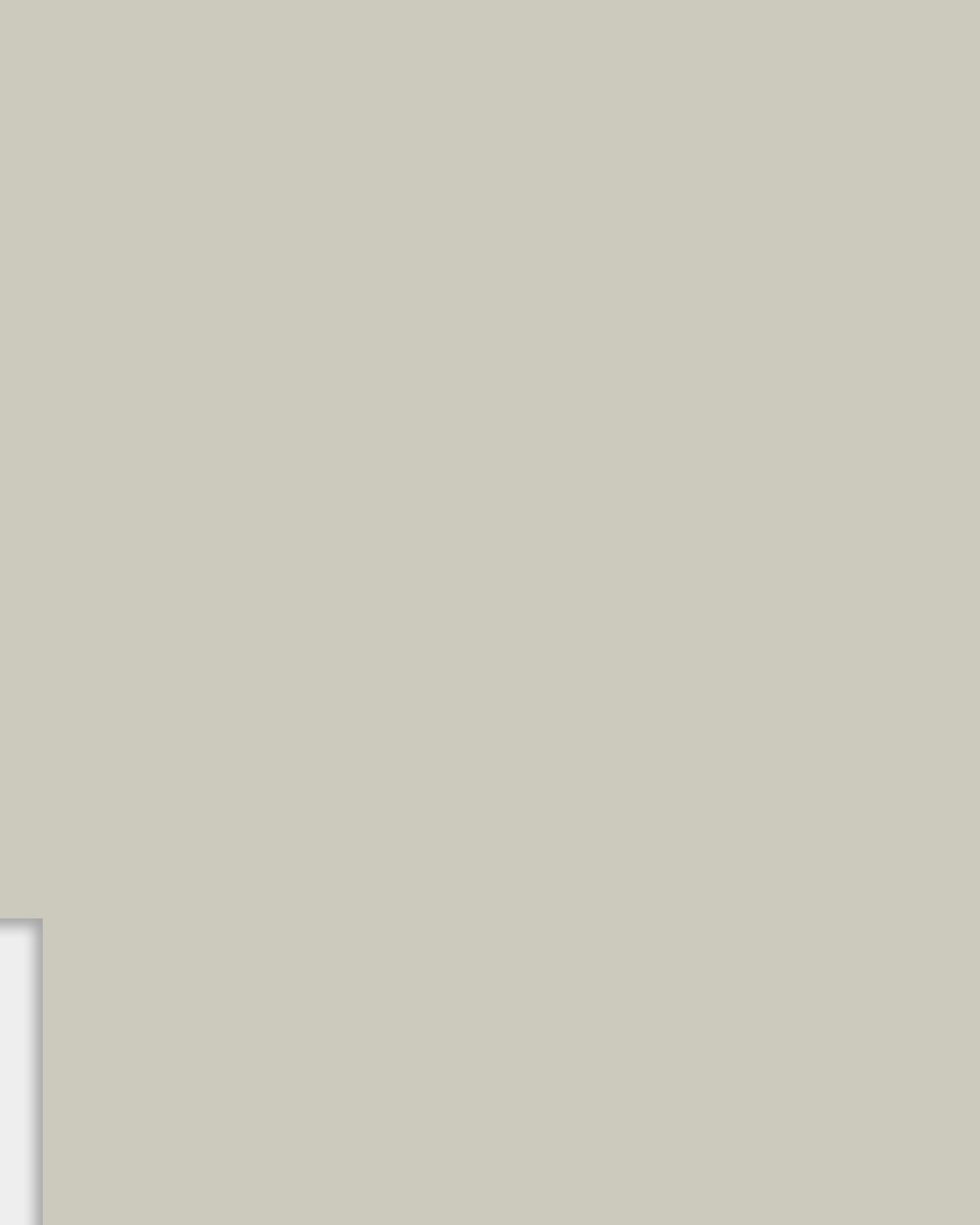
### **Consider potential donors**

If you want to use your foundation as fundraising tool, do consider the tax domicile of your potential donors so that it's attractive – or, at least, not prohibitive – to donate to your foundation. It's also worth researching the available charitable vehicles that exist in your specific jurisdiction to consider the best way forward.



### Did you know?

There's been a shift in the past decades toward time-limited foundations – so-called spend-down or sunset foundations. While a perpetual foundation aims to help fund the causes you care about forever, a sundown foundation could help make the most of your philanthropic efforts during your lifetime and move capital to the causes you want to address more quickly. Many philanthropists take great pride and pleasure in seeing their legacy make an impact while they're still alive. There's no right choice. It depends on the issue you're addressing and your (and your family's) personal preferences.





# Key takeaways



## **Choose as many vehicles as you need**

You don't have to stick with one philanthropic vehicle. The important thing is to choose the right vehicles for your strategy, however many that might involve.

## **Don't duplicate**

To make sure you're using your resources in the most efficient way, confirm you're not creating a structure that already exists.

## **Understand the implications**

Creating or using a philanthropic vehicle can change your legal relationship with your assets. And linking tax or other benefits to assets that are dedicated to a cause might make those assets unavailable for other purposes.

## **Consult a legal and tax advisor**

The legal and tax implications of your chosen vehicle vary across jurisdictions. Consulting an expert will help you choose a philanthropic vehicle that's suitable for you and your financial situation.

## **Remain open to adaptation**

Engaged philanthropy is meant to be an iterative process (we often advise practicing, not perfecting, philanthropy). Revisit your plan regularly and make sure your vehicle still meets your needs and allows for shifts in your areas of interest as new issues arise.

# Selecting the right partners and projects

After you've decided on your issue, developed a strategy and chosen your giving vehicle(s), you'll need to find the right partners and projects. How do you find them?

You'll need to adopt a search and selection process that will:

- identify the partners best suited to helping you progress your philanthropy;
- let potential partners know why and how they should contact you;
- make it easy to compare and choose between different partners and projects;
- give you a basis for assessing risks and benefits;
- ensure you focus your time on the most promising partners and projects.



# How to search for partners and programs

You've decided on an issue, but finding the right partners may depend on your knowledge of who's already working in that area. You may want to contact experts in the field who can point you toward high impact partners and programs. This can help you assess how many organizations are already addressing the issue and may even bring further focus to your strategy.

If you're looking out for new innovations, you might try innovation accelerators, incubators and impact hubs. You can find interesting organizations and projects, looking out for the front runners with reputable awards. This kind of searching could lead you to the more unknown early-stage pearls with the potential to shine as highly impactful and scalable models in the future.



## Top tip

If your research hasn't helped you to directly identify organizations that might be good partners, consider using a closed or open request for proposal (RFP) process. An RFP clearly explains your project and goals. You can either use a closed RFP, inviting a few organizations to submit proposals, or make an open RFP, allowing any organization to submit a proposal.



## Work it out

In addition to a fit with your strategy, there are other important questions to ask yourself regarding personal preferences:

1. Would you prefer supporting a grassroots or local non-profit versus an international organization?

Local organizations have a deeper investment in the communities where they operate, while the advantage of an international NGO is their global networks.

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2. Would you like to actively engage with the partner to learn and have influence?

Large, experienced organizations usually have established strategies and are harder to influence. You may be able to have more input on strategy and implementation with a smaller non-profit organization.

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3. Would you like to invest in a relatively new organization to help it mature or partner with a well-known organization?

A new organization will be easier to influence but also will need more time to establish its systems and processes, like reporting. A more established organization will already have these in place.

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4. How do you feel about supporting faith based organizations?

If faith is part of your motivation to engage philanthropically, then you may want to search specifically for organizations aligned in this way.

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5. Do you prefer to support partners who already have political support or are you willing to take this risk?

Some organizations operate in contexts where they are not seen favorably by government because of the work they do. Assess your willingness to engage with organizations that may still need advocacy for political support.

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Once you have whittled down the list (based on the issue and geography), you can ask others who have supported them for their opinion. When you find partners of interest, approach them directly about the possibility of working together.

# How to use your criteria to select

You'll need clearly defined criteria so that you can properly rate each program and/or organization. And, if you set up a foundation that gives out significant funding and will follow a longer impact strategy, the selection criteria should be more comprehensive – encompassing not only an immediate project but also the organization.

Here are key criteria to use in assessing quality of project proposals:

- 1 Fit with your strategy
- 2 Partner fit (experience, reputation and expertise)
- 3 Use of evidence in the project proposal, especially in addressing the causes of the issue
- 4 Capacity for monitoring, evaluation and learning (MEL, discussed next)
- 5 Scale and sustainability of the project

There is always a healthy balance to strike between the due diligence information requests of funders versus the resources needed from project partners to answer such requests. Depending on the number and geographic spread of the partners, we encourage visiting the sites where partners operate. Among other things, this will give you a sense of the leadership of the organization, how they relate to the communities where they work and their approach to collaboration.



## Dive deeper

To avoid having potential partners enter the full due diligence process, UBS Optimus Foundation asks applicants to first submit a two-page concept note to assess if the process is worth it. Here's what the Foundation asks for:

- **Your organization:** Include a few sentences about the organization.
- **Title:** Select a title that is brief, but descriptive of the program.
- **Concept description:** This is a brief paragraph that introduces the reader to your project. It should answer the questions: "What problem are you trying to solve?" and "How will you solve it?"
- **Situational analysis:** Provide a brief background on the specific needs to be addressed by the proposal (include a description of the target population and the key obstacles you seek to overcome).
- **Proposal:** Describe in more detail what you intend to do. What will be the mission? What are your specific objectives and how will you measure their achievement?
- **Key stakeholders:** Describe the key project stakeholders you'll work with.
- **Risk and challenges:** Highlight the risk and challenges that the program might face.
- **Outcomes:** List specific (at least three but no more than five) outcomes. How will you measure your outcomes?
- **Provide data/evidence:** Prove that your current approach is resulting in the desired outcome, providing research/documentation that supports your hypothesis.
- **Estimate size and length of funding:** It's very important for all parties to understand the true and full project costs, and to avoid hidden expenses.
- **Sustainability:** Describe how the proposed activities will be sustained after the grant ends.



## Work it out

For each potential project partner, formally document your assessment with the five criteria:

1. Does the project align with your strategy?

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2. Does the potential partner have expertise and a track record of working in the field?

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3. Can the potential partner sum up their theory of change in a cohesive logic model backed by evidence?  
(Depending on the maturity of a project there may be a stronger or weaker evidence base. But even if you're funding a pioneering organization, the potential partner ought to have a plan for the data it wants to collect and how evidence will be built.)

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4. Does this partner have the capacity – the financial, human and technical resources – to deliver on what it promises to do with thorough monitoring, evaluation and learning?

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5. Does the organization have the capacity or the network to take the approach forward in other contexts?  
And is there an ultimate exit plan for sustainability?

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### Learn more

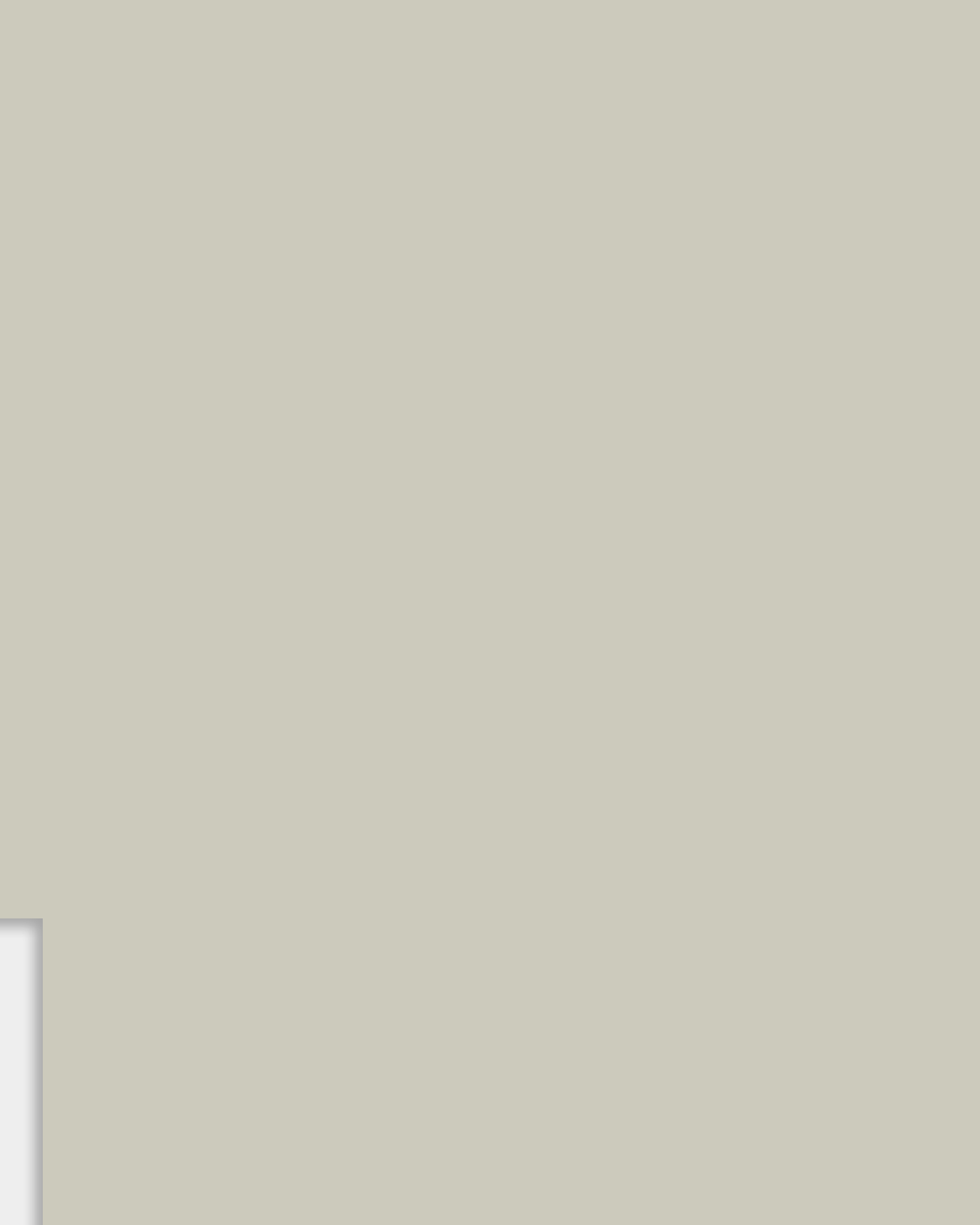
How do you pick a partner in emergencies? Plan for emergencies by pre-screening partners for humanitarian crises. To learn more from our experts about how to react thoughtfully and effectively with your philanthropy through the giving cycles of humanitarian crises, download our guide, [We need to help: Thoughtful philanthropy in response to humanitarian crises](#).





### Top tip

What stage should you get involved? Generally, the closer a partner is to successful completion of a project, the fewer risks you'll face granting support – because you can be confident of a positive outcome. The earlier you support a project, the more uncertainty you'll face, especially regarding costs. But in these early stages, you'll have more opportunity to influence the project. You might add milestones, like identifying specific goals or conditions to trigger further funding.



# Key takeaways



## **Consider your personal preferences alongside strategic fit**

You already have some interests and affinities. Be sure to identify these before approaching partners that won't align.

## **Think about the burden on your partners**

Tough application processes and requests for information can stretch potential partners. Try to minimize the burden on them by only asking for the information you really need, focusing detailed requests on high-potential applicants.

## **Consider your exit from the start**

Successfully achieving impact means that at some point your support will end. To avoid undoing your good work, plan from the assessment stage how you'll exit and how progress can be sustained after that.

# Monitoring, evaluation and learning

Strategic philanthropy requires evidence-based decision-making, continuous program improvements, and accountability to the communities that the program serves as well as funders. Monitoring, evaluation and learning (MEL) is critical to facilitate this and helps everyone refine their approach to maximize impact.



# What is monitoring, evaluation and learning?

In simple terms, MEL helps:

- understand how change happens
- improve how you work
- demonstrate impact



## How monitoring and evaluating compare

	Monitoring	Evaluation
Timeframe	Ongoing	At certain stages
Type of information provided	<p><b>Outputs.</b> Are our program’s activities producing the products and services you expect? If not, why?</p> <p><b>Targeting.</b> Are we reaching our intended participants and meeting their needs?</p> <p><b>Engagement.</b> How interested and involved are our participants in the program?</p> <p><b>Financial.</b> What are the main sources of our costs and income? Are we deviating from our plans and, if so, why?</p> <p><b>Feedback.</b> What do stakeholders think about the quality and relevance of our services?</p>	<p><b>Strategy.</b> Are we doing the right things? – Rationale for program design – Theory of change</p> <p><b>Operations.</b> Are we working in the right way? – Efficiency when using resources – Effectiveness of design and implementation</p> <p><b>Performance.</b> Are we achieving our planned outcomes and impacts? – Links between inputs, activities, outputs, outcomes and impacts</p>

### Learning:

How can we improve?

Impact on learning	Learning for adjustments	Learning for future programs and strategy	Learning for general knowledge
	<p>How can we change the program to better serve our participants?</p> <p>Are there other ways of doing things that may lead to better results?</p> <p>How can we adjust our program to maximize resources?</p>	<p>What lessons can we learn to inform how we design future programs and strategy?</p>	<p>How can learning across programs inform better policy?</p> <p>How can we share our learning more widely to help others achieve the same goal?</p>

# Determining the data to collect

The theory of change for your program – with clear inputs, activities, outputs, outcomes and impact – is the backbone for MEL and sets the stage for measuring impact because it is a hypothesis of how and why change happens. Data that is reported more frequently – usually activities, inputs and outputs – are part of what we call monitoring data.

This is information that tracks the implementation of your program and tells you whether this is on track. Outcome and impact data are what are referred to as evaluation data. This is information that tells you whether there are any changes or results due to the activities and if these are related to the program or solution.

Mapped onto each of these components are indicators, or markers of achievement in a specific area. And you can create targets against which they will track actual progress. For example:



**Impact** % improvement in literacy achieved at the end of the school year (Target: 50% relative to baseline)



**Activity** # of trainings conducted (Target: 20)



**Outcome** % increase in student attendance and observation of greater student engagement (Target: 50% increased attendance and engagement)



**Input** CHF 200,000



**Output** # or % of teachers trained (Target: 500)



## Top tip

Your indicators should be **SMART**: **S**pecific to your solution, **M**easurable, **A**chievable, **R**ealistic and **T**imely.

**Specific** to your solution – Don't measure things you don't expect to be affected.

**Measurable** – If you can't measure it, you can't improve it.

**Achievable** – Be sure your indicators are the specific focus of the program.

**Realistic** – Be sure that the levels of performance or targets can be achieved vis-à-vis the resources being spent.

**Timely** – You need to design intermediate outcome indicators that can be achieved during the program duration.



Data can be in the form of numbers (quantitative) or in narrative form (qualitative). While quantitative data can be easier to collect and aggregate, more descriptive, qualitative data are vital to gain a more nuanced understanding. For example, collecting quantitative data on school attendance shows interest

in schooling but qualitative data from interviews or observations can help you understand why parents send children to school or why children miss school. Both can help you understand your program better and make more context-specific decisions.

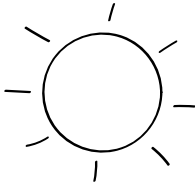
	Quantitative data	Qualitative data
Characteristics	<ul style="list-style-type: none"> <li>– Dealing in quantities, amounts or ranges</li> <li>– Countable or measurable</li> <li>– Says how much, how many or how often</li> </ul>	<ul style="list-style-type: none"> <li>– Descriptive and often in narrative form</li> <li>– Describes certain attributes, helping to clarify the why or how</li> </ul>
Method/Source	<ul style="list-style-type: none"> <li>– Questionnaires</li> <li>– Online analytics</li> <li>– National statistics or macro data</li> <li>– Administrative data</li> <li>– Census</li> <li>– Sensors</li> <li>– Satellites</li> </ul>	<ul style="list-style-type: none"> <li>– Interviews</li> <li>– Observation</li> <li>– Diaries</li> <li>– Geographic Information System (GIS)</li> <li>– Focus group discussions</li> <li>– Photos / videos</li> <li>– Case studies</li> </ul>
Analysis	<ul style="list-style-type: none"> <li>– Statistical analysis</li> </ul>	<ul style="list-style-type: none"> <li>– Thematic analysis, content analysis, narrative analysis, grounded theory analysis or discourse analysis</li> </ul>



### Dive deeper

The data you need isn't always waiting to be discovered out in the field. Valuable sources of information are often sitting right under your nose:

- Existing studies can give you insights into whether a solution or program might work. If others have already done the groundwork, why waste time, money and effort repeating it?
- Administrative data, such as school attendance and hospital records, can be a low-cost and accurate source of information. Such data are updated and collected regularly, saving you time and money on gathering it yourself.
- Secondary data from external organizations – like censuses, surveys and national statistics – can be a reliable and cost-efficient source of information.



## Collecting the data

How often should programs be reporting information on these indicators? Some data are collected annually, while others can be as often as monthly or quarterly. It all depends on how quickly one can expect to see a change in the indicator. In general, outcome and impact data are usually collected less frequently and often require expertise in specific methodologies, especially if you want to show attribution to the solution.

Qualitative data are also gathered to understand the context within which the solution is conducted. In this way, when the findings are available, they reveal whether the solution works and when combined with qualitative methods, they can provide insights into how you might extend your program into other areas.

It's important to focus on the purpose and end usage rather than specific methods of data collection. What do I want to know and how ready is the program to provide this information? Who else might benefit from this information? What are credible and practical ways to get this data? What can I learn? How can the findings be applied to improve the program? It's important to work with organizations that share what they've learned, what they've achieved and the mistakes they've made.



### How they did it

Since the introduction of free primary education in 1994, Malawi's education system has struggled with significant challenges including overcrowding in classrooms, lack of learning materials, shortage of trained teachers and high student-to-teacher ratios. As a result, only 10% of children achieve reading proficiency by the age of 10 and only a third of children complete primary education.

Imagine Worldwide, a UBS Optimus Foundation grantee, provides solar-powered tablets so children can learn at their own pace. Children in grades 1 through 4 receive one hour per school day of tablet-based learning with personalized literacy and numeracy content to meet their individual proficiency level. Each tablet is used by several learners per day.

Imagine Worldwide used both quantitative and qualitative data to measure learning impacts in literacy and numeracy across learning settings, languages and countries. And the results have been positive. A two-year RCT showed that even with COVID-19 disruptions the program resulted in:

- 4.2 months of additional literacy learning
- 50% more children advancing on national literacy benchmarks
- 72% attaining emergent or fluent mathematics status
- girls benefiting at least as much as boys (in contrast to standard classroom practice)

Additionally, qualitative research showed improvements in children's excitement about school, attendance and confidence.<sup>25</sup>

# Analyzing the data

There are many types of evaluation approaches and all have their benefits and drawbacks. To select the right evaluation approach for your needs, consider the questions you want to answer, the characteristics of the program, the type of data that it is possible to collect and what you want to achieve with the evaluation. These factors will help identify a suitable evaluation approach.

Analyses with monitoring data can be simple and done internally by program staff. There are a number of online tools that can also help with this. It is often useful to share findings with program participants and other stakeholders to ensure proper understanding. This fosters trust and transparency and ensures findings are relevant to the context.

Evaluating a program can be complicated and, in certain cases, it can be wise to call on external experts and consultants to help evaluate your program. Some consider that the gold-standard methodology for impact evaluation is a randomized controlled trial, or RCT.

In an RCT, participants who are similar are randomly assigned to the program or a comparison group. Measurements in outcomes and impact are done over the program duration. There are then statistical ways of controlling other differences between the two groups. Any change over time is assessed statistically and can be attributed to the program.

RCTs can be expensive and require technical expertise. There are increasingly credible and less expensive methodologies such as those developed and tested by The Centre of Excellence for Development Impact and Learning (CEDIL). Consider the capacity of your organization and the purpose of your data. Where the data are expected to influence policy and other donors, it's important for an evaluation to have high standards of rigor and independence so that results are perceived as unbiased and credible. For outcomes based funding, an evaluation by an external party might even be mandatory to receive payments. Internal evaluations can still be highly useful and lead to actionable recommendations that can improve the implementation of future phases of your program.



## Top tip

### **Make sure you involve participants when interpreting results!**

In one program, data was collected on what program participants had eaten in the past twenty-four hours. When the findings were shared with the participants, they pointed out that the data was collected midweek, when fewer calories were consumed. Had data been gathered over the weekend, participants would have reported greater consumption. Sharing findings with program participants and other stakeholders can help increase understanding as well as trust.



## Dive deeper

How expensive is data collection? Can we take advantage of technology?

Working out budgets for collecting data is tricky. Collecting data for evaluation may involve formal surveys or in-depth interviews with large numbers of project participants with costs that depend on lots of variables, like:

- how many people you're interviewing
- how long it will take you to reach them
- the length of the survey
- the response rate you want
- how you'll analyze the data
- the technologies you might need to gather data and communicate the results

Digital applications can provide a fast and comparatively low-cost way to gather, monitor and evaluate data. They typically handle tasks that would be impossible even for teams of thousands, such as continuously tracking people's usage of services. These applications can also enable you to create standard formats quickly and easily for collecting information. They can also store that information in one accessible place, where it's readily available to help you make better decisions.

# Learning from the data

A quality MEL system is home to a wealth of knowledge that's essential for learning and improving outcomes – and ultimately for achieving impact. But to get the best out of that knowledge, you need to manage it in the right way. This means capturing the findings, organizing continual streams of information, disseminating insights across your organization, and promoting a culture of learning and accountability.

What does this mean in practice?

- You've used a theory of change to prioritize the data indicators needed, making sure they are **S**pecific, **M**easurable, **A**chievable, **R**ealistic and **T**imely.
- You know where the data come from (trained or expert sources) and how often.
- You've decided how data will be stored and analyzed. Don't collect data you don't need!
- Share key data insights both externally and internally to continuously improve the program.



## How they did it

Rapid-fire testing, also known as A/B testing, involves splitting participants randomly and exposing them to one or more variations of a program to see which performs better. It helps you understand how the differences between the versions affect participants' behavior and outcomes. This testing works best when the changes can be observed within a short period of time, such as improving participation in a training program. It's also ideal when you're designing or piloting a program, or expanding it into new areas.

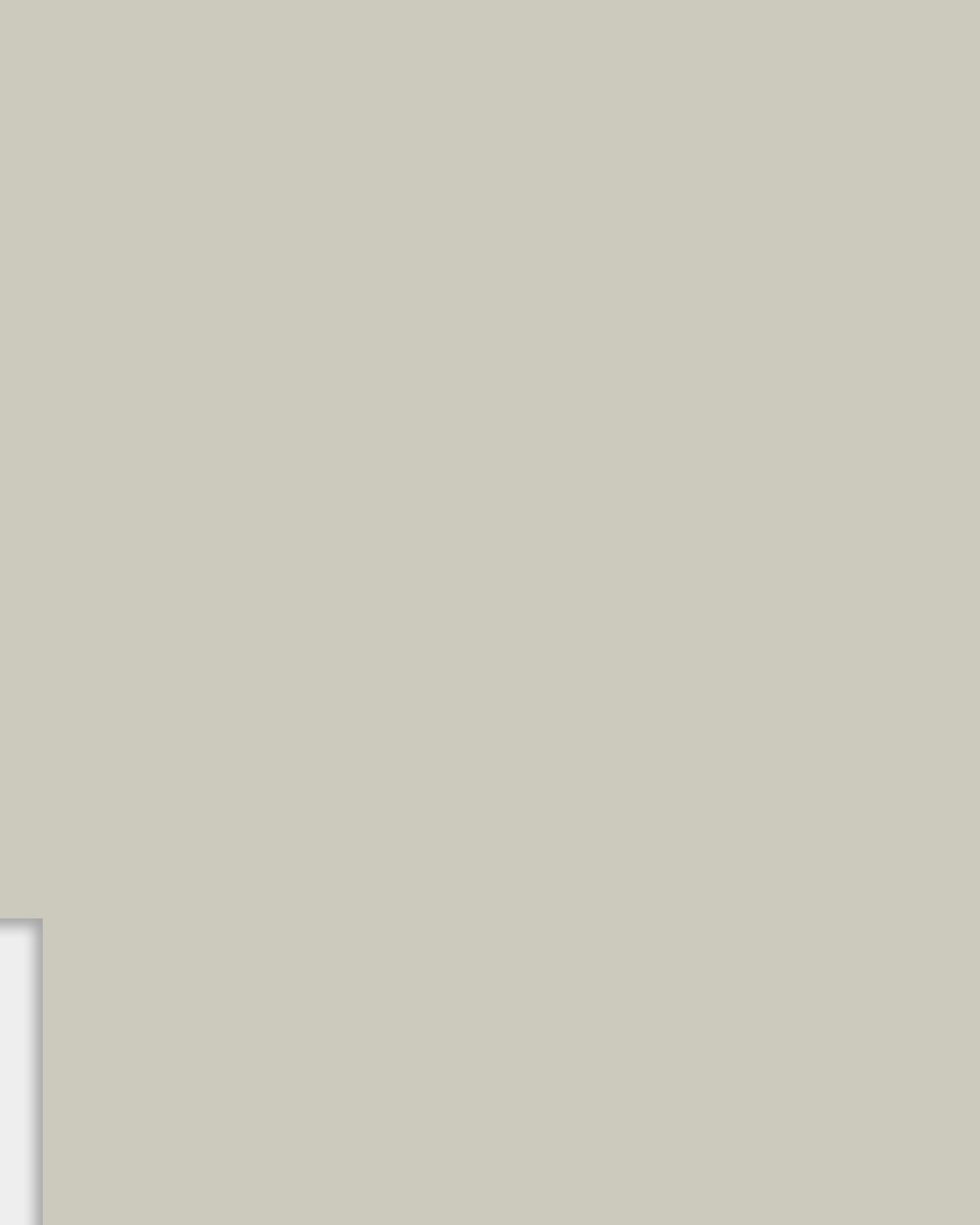
UBS Optimus Foundation partner Young 1ove tested two low-technology solutions during COVID-19 school closures in rural Botswana. One was SMS messages to parents and the other was phone calls to parents – both approaches with the aim of minimize learning loss. They found that the combined treatment increased student's learning the most and was highly cost-effective. They used what they learned to scale the approach to new areas and countries.



## Learn more

Curious to know more? Read our MEL thought leadership paper, [Learn. Improve. Repeat. How to maximize your impact through monitoring, evaluation and learning.](#)







# Key takeaways



## **Use your theory of change**

Your theory of change will help you prioritize the data indicators needed. Just make sure that they're SMART: Specific, Measurable, Achievable, Realistic and Timely.

## **Qualitative can be as good as quantitative**

Most evaluations try to focus on hard quantitative data. In many cases, qualitative data or even anecdotal evidence is good enough to demonstrate that things are improving.

## **Only ask if it's worth finding out the answer**

For monitoring and evaluation to be worthwhile and cost-effective, the amount spent on asking a question should not exceed the value of knowing its answer. Be focused and purposeful in your data analysis, remembering the objective of the program.

## **Engage in continuous reflection and learning**

It's important to know where you've been and where you're going. Did you start your journey heading in the right direction? Are you still on course to reach your destination? And how does your progress compare to others travelling similar paths?

## **Give partners the flexibility to innovate**

It is important to hold partners accountable for outcomes. Being overly prescriptive about how to achieve them can stifle innovation and reduce the likelihood of success. For early-stage programs, take some time before setting unattainable targets.

## **Share widely (the good, the bad and the ugly)**

The purpose of evaluation at some level is always to learn. The more philanthropists and the organizations they support are willing to share this learning with others, the more we can all benefit and use scarce resources efficiently.

# How to work together for greater impact





Philanthropy is a journey best traveled together. The world's problems are too big and complex for one person to tackle alone. Only by working towards the same goals can we make a lasting difference. You can engage and involve others on your philanthropic journey: your family, similarly focused philanthropists and philanthropic organizations.

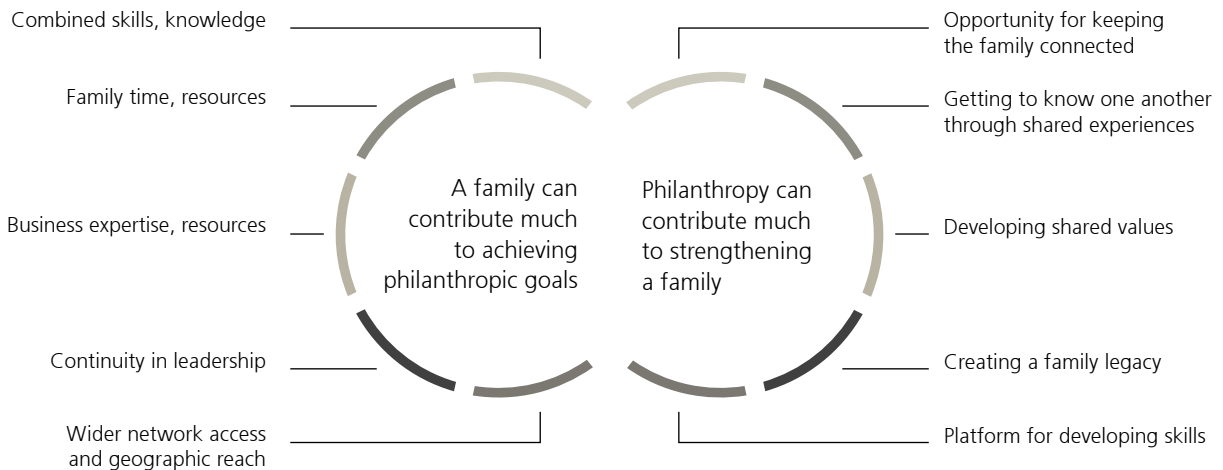
**154** Engaging your family

**166** Partnering for greater impact

# Engaging your family

Many families contribute their skills, time and resources toward shared philanthropic goals. This not only brings more resources to the issues they care about but it also:

- brings family members and generations together, uniting them around a common goal
- provides opportunities for the next generation to develop their skills, interests and abilities
- shares the family's values with the wider world, potentially attracting additional support
- helps establish the family's name and creates a legacy





# Accommodate the whole family

Thinking about embarking on philanthropy with your family? Before you get started, it's important to ask yourselves some questions.

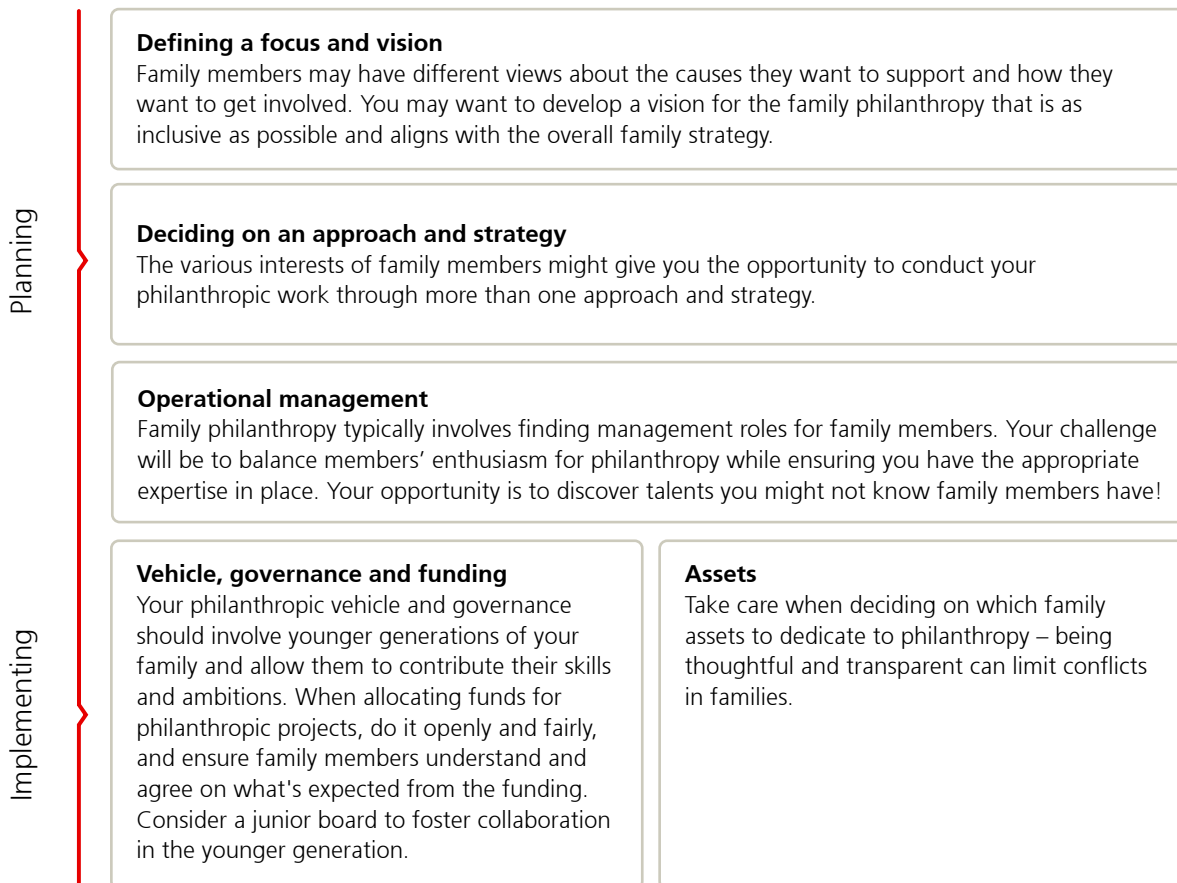
<b>Strategic alignment</b>	Does the philanthropy strategy align with the overall family strategy – the values the family has collectively committed to, the overarching purpose the family has defined for itself and the long-term vision it has agreed on?
<b>Who</b>	Which family members will be involved in the philanthropic initiative and at what stage?
<b>Roles</b>	Will the family members' roles be formal or informal? What unique skills do they bring? Will they be trustees, co-donors, co-funders, volunteers or salaried managers?
<b>Funding</b>	What will be the funding source of the family's philanthropy: the family's combined wealth, the family business, joint funding between family members or fundraising?



**Learn more**

To find out more about defining your family's strategy, consult the UBS Family Strategy Compass.

No two family members are the same. Each will have different views on philanthropy and the roles they might play. To keep everyone engaged and aligned, you'll need to consider these differences during the planning and implementation stages:



### Learn more

Want to start engaging your children? Check out our children's book on philanthropy, *How the World REALLY Works: Philanthropy*, developed in partnership with Guy Fox Publishing in 2022. You can get your copy directly from the publishers website, from Amazon or by asking your client advisor.

# When does family philanthropy fit?

Understanding the interests and preferences of family members – and degree of overlap – will help you set the best course for your family’s philanthropic ambitions. Where do you and your family members stand?







## Work it out

### Planning

#### Understanding family members

Family members have a converging vision and overlapping interests

#### Defining a focus and vision

- How narrow can you make the family vision while still accommodating family interests?
- Will it be possible to incorporate the interests of future members?

#### Deciding on an approach and strategy

- Are you able to get buy-in from all family members on the approach and strategy for the philanthropic undertaking?
- Are all family members able and willing to show the same level of commitment?

### Implementing

#### Operational management

- Are there enough opportunities for family members to share experiences and learn from philanthropic engagement – for example, during a regular family meeting?
- Create a process for the rising generation to shadow, help with reports, site visits and so on.

*Ensuring that younger generations gain knowledge of the family's philanthropic work is important to ensure continuity. Allowing experiences to be shared between family members makes the philanthropic engagement all the more enriching and rewarding. And it can help awaken interest in finance-related topics, which otherwise might not have been seen as appealing by the next generation.*

#### Governance

- What is the type of structure that is most appropriate to the family's ambitions?
- What role will family members play in the governance?

*You may need to create more than one vehicle in the long run. Strike a balance between family members' enthusiasm and the need for external experts so the proper knowledge and expertise is on hand to govern your philanthropy. Consider establishing a philanthropy committee consisting of members from several generations and/or family branches to allow for both oversight as well as ongoing learning experiences on the topic.*

#### Assets

- How will the financial burden of funding the family's philanthropic work be shared between members and between generations?

*It's important that financial decisions are made openly and are – as much as possible – fair to all family members, including those who won't take part.*



# Bringing in the family

You've decided you like the idea of sharing your philanthropic mission with your family, but how do you start the conversation and bring them on board? Try starting relaxed conversations where you sound out the idea of philanthropy in general and what social causes they care about the most on an individual level. Once you better understand everyone's motivations, you'll better understand where your allies are on different topics, and how you might engage with them. Other potential starting points include:

- Plan for a family philanthropy workshop as part of a family meeting with the help of an experienced moderator. The workshops that our UBS experts offer, allow family members to share their passions and ideas – as well as various options about how to engage – which can spark interest and enthusiasm.
- Identify opportunities for charitable engagement. Volunteering as well as agreeing to smaller donations as a family can be a good start and provide rewarding firsthand experiences.
- Family volunteering opportunities can be as simple as packing lunches or cooking at a soup kitchen together or cleaning up a park or beach for Earth Day.
- Take the family on a site visit to provide for a tangible understanding of the causes and possible social solutions. Various organizations are happy to help organize such visits.
- Make the family's philanthropic engagement a standing item within an annual family day where family members across generations can learn about what the family is doing – and what impact is generated.





# Key takeaways



## **Seek a common agreement**

You may not agree on everything, but it's important to have an agreement on your approach – even if this means agreeing that everyone will pursue their own philanthropic interests. Create space for everyone within the framework to voice their perspectives.

## **Be clear about 'costs'**

Everyone involved should understand that committing to philanthropy means dedicating resources that won't be available for other purposes. Get upfront commitments of time as well – you're more than your financial resources and you don't want anyone to be resentful about unanticipated time spent.

## **Involve a neutral expert**

To seek agreement between family members with strong and passionate ideas, it can be helpful to involve a trusted and neutral family philanthropy expert. People's passions can be a source of strength – but also tension.

## **Make room for family members**

If your family has widely differing interests and views, a single philanthropic vision and plan might not be appropriate. Consider leaving scope for family members to pursue their own philanthropic goals. Many families have discretionary grant budgets as well as their focus areas.

## **Protect your succession plans**

Before setting up a philanthropic foundation, make sure you address possible implications for your family's succession plans. And remember, transitions of wealth from one generation to another can change family members' ideas and commitments to philanthropy. Anticipate this risk from the start and set up your succession plans to ensure transitions proceed smoothly – for the good of your philanthropy and family.

# Partnering for greater impact

We've considered how to find partners and projects that will benefit from your support. But it's also important to find others you can work with to strengthen your efforts, such as similarly focused philanthropists, foundations and networks. Collaborating and networking with other philanthropic experts will help you:

- learn from the experiences and efforts of others
- co-fund projects to increase the resources (both financial resources and areas of expertise) for your cause
- create a platform to work collectively on an issue toward systems change

Historically, philanthropy has been siloed through individual, family or corporate contributions. Now, philanthropists are increasingly coming together around their strategic aspiration, practices and collective impact. And they're partnering with nonprofits, academic institutions and – critically – with governments. This is so important because traditional efforts to solve the social and environmental issues we're facing are often fragmented and short term. Only by working collectively will we shift the system to tackle complex problems.



## How they did it

For more than a century in the United States, women have been gathering in their communities and pooling their resources to solve problems in giving circles. What started as a community effort for people who care about their neighbors has expanded into a more formal structure. Now these giving circles exist on a broader scale ranging from those for philanthropists committing as little as USD 100 to those committing more than USD 1 million to a combined effort.





# Knowledge networks

Philanthropic networks and partnerships range from loose associations of philanthropists to formal groups of funders working together in areas of common interest. A key objective for working with others is to learn more. This might happen through a philanthropic association, a knowledge exchange network or an affinity group.

Philanthropic associations exist around the world both at the continent and country level. They are typically based on a membership model and convene their members at conferences and other learning events to discuss a variety of philanthropic topics. They're especially helpful as you're starting your efforts.

Knowledge exchange networks, also known as consortiums, focus on specific aspects of philanthropy – like venture philanthropy. So, if you want to learn more about a specific approach or strengthen your craft as a philanthropist, you might join a knowledge exchange network.

You can also learn from others through an affinity group. Affinity groups are type of groups that are often hosted by regional philanthropic associations, focused on certain issues – like HIV. Members meet regularly to exchange lessons learned or co-sponsor research. Once you've chosen your focus area, joining an affinity group gives you the opportunity to learn from others working on the same issue. And it also allows you to identify potential partners.



## Top tip

Want to network with others working in your area? Before attending conferences or events, research individuals who will be attending so that you can target your networking. You're interested in them but they're also interested in you. Be prepared with a short elevator pitch of your vision and mission as well as questions about projects that intrigue you.



## Did you know?

The Global Philanthropists Community at UBS, an exclusive members-only network, connects philanthropists with similar interests to learn, share best practice and collaborate on projects. Ask your UBS advisor if you'd like to know more.



# Joint funding

Funding partnerships involve two or more philanthropists (or NGOs) pooling their resources for a specific project or set of projects. This type of partnership can be valuable when specific projects would benefit from more resources and your own aren't enough to accomplish your objectives.



## How they did it

Children in poor households in Côte d'Ivoire are subjected to the worst forms of child labor, including in the harvesting of cocoa and coffee. There have been a number of projects run by different ministries within government, bilateral donors and cocoa industry partners to improve farmer livelihoods, increase access to education and provide poverty relief to these households.

In February 2023, the Child Learning and Education Facility (CLEF) was launched, a public-private partnership (PPT) between the Government of Côte d'Ivoire, the cocoa and chocolate industry, community organizations and philanthropic organizations (including UBS Optimus Foundation and the Jacobs Foundation). This multi-stakeholder partnership aims to fundamentally improve primary education in cocoa growing regions and brings all the projects within the scope of the government's National Cocoa Strategy, creating the conditions for scale, sustainability and inclusive decision-making.

# Collective action

Collaboration on a large scale using various approaches involves giving and acting collectively. This includes partnerships around **thematic collaborative initiatives**. These partnerships go beyond just funding a project together to tackling an entire issue area in a concerted way, including projects, capacity building and advocacy.

Collectives are groups of key players from different sectors working together to solve issues on a big scale. Collectives are particularly well-suited to address systems change where multiple initiatives and diverse expertise are brought together to make a bigger impact or create a model for change. If your vision is to solve a particularly complex, challenging problem at scale that requires a well-resourced, multi-faceted approach, then you should think about joining a collective.



## Top tip

To be successful in a collective, you'll need:

1. A common agenda where everyone shares and understands the same goals.
2. Strategic learning through shared measurements and insights, so you can make better decisions together.
3. Mutually reinforcing activities, where everyone's skills and talents are shared.
4. Strong engagement with stakeholders, who can act based on the impact agenda, where trust supports the achievement of shared goals.
5. Backbone support of dedicated staff who can challenge and coordinate the participants.
6. Willingness to listen and flexibility to pivot when information makes it prudent.



## How they did it

A group of UBS clients helped launch the San Diego Trafficking Prevention Collective (SDTPC), a unique public-private partnership of three NGOs, the San Diego District Attorney, local philanthropists and the education system working together to bring human trafficking awareness and prevention education to San Diego youth and families. This first comprehensive and systematic trafficking prevention initiative in the United States works hand-in-hand with San Diego County school districts to ensure they have the proper prevention measures and agile programming to respond to the needs of diverse youth.

The SDTPC required a multi-pronged strategy with multiple organizations and individuals. The Collective conducted a landscape analysis to identify local anti-trafficking organizations and initiatives (including law enforcement agencies and nonprofits) and coordinated efforts to bring together people and organizations across sectors to achieve meaningful and sustainable social change. Today the Collective is recipient of the Human Trafficking Youth Prevention Education (HTYPE) federal grant and continues to support diverse stakeholders in developing institutionalized human trafficking prevention programming.

There are four key benefits to acting collectively:

### 1. Mitigate the risk of your philanthropic capital

By seeking expert advice, you can avoid pitfalls like perverse incentives, which can perpetuate the problems you're trying to solve. The right guidance will help you identify well-run NGOs that can maximize the impact of your resources and provide access to projects that are evidence based, scalable and sustainable. You can also reduce the risk of duplicating efforts.

### 2. Increase your impact

Collective philanthropy can increase the total amount of funding available for development by tapping into funds not otherwise used. By creating more and better funding with longer-term or larger-scale grants, reducing reporting duties for grantees and increasing operational effectiveness, philanthropists can achieve more impact.

And it's not just about philanthropists pooling their funds to gain economies of scale. Collectives get other players – like governments, commercial organizations, academics and non-profits – involved, too. Collectives also tend to favor collective delivery, where funds are given to multiple parties to drive change.



#### Did you know?

The power of philanthropic partnerships will be critical in achieving systemic change and many leading philanthropists are vocal about the need for 'collective philanthropy' - philanthropists working together pooling their resources and knowledge. UBS has formed three collectives – to enable philanthropists to do just that – work together, combine their efforts, skills, and resources during a two-year learning journey. By doing so, we are combining our expertise and client capital to fund initiatives that address child protection, climate change, and health- and education-related issues. Each Collective provides clients with a unique opportunity to work alongside peers and expert practitioners to achieve systemic change.

Engaging in a collective, includes:

- Belonging to a network of peers that makes a big difference.
- Accessing a learning experience that makes you a strategic philanthropist.
- Connecting with powerful players like implementing partners, and experts that help you magnifying your efforts.
- Uniting your family around shared values.

The UBS Collectives is a first of its kind collective giving model for bank clients training a generation of new philanthropists to think strategically about their giving and to use their influence to lead in this space and change the industry for the better. It embodies the ideal that the only way to achieve the ambitious UN SDG Goals is to work together.

Learn more: [www.ubs.com/collectives](http://www.ubs.com/collectives)

### **3. Build your philanthropic knowledge and leadership**

Engaging in collective philanthropy provides you with ongoing learning opportunities. Collaboration that draws on diverse skill sets and expertise is key to tackling the complex issues that face us in a globalized world.

Working with experts and pooling resources and experience also allows for joint due diligence and measurement of impact. The learnings you get from potential course corrections and the peer exchange on best practices to inform your future giving strategies are tremendously valuable.

If you're a newer player in philanthropy, engaging in collective philanthropy means you'll grow your network and learn skills from expert practitioners. It also means you'll implement your philanthropy strategically and develop philanthropic leadership skills.

### **4. Be jointly accountable for achieving goals**

Working together means you'll develop a joint and coordinated plan of priorities and activities, so you'll ultimately benefit from joint accountability among your partners to achieve the intended outcomes of your shared vision.



## Work it out

Collaborating with others is a complex undertaking. You'll have to make a conscious effort to put in the time and energy that it requires. But collaboration in philanthropy is extremely rewarding. How do you know if networking and/or funding partnerships might be right for you?

If your answer is YES to one or more of the following questions, then **networking** could be interesting for you:

1. Do you want to share your philanthropy journey with similarly focused peers?  Yes  No
  
2. Are there other philanthropists working on your chosen issue that you could learn from?  Yes  No
  
3. Are there other philanthropists working in your geographical area of focus that you could learn from?  Yes  No
  
4. Could you benefit from learning more about best practices related to your chosen philanthropic approach?  Yes  No
  
5. Have you discovered promising practices, key success factors or traps to avoid through your philanthropic work that others could benefit from?  Yes  No



If your answer is YES to one or more of the following questions, then **partnering** could be interesting for you:

1. Might more voices and actors behind your cause enhance credibility and influence with important stakeholders?  Yes  No
  
2. Would more minds and funds be beneficial to achieving your vision?  Yes  No
  
3. Could partnering with other philanthropists help bring a successful initiative to scale?  Yes  No
  
4. Are there specific skills and experiences that would benefit your cause, but that you can't contribute yourself?  Yes  No
  
5. Are you open to sharing decision-making power and credit with others?  Yes  No

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## WHAT

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### Learn from others

#### **Philanthropic associations**

These associations exist worldwide, across continents and countries. Members typically meet at conferences and learning events to discuss philanthropic topics.

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#### **Knowledge exchange networks**

These networks focus on specific aspects of philanthropy, like venture philanthropy.

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#### **Affinity groups**

These groups are often hosted by regional philanthropic associations. They collaborate on certain issues, like HIV/AIDS. Members meet regularly to exchange lessons learned or co-sponsor research.

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### Fund jointly

#### **Funding partnerships**

Funding partnerships involve two or more philanthropists or foundations pooling their resources for specific projects.

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#### **Thematic collaboratives**

These thematic collaboration initiatives go beyond funding, tackling issues in a focused and collaborative way through working on projects, capacity building and advocacy.

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### Act collectively to drive system change at scale

#### **Collectives**

Beyond the collaboration on the funding and to address the issue, collectives aim to drive system change to address an issue at scale. It usually involves a backbone organization that coordinates the efforts, builds capacity (including for the funders) and drives advocacy.

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**WHEN****WHY**

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Useful at any point but especially helpful when you're starting out.

- To network with peers
- To learn about trends in your region or country
- To find potential partners
- To share lessons with others

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If you want to learn more about a specific approach.

- To strengthen your craft as a philanthropist

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Once you've chosen a focus issue.

- To learn from others working on the same issue
- To identify potential partners

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If your project would benefit from more resources or your own resources are insufficient.

- To increase the amount of funding going to specific projects

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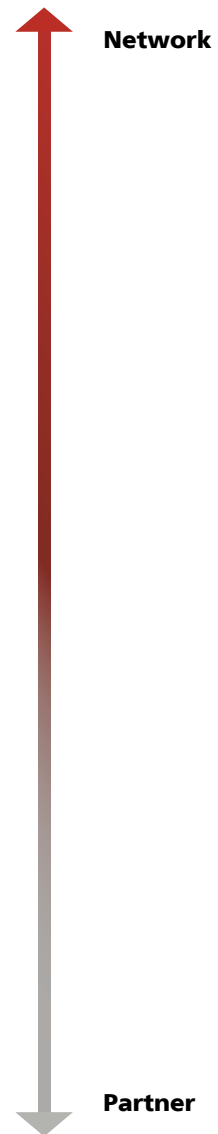
If your vision is to solve a particularly complex and challenging issue that requires multiple actors to collaborate.

- To team up with peers and partners to address complex problems that can't be solved in isolation, requiring a well-resourced and collaborative approach
- To get deep learning on a specific issue

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If your vision is to solve a particularly big, complex and challenging issue that needs system change at scale and that you are ready to get into a deep partnership – including sharing credit and delegating ownership

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## **Dive deeper**

As a funder, you may want to champion a new effort to tackle a complex issue in a location where other collective impact efforts don't yet exist. Here's how you might initiate collective impact:

### **1. First, scope your issue and assess its readiness.**

- Identify or recruit co-champions that are as strategic and passionate as you are.
- Engage your community – start building trust and relationships.
- Assess the readiness and develop a plan to launch your collective impact effort, with the help of a backbone organization.

### **2. Second, initiate action.**

- Use the backbone organization to build a steering committee to develop the strategy and generate political will.
- Create a baseline to document key issues and gaps, and develop your theory of change.
- Engage community and key stakeholders beyond your steering committee on the strategy and findings.

### **3. Third, organize for impact.**

- Select the partners, together with the backbone organization, who will implement the theory of change.
- Validate the theory of change and results framework with the backbone and implementation organizations.
- Review and test the vision and goals with your community stakeholders.

### **4. Sustain action and impact.**

- Implementation by the partners begins, with the backbone organization ensuring continuous communication and regular meetings.
- Backbone organization to use performance metrics to promote shared measurement and strategic learning.
- Continue to build the movement, engaging the community and other stakeholders.



# Key takeaways



## **Plan to collaborate**

If you decide to join forces on an issue, everyone involved will need to agree on a common vision of success, a clear designation of roles and activities and a commitment to continually learning.

## **Build trust**

Just like any relationship, it takes time to build trust. Don't expect to start a big project together with others after one conversation. Be patient but persistent.

## **Be flexible**

If you're going to address your philanthropic goals collaboratively, everyone involved will need to be open and flexible to other ways of operating. Keep this in mind when entering new relationships.

## **Be ready to share**

To get the most from your philanthropy, welcome the opportunity to share your experiences. And ask others for their insights.





# What next?

Great work! You've reached the end of the UBS Philanthropy Compass. We hope it's inspired you to pursue positive impact with your wealth.

Philanthropy isn't a passive activity. It requires you to do the work to find out where solutions are working (and where they aren't). You have your own personal motivations – which are important – but it's the actual outcomes that matter most. Using the tools of strategic philanthropy, each of us can help to solve the world's most pressing social and environmental problems.

Philanthropy is a key part of mobilizing the impact economy – an economy that values the wellbeing of all people and the planet in all investment decisions will create a world which is “profitable” for everyone - and it's entirely possible in our lifetime.

It can't be driven by a single institution or government - but at UBS we and our clients are reimagining the power of investing to help make this a reality - whether by providing the 'patient' capital to incubate future 'for profit' solutions focused on solving the world's challenges or partnering with governments to change how public money is spent on outcomes rather than outputs; or by innovating entirely new finance and business models.

And we're here to help. Whenever you need any guidance or support, just get in touch and we'll point you in the right direction. Because, in all our years of helping clients achieve lasting impact, we've learned a valuable lesson: the journey to impact is a road best travelled together, with everyone bringing the best of themselves to the table.



# 9


## things to remember before you go...

1. **Diversify your impact portfolio.** You can have impact with your wealth in many ways – philanthropy is one of them – keep exploring!
2. **Fall in love with the problem first,** rather than getting excited by a potential solution. Strategic philanthropy is about tackling root causes and maximizing impact while minimizing inputs and activities.
3. **Think big.** Creating lasting impact requires systems change and solving problems at scale.
4. **Have a clear vision.** Your vision is your big dream. Having a clear vision will help you keep the focus, shape a strategy and define what success looks like.
5. **Decide what you can offer.** There are many approaches you can use with your philanthropy, including adding resources, building capacity or campaigning for change. You can choose one or a combination.
6. **Have a strategy before you choose partners and vehicles.** Thoroughly shaping your strategy will help you clarify your goals and articulate your theory of change, which will help you identify effective solutions and put the necessary tools in place, including selecting your partners and assessing if you are making a positive change.
7. **Learn. Improve. Repeat!** Monitoring, evaluation and learning will help you understand how change happens, improve how you work and demonstrate impact. Think from the start, what you'll want to measure.
8. **Share your values with your family.** Engaging your family in philanthropy can unite family members around a common goal and create a legacy.
9. **Be open to working with others for more impact.** Collaborating with other philanthropists and partners can promote learning, maximize resources and accelerate systems change.



# About UBS

Changing the world needs leadership. As one of the world's largest wealth managers, at UBS, we want to lead the way to a better future – for ourselves and generations to come.



We believe people's desire to make the world a better place will keep growing. People will increasingly seek to do good by choosing sustainable investments and philanthropic solutions. We are here to help you have more impact with your wealth. Together, we'll explore your purpose and help you make a difference through giving, investing,<sup>26</sup> connecting, and leading the change you want to see.

We're recognized globally for our philanthropy services and expertise. With over 20 years' experience, we can help you and your family maximize your impact locally, nationally and globally. And we're proud to be among the founding signatories of the Principles for Responsible Banking (PRB) of the United Nations Environment Programme Finance Initiative (UNEP FI). We were also among the first banks to shine a light on the United Nations' Sustainable Development Goals and what it takes to make them investable for clients.

Today, we're always seeking to develop solutions that direct investments<sup>27</sup> towards those goals. Our philanthropic grant-giving foundation, the UBS Optimus Foundation, focuses on education, health, social protection, and environmental and climate issues. We've also launched UBS Collectives to help you connect with other philanthropists and take your solutions to the world. We cover the costs of running your collective, match donors funding and provide a deep learning experience over two years.

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<sup>26, 27</sup> As with any investments, the value may fall as well as rise, and you may not get back the amount you originally invested.



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