SPRING
IMPACT

SECURING NON-PROFIT FUNDING:

How 28 leading organisations secured funding to increase their reach and impact

EXECUTIVE SUMMARY
INTRODUCTION
NON-PROFIT PARTICIPANTS
JOURNEY TO SCALE
PAYERS AT SCALE
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This is an interactive PDF

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© Healthy Learners

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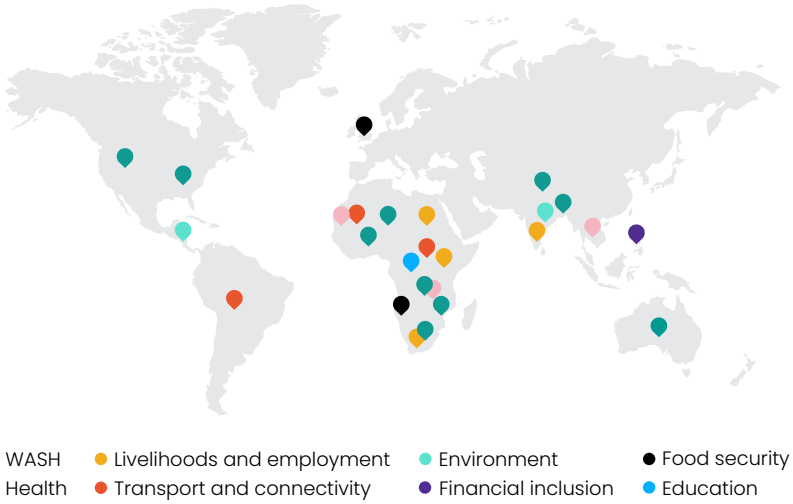
EXECUTIVE SUMMARY

The world is faced with great social and environmental problems. It is not enough to generate innovative solutions that reach a few people - we need non-profits to transform systems and make meaningful dents in the size of these problems. Securing funding is one of the biggest challenges non-profit leaders face on the journey to impact at scale.

Spring Impact has conducted a study to understand the funding models that have enabled solutions to create impact at scale, focusing on who funds these efforts and how non-profits secure these funds. We interviewed leaders and analysed the operating budgets of 28 non-profits operating in over 70 countries and across 10 issue areas. The vast majority of these organisations (25 of 28) are delivering solutions in low- and middle-income countries.



© One Acre Fund, depicting Raphael Mwande & Fatima Bingesiti, Malawi

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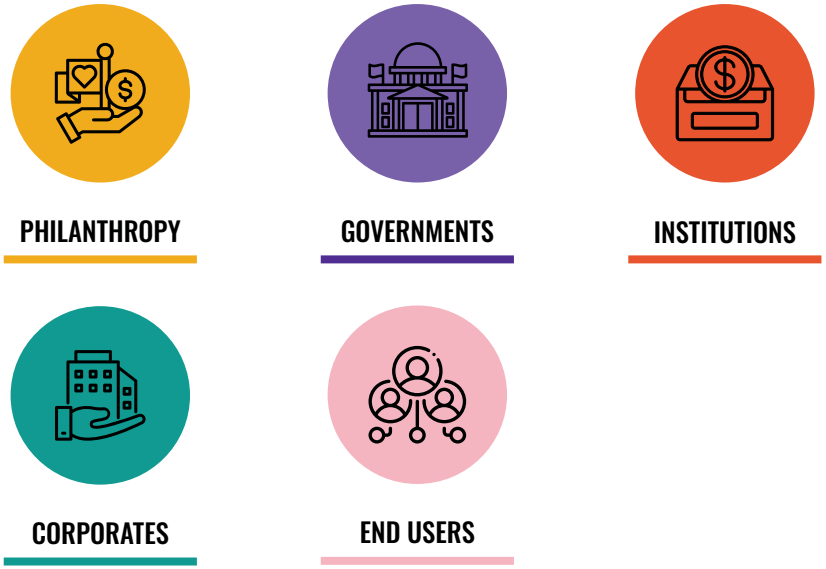
This report presents the key insights from the unique journeys of these organisations. We look at who is paying for non-profits to sustain solutions at scale, and examine the trade-offs and lessons specific to each payer type (philanthropy, governments, corporates, bilateral and multilateral institutions, end users).



We hope the lessons within this study offer ambitious non-profit leaders valuable insight to navigate the complex and dynamic funding landscape, and ultimately make more meaningful dents against society's most pressing challenges.

We also recognise it is ultimately funders who hold the power to address problems at scale. To truly become allies, funders must bridge this power gap and use the findings of this study to rethink how to deploy funding in ways that drive meaningful, scalable impact.

Key insights on non-profit funding for scale

#1 **Many successful non-profits finance impact at scale by embedding solution delivery costs in their partners' systems -** this requires designing solutions to be embedded within and delivered by partner systems, and ensuring the surrounding ecosystem incentivises partners to continue delivering with quality and impact

#2 **Non-profits need to bridge the funding gap for the costs associated with supporting partners to deliver the solution effectively**

- Governments are crucial for enabling scale, but they typically provide minimal funding, if any, for the ongoing support that non-profits provide them in implementing a solution at scale
- All types of partners usually require long-term support to deliver a solution at scale, but will rarely pay for it

#3 **Non-profits still need philanthropy, even when operating at scale -** many philanthropic funders expect their grantees to eventually find other major backers, but non-profits normally require ongoing philanthropic support to sustain impact at scale

#4 **Unrestricted, long-term funding is critical for both scale and sustainability -** non-profits need the flexibility to allocate resources where they are most needed and respond quickly to challenges

#5 **Non-profits must pursue cost effectiveness relentlessly** and demonstrate that their solution can be delivered within the payer's price point

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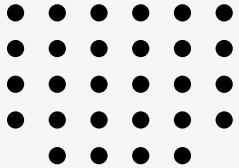
#1

Philanthropy remains the most significant source of funding for organisations, even when operating at significant scale.

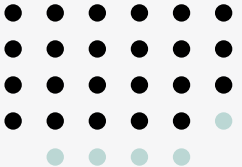
Whilst non-profit leaders highlighted the importance of diversification of funding streams, philanthropy underpins the majority of these organisations' funding models.

Many philanthropic funders expect their grantees to eventually find other major backers, but this study shows that non-profits normally require ongoing philanthropic support to sustain impact at scale.



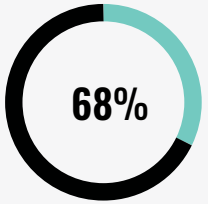
28 OUT OF 28

Organisations receive funding from philanthropy



23 OUT OF 28

Organisations have philanthropy as their primary payer



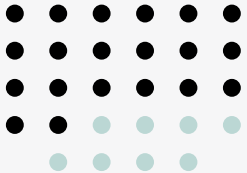
Average percentage of organisational funding that comes from philanthropy (of those who receive it)

#2

Unrestricted funding has played a crucial role for the majority of organisations in this study.

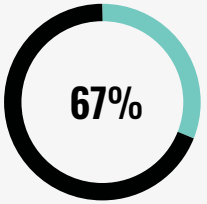
Some amount of unrestricted funding is a powerful catalyst for achieving impact at scale, offering organisations the flexibility to allocate resources where they are most needed, respond swiftly to changing circumstances, invest in testing innovative solutions, and cover core costs.

Whilst not all non-profits need a majority of unrestricted funding to achieve their goals, the absence of it can be very restraining and ultimately threaten a solution's likelihood of achieving impact at scale.[1]



20 OUT OF 28

Organisations in this study have secured more than 50% unrestricted funding



Unrestricted funding makes up 67% of the 28 organisations' funding

[1]17 of the 28 organisations in this study received MacKenzie Scott funding. 5 organisations received this funding in the same fiscal year we analysed. We re-ran analysis excluding these 5 organisations and found the results hold: 16 of 23 (70%) have secured more than 50% unrestricted funding; Unrestricted funding makes up 66% of the 23 non-profits' funding.

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#3

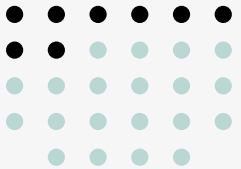
Transferring solution delivery costs to government is an effective strategy for financial sustainability at scale.

13 of the 28 organisations in this study have achieved scale by embedding at least some aspects of their solution into existing government structures, such as health, education, or transport systems. This is an effective strategy for reducing the overall costs of a solution at scale, and giving the solution the best chance of long-term sustainability.

Other organisations (8 of the 28) have effectively secured some level of funding from national or local government to pay the non-profit directly for implementation, however this rarely covers the full costs of solution delivery.

13 OUT OF 28

Organisations achieved scale by embedding at least some aspects of their solution into existing government structures



8 OUT OF 28

Organisations effectively secured some level of funding from national or local government

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#4

Governments typically provide minimal funding, if any, for the ongoing support that non-profits provide them in implementing a solution.

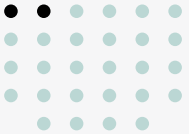
Governments are crucial stakeholders to enable scale. All 28 organisations in our study engage with government in some capacity. Whilst some aim for governments to cover solution delivery costs, governments are rarely the full payer of sustaining a solution at scale. Further, non-profits usually provide critical, ongoing support to sustain the solution, but are rarely paid by governments for this.

Only 5 of the 12 organisations providing this support are compensated by the government, and most receive less than 15% of their annual funding from the state.

This insight is crucial for both non-profits and philanthropic funders. For the organisations in our study, philanthropy has played a crucial role in enabling them to provide the required ongoing role in ensuring the solution is sustained at scale.

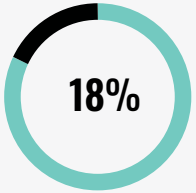
8 OUT OF 28

Organisations receive funding from government



2 OUT OF 28

Organisations have government as their primary payer



Average percentage of organisational funding that comes from government (of those who receive it)

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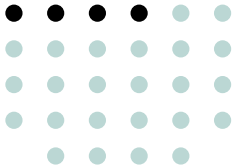
#5

Non-profits almost always provide long-term support to the doers delivering a solution at scale, but are rarely paid by the doer to provide this support.

In addition to working with government, non-profits seek to scale through other 'doers', such as other NGOs, CBOs, private sector actors, schools, to implement their solution at scale. Often, the ambition is to enable doers to implement the solution autonomously, and some non-profits aim to charge a fee in exchange for their support.

All the non-profits in our study scaling in this way have found that they have to play a significant ongoing role to sustain quality implementation. Only 4 charge a fee, which provides only a very small amount of their total income.



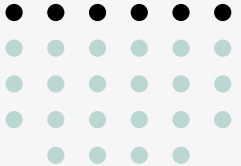
4 OUT OF 28

Organisations receive payments from other NGOs or CBOs

#6

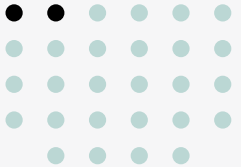
End user income is not appropriate for many non-profits and is rarely the primary driver of sustainability.

Only six organisations in this study charge end users, and just two generate over 40% of their revenue this way. While potentially valuable, end user fees pose significant risks, especially for those serving low-income populations, often excluding those they aim to help. Most organisations can't cover costs through these fees alone, requiring additional funding sources for sustainable impact.



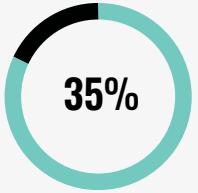
6 OUT OF 28

Organisations receive funding from end users



2 OUT OF 28

Organisations have end users as their primary payer



Average percentage of organisational funding that comes from end users (of those who receive it)

LESSONS FOR SUSTAINABLE FUNDING AT SCALE

These findings underscore the difficulty of securing funding for scale. Other doers, especially governments, require ongoing support to implement a solution, yet will rarely pay for this. Philanthropy remains the most significant funding source at scale, yet philanthropic funders usually want to find exit strategies for their grantees.

Despite the challenges, these 28 non-profits have successfully raised funding to transform lives at scale. Having walked the journey, they offer clear lessons and guidance to other non-profit leaders on their mission to create impact at scale:

Pursue cost effectiveness relentlessly
Learn what price point payers are willing to pay. Demonstrate your solution can be delivered affordably within that price point, which often requires a low cost per outcome.

Test, learn and adapt
There is no silver bullet funding model; all funding sources can be volatile and involve making trade-offs. Take an agile approach, constantly testing, learning, and adapting.

Build evidence of impact
Convince payers your solution is the best return on investment for their contribution. Build evidence that your solution is more effective than others, usually through randomised control trials (RCTs).

Diversify across different payer types
Most non-profits have learnt the hard way that any payer types can be fickle, and over reliance on any funding stream is risky.

Influence other doers to absorb costs directly
Design your solutions to be embedded within and delivered by other doers - including existing government systems. Influence the wider ecosystem to incentivise other doers to adopt your solution.

INTRODUCTION

Securing funding is one of the biggest challenges non-profit organisations face on their journey to scale. At Spring Impact, we set out to develop an evidence-based understanding of the funding models that enable non-profits to achieve impact at scale, and how these models evolved over time. Specifically, we aimed to answer two questions: Who is paying for non-profits to sustain impact at scale, and how have non-profits secured these funds from different payers?

We identified a gap in the recent literature relating to these questions. While Bridgespan has examined the funding strategies of large US-based non-profits—finding an increased dependence on private philanthropy—, and non-profits in Kenya, Nigeria, and South Africa, we found no analysis on the funding models of global non-profits.[2]

Our team interviewed leaders of 28 non-profits, operating across more than 70 countries and 10 issue areas, who met our definition of scale: making a meaningful dent in a societal or environmental problem. We analysed the non-profits' latest operating budgets to understand how different payer types are contributing to non-profits' budgets. While the non-profits in this study span six continents, the vast majority of these organisations (25 of 28) are delivering solutions in low- and middle-income countries. The list of organisations interviewed is provided in the next section. Details of the study methodology are outlined in Appendix 1.

Rather than provide a comprehensive analysis of non-profit funding models or draw broad conclusions about global trends, this study examines the unique journeys of 28 successful non-profits. We've packaged the key learnings and insights to help non-profits aiming for impact at scale to better navigate the challenges of securing the funds they need, and the payers seeking to support them.

We are grateful to the representatives of the non-profits featured in this report for sharing their expertise and experience. We also thank the additional experts - including intermediaries and funders - who shared their wisdom, shaped the study design, and referred non-profits to participate. These experts include: Echoing Green, Mulago, Draper Richards Kaplan Foundation, Ashoka and Vitol Foundation. Recognition is particularly due to our peer reviewers for their excellent feedback and insights, namely: Avery Bang, Dabney Brice, Joanna Heywood, Liza Mueller, and Jeff Pilisuk.

Glossary

Doer at scale: "whoever is going to implement your idea at the scale of the Dream"

Non-profit organisations: an organisation formed for charitable, socially or environmentally beneficial purposes that does not earn profits for owners

Payer at scale: "whoever has pockets deep enough to pay for it"[3]

Scale: making a meaningful dent in a societal or environmental problem[4]

WASH: Water, sanitation and hygiene

[2] "A New Look at How US Non-profits Get Really Big", Bridgespan, 2024. Bridgespan also analysed revenue data for 85 NGOs in Kenya, Nigeria, and South Africa, "How African NGOs Grow", Bridgespan 2024.
[3] Definitions of Doer and Payer at Scale taken from Mulago's "Go Big or Go... Oh, Just Go Big", 2022
[4] Making a 'meaningful dent' is almost impossible to define tightly as each problem is unique and evolving, and the geographic ambition of an organisation often increases as it progresses through its scale journey.

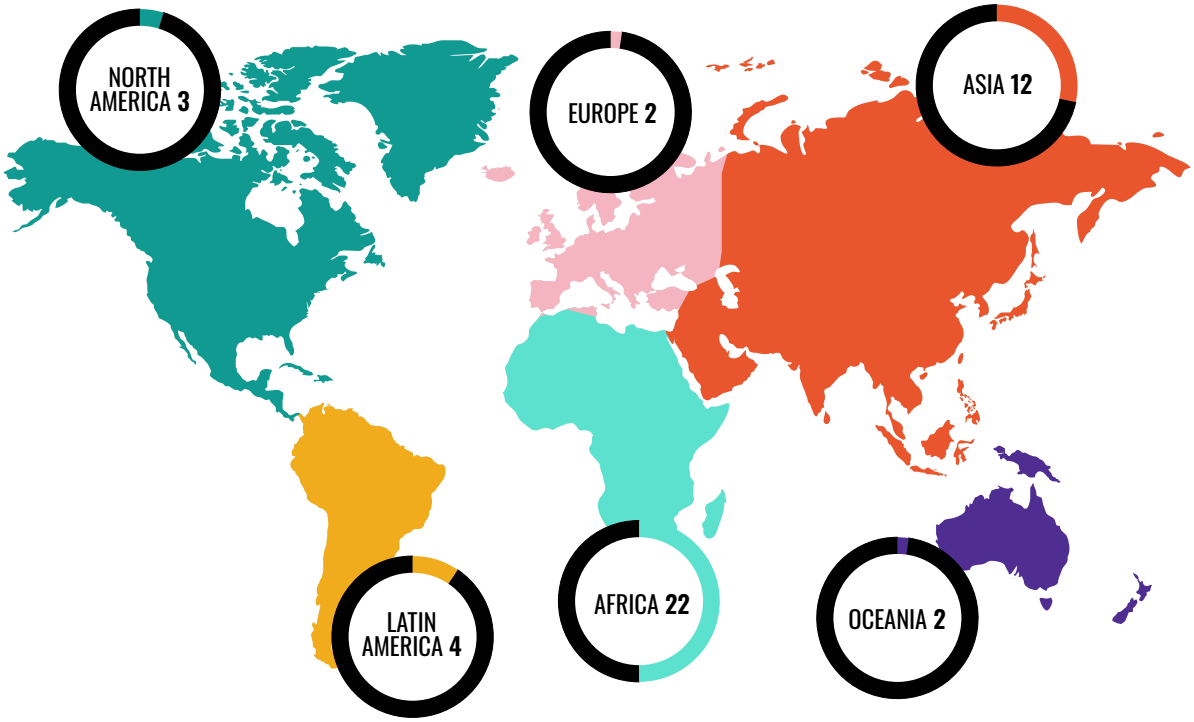
NON-PROFIT PARTICIPANTS

While the non-profits in this study span six continents and many sectors, representation across geographies and sectors is not equal. Most organisations included in this study (25 of the 28) are delivering their solutions in low- and middle-income countries. Only three organisations are solely operating in high-income countries.[5]

Organisations included in this study are largely Western-Led. This does not imply there are fewer scaled solutions in the underrepresented geographies or sectors, or locally-led organisations. Rather, it likely reflects our sourcing methods (more detail about the methodology is in Appendix I).

The organisations selected for our study were non-profits that achieved scale by making a meaningful dent in a societal or environmental problem.

We did not set specific criteria or thresholds for organisational size, geography or length of operation. Instead, we aimed for broad representation across geographies, issue areas, scale pathways and nature of leadership (local vs. foreign).



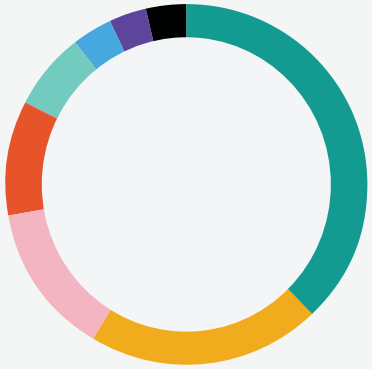
Number of organisations operating in each continent

Note: many organisations are operating in more than one continent

[5] Using the World Bank's "The World by Income and Region"

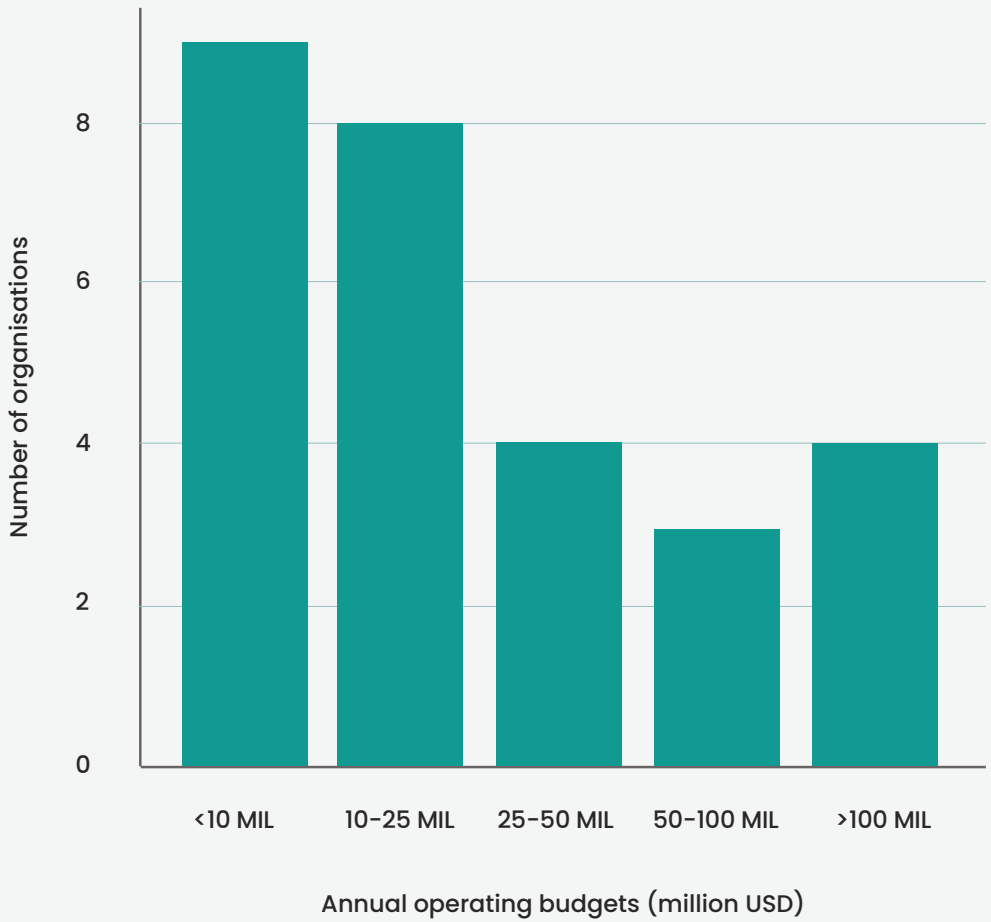
NON-PROFIT PARTICIPANTS

Areas of impact



- Health
- Livelihoods and employment
- WASH
- Transport and connectivity
- Environment
- Education
- Financial inclusion
- Food security

Number of organisations by annual operating budget



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NON-PROFIT PARTICIPANTS

1001FONTAINES

Provides safe drinking water through water kiosks run by local entrepreneurs

Impact: Over 1 million people across Cambodia, Myanmar, Vietnam, and Madagascar have access to affordable and safe drinking water through the provision of water kiosks

WASH
ASIA; AFRICA
BUDGET: $4,500,000

CAMFED (CAMPAIGN FOR FEMALE EDUCATION)

A pan-African movement, revolutionising how girls' education is delivered

Impact: CAMFED's holistic programmes have supported 1.2 million girls to go to school, learn, thrive, and become leaders and change makers in their communities across Ghana, Malawi, Tanzania, Zambia, and Zimbabwe

EDUCATION
AFRICA
BUDGET: $40,000,000

BOMA

Empowers women in the drylands of Africa to establish sustainable livelihoods and graduate from extreme poverty

Impact: 960,000 people have escaped extreme poverty. Over 160,000 people (and their 800,000 household members) across the drylands of Africa (Ethiopia, Kenya, Burkina Faso, Uganda, Chad, and South Sudan) have taken part in the REAP programme

LIVELIHOODS & EMPLOYMENT
AFRICA
BUDGET: $13,900,000

CARD SME BANK

Provides loans to help micro, small, and medium enterprises to start, grow, and expand their business

Impact: 1.2 million socially and economically disempowered women and families have been served allowing them to start, grow, or expand their business throughout the Philippines

FINANCIAL INCLUSION
ASIA
BUDGET: $75,000,000

BRIDGES TO PROSPERITY

Builds and advocates for cost-effective, scalable, and sustainable infrastructure that connects rural, isolated communities

Impact: Over 600 trail bridges have been built around the world ensuring safe access for almost 3 million rural community members, leading to improved income, employment, education, and health outcomes

TRANSPORT & CONNECTIVITY
AFRICA; ASIA; LATIN AMERICA
BUDGET: $15,300,000

EVIDENCE ACTION

The Dispensers for Safe Water Programme provides people in rural Kenya, Uganda, and Malawi with free and reliable access to safe water

Impact: 53,000 chlorine dispensers have been built by the Dispensers for Safe Water Programme giving access to safe water to over 10 million people across Malawi, Uganda, and Kenya

WASH
ASIA; AFRICA
BUDGET: $127,500,000

NON-PROFIT PARTICIPANTS

FES (FOUNDATION FOR ECOLOGICAL SECURITY)

Works towards conservation of nature and natural resources in India through the collective action of local communities

Impact: By restoring almost 15 million acres of Commons across India, 34 million people have retained their rights over common land

ENVIRONMENT
ASIA
BUDGET: $13,000,000

FRED HOLLOWS FOUNDATION

Ensures access to high quality and affordable eye health care

Impact: 3 million people with restored sight in 25 countries across the world

HEALTH
ASIA, AFRICA, OCEANIA
BUDGET: $65,500,000

HARAMBEE YOUTH EMPLOYMENT ACCELERATOR

Connects employers to first-time job seekers to address the youth unemployment crisis in South Africa

Impact: 4 million young people aged 18-34 in South Africa have been supported through a range of services and work readiness training opportunities, enabling opportunities for 1.4 million work-seekers

LIVELIHOODS AND EMPLOYMENT
AFRICA
BUDGET: $21,400,000

HEALTHY LEARNERS

Provides healthcare for school aged children in Zambia

Impact: By training over 4000 health workers in 598 schools across Zambia, 980,000 students have got access to health services leading to positive health and well-being outcomes

HEALTH
AFRICA
BUDGET: $9,800,000

LAST MILE HEALTH

Partners with governments to build community health systems that equip professionalised community health workers to provide essential healthcare to rural and remote communities

Impact: By supporting over 16,000 community frontline health workers, 19.5 million people in remote and rural communities across Ethiopia, Liberia, and Malawi have improved access to primary healthcare

HEALTH
AFRICA
BUDGET: $27,300,000

MALARIA CONSORTIUM

Delivers Seasonal Malaria Chemoprevention (SMC) - repeated distribution of antimalarials to infants during high transmission seasons

Impact: Around 25 million children aged 3-59 months in Burkina Faso, Chad, Mozambique, Nigeria, South Sudan, Togo, and Uganda are targeted by the seasonal malaria chemoprevention intervention, providing them with effective protection against malaria

HEALTH
ASIA; AFRICA
BUDGET: $71,700,000

NON-PROFIT PARTICIPANTS

NEW INCENTIVES

Runs a conditional cash transfer programme to increase infantile vaccination in Nigeria

Impact: Over 3.7 million infants have been enrolled in the programme across Northern Nigeria to receive immunisation against vaccine-preventable diseases

HEALTH
AFRICA
BUDGET: $9,800,000

RAINFOREST ALLIANCE

Operates global certification programmes for sustainable forestry, agriculture, and tourism

Impact: Over 7.5 million farmers and workers on certified farms across over 5.7 million hectares of certified farmland worldwide, as they are supported to move from harmful and practices to sustainable and regenerative ones to restore landscapes

ENVIRONMENT
GLOBAL
BUDGET: $93,200,000

ONE ACRE FUND

Supplies smallholder farmers with everything they need to grow more food and earn more money

Impact: 4.8 million farmers have been served across their programmes and partnerships in Kenya, Rwanda, Burundi, Tanzania, Zambia, Nigeria, Ethiopia, Uganda, and Malawi, increasing their profits and assets

LIVELIHOODS & EMPLOYMENT
AFRICA
BUDGET: $254,400,000

REACH DIGITAL HEALTH

Harnesses existing technology to improve healthcare in South Africa

Impact: More than 24 million users in South Africa experience improved healthcare delivery and engagement

HEALTH
AFRICA
BUDGET: $6,800,000

PLANNED PARENTHOOD FEDERATION OF AMERICA

Provides reproductive and sexual healthcare, and sexual education

Impact: More than 2 million patients in the US rely on Planned Parenthood for expert, innovative, inclusive health services

HEALTH
NORTH AMERICA
BUDGET: $431,100,000

THE SANERGY COLLABORATIVE

Delivers multiple WASH-related services and products to provide safe sanitation

Impact: 280,000 people living in Kenyan and Zambian urban informal settlements are served every day with safe sanitation and waste management services by organisations of The Sanergy Collaborative

WASH
AFRICA
BUDGET: $5,500,000

NON-PROFIT PARTICIPANTS

SELCO FOUNDATION

LIVELIHOODS & EMPLOYMENT
ASIA
BUDGET: $9,00,000

Develops and demonstrates models that connect sustainable energy to asset creation for poverty alleviation while ensuring financial and social sustainability

Impact: Through providing sustainable energy solutions, 900,000 people have improved their livelihoods and 4.8 million people have access to improved and reliable health services across rural areas of India

THE JED FOUNDATION

HEALTH
NORTH AMERICA
BUDGET: $19,000,000

Protects emotional health and prevents suicide in teens and young adults by working with colleges, districts, and high schools to put systems and policies in place to create a culture of caring

Impact: 6.4 million students in the US attend a school implementing one of JED's flagship programmes which protects their mental health and prevents suicide

SHOFCO (SHINING HOPE FOR COMMUNITIES)

LIVELIHOODS & EMPLOYMENT
AFRICA
BUDGET: $20,900,000

A grassroots movement building community power by providing services, advocacy platforms, and education and leadership development for all Kenyans with a focus on women and girls

Impact: 2.4 million people reached across 36 countries by the SHOFCO Urban Network (SUN)

TRUSSELL TRUST

FOOD SECURITY
EUROPE
BUDGET: $69,600,000

An anti-poverty charity and community of food banks

Impact: More than 1.2 million people (453,000 children and 745,000 adults) were served by a foodbank in the Trussell Trust network in 2023 across the UK, gaining access to food and support and advice helping them to maximise their incomes and lift themselves out of poverty

STRONGMINDS

HEALTH
AFRICA
BUDGET: $10,000,000

Provides free, community-based therapy to people with depression in Sub-Saharan Africa, transforming lives through improved mental health

Impact: 700,000 people have been treated for depression by StrongMinds across Uganda, Zambia, Kenya, Ethiopia, and Nigeria, 74% of whom are depression-free after therapy ends

UPTIME

WASH
AFRICA; ASIA; LATIN AMERICA
BUDGET: $4,100,000

A non-profit funding mechanism that distributes non-repayable grants to water operators as result-based funding

Impact: Over 5 million people are provided with reliable drinking water daily across Africa, Asia and Latin America

NON-PROFIT PARTICIPANTS

VILLAGE ENTERPRISE

LIVELIHOODS & EMPLOYMENT

AFRICA

$10,200,000

Equips and empowers first-time entrepreneurs in Africa with resources and skills to start sustainable businesses and savings groups

Impact: 275,000 entrepreneurs have been trained through Village Enterprise across Kenya resulting in over 80,000 businesses launched, supporting entrepreneurs to escape extreme poverty

VISIONSPRING

HEALTH

ASIA; AFRICA

BUDGET: $11,900,000

Provides affordable eyeglasses, vision screening, and training for non-profits, social entrepreneurs, government agencies, and corporates clients

Impact: 12.1 million corrective eyeglasses have been distributed across 29 countries, improving social and economic development and personal well-being

VILLAGEREACH

HEALTH

AFRICA

BUDGET: $33,800,000

Works with the government, private sector, partners, and communities to build primary healthcare systems that deliver health products, information, and services to the most underreached

Impact: 79 million people have increased access to quality healthcare in sub-Saharan Africa

WORLD BICYCLE RELIEF

TRANSPORT & CONNECTIVITY

AFRICA, ASIA, LATIN AMERICA

BUDGET: $30,300,000

Distributes sustainable durable bicycles to students, healthcare workers, and entrepreneurs in rural regions

Impact: Over 830,000 bikes have been distributed to-date, helping children to get and stay in school, enabling health workers to visit more patients and enabling farmers and entrepreneurs to transport more food and save valuable time

JOURNEY TO SCALE

This study examines 'payers at scale': those funding solutions to be sustained at scale. Each organisation took a unique journey to achieve scale.

Before diving into the funding models that these 28 organisations are deploying at scale, this section explores the journeys that these organisations have been on to get there, and the most common sources of funding at the different stages of their journey.

What do we mean by 'scale'?

There is no universally accepted definition of scale in the non-profit sector. At Spring Impact, we see scale as making a meaningful dent in a big societal or environmental problem. While it is often used as a synonym for growth, our use of the word 'scale' focuses on scaling impact to match the size of the problem, a distinct aim from growing an organisation (which we refer to as 'growth'). This aligns with thought leaders in the sector.[6]

Scale can be achieved in two ways:

1. Scaling up solutions to get closer to solving the problem (the more traditional definition of scale)
2. Changing the system in which the problem exists to reduce the size of the problem (often referred to as systems change)

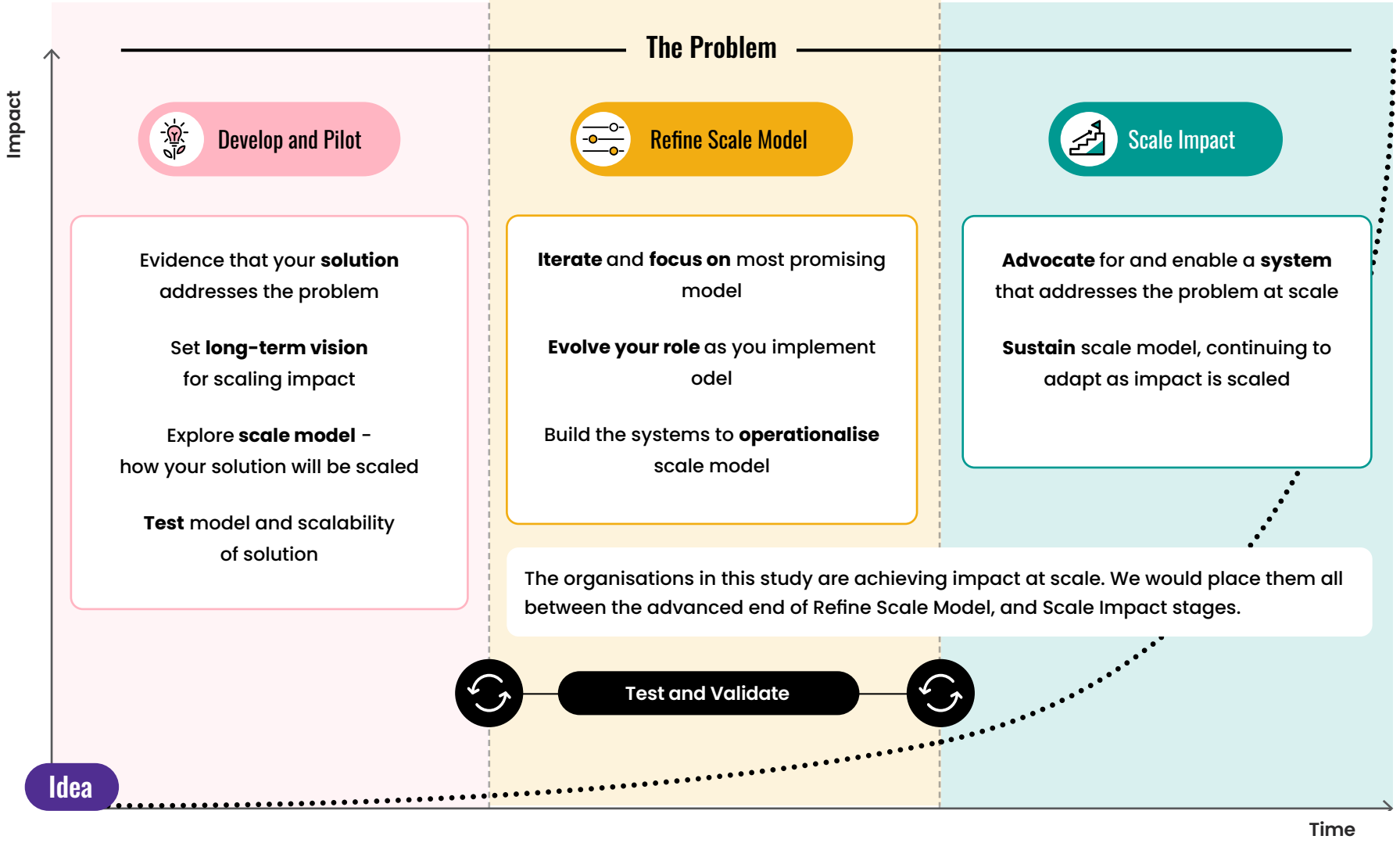
Funding sources on the journey to scale

Organisations pass through a number of stages on their journey to scale. At Spring Impact we identify three stages: **develop and pilot**, **refine scale model**, and **scale impact**. The stages are not completely distinct, and the journey through is rarely linear. Time spent in each stage varies significantly depending on the geography, sector, solution, and social and economic context.

[6] See for example definitions from Mulago ('the distant dream of an idea reaching its full potential, of making a big dent in a big problem'); CASE Duke ('narrowing the gap between our current efforts and the total size of the problem(s) we are trying to solve'); and Social Finance ('lasting change in people's lives and society we see when products, services, or practices sustainably expand their reach, when systems embed change, or when society and culture shift their perspective')

JOURNEY TO SCALE FRAMEWORK

The Journey to Scale Framework[7] outlined below captures the common trends from the journeys of the 28 non-profits in the study, including the primary sources of funding at each stage.



[7] Our Journey to Scale Framework is inspired by Mulago's

Priorities and primary funding sources at each stage of the Journey to Scale

Develop and Pilot

Priorities at this stage:

- Developing a solution, intervention or model to solve a defined problem
- Securing unrestricted funds to enable experimentation and innovation, fund start-up operations and early-stage expansion, and attain proof of concept
- Exploring how the solution can have impact at scale

Primary sources of funding at this stage:

- Friends and family
- Crowdfunding platforms
- Public donations
- Family foundations
- High net worth individuals (HNWIs)

Funding is provided largely based on trust and personal relations.

Refine Scale Model

Priorities at this stage:

- Achieving growth by deepening market penetration, expanding reach and/or diversifying products and services for their target population
- Driving down costs and proving cost effectiveness or return on investment (ROI) to attract scale capital
- Testing a shift from being the primary 'doer' for the solution, towards providing technical assistance to other doers to implement (which could include local NGOs/CBOs, private sector organisations, and government)
- Finding ways to change the wider system in support of sustaining the solution

Primary sources of funding at this stage:

- Medium-sized trusts and foundations
- Bilateral and multilateral funders - via funding programmes with a high risk appetite
- HNWIs
- Individual giving
- Results-based financing
- End users

Scale Impact

Priorities at this stage:

- Scaling up the approaches that have proven most effective in addressing the problem at scale
- Deprioritising direct implementation to:
  - Support other doers to deliver, and/or
  - Prioritise strategies focused on systems change
  - Move into other markets (if the mission has been achieved in some markets)
- Continuing to scale direct implementation where this has proven to be the most effective strategy
- Setting new, bolder strategies to impact an even larger part of the problem, often by entering new countries

Primary sources of funding at this stage:

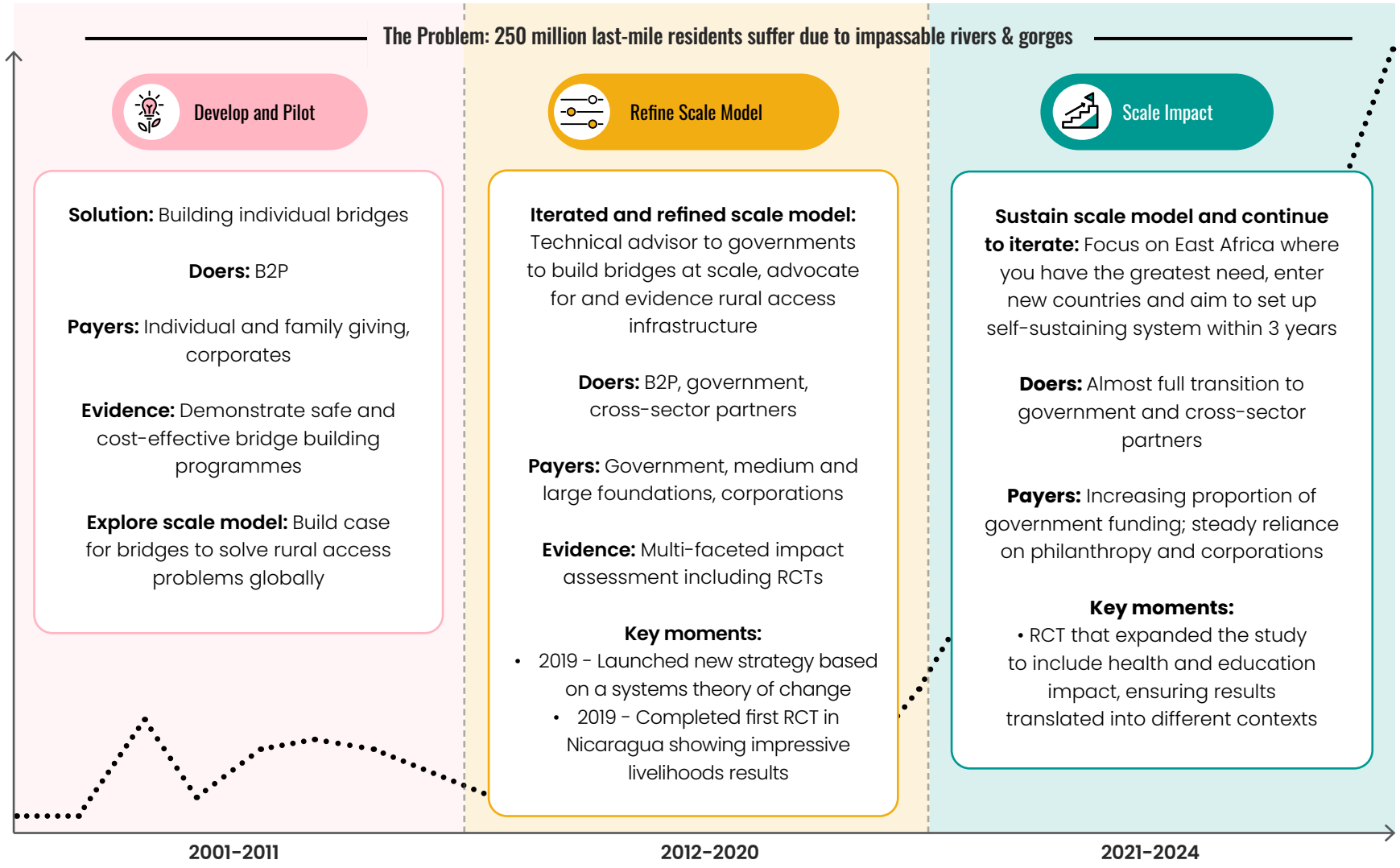
- Philanthropy, including: large trusts and foundations, funder collaboratives, HNWIs
- Bilateral and multilateral institutions
- Corporates
- Governments
- End users

The rest of this report focuses on these more advanced stages of the scale journey and the payers at these stages to answer:
"Who is paying for these organisations to sustain impact at scale?"

Example: Bridges to Prosperity's Journey to Scale

The framework charts Bridges to Prosperity's (B2P) evolution from seeing themselves as the primary doer, to enabling other doers to build bridges, unlocking significantly greater impact than they could have achieved building bridges alone.

B2P partners with local governments to connect communities via pedestrian trail bridges ensuring that almost 3 million rural community members are more connected and are no longer isolated. Their journey is represented here, demonstrating how they progressed through the phases to achieve impact at scale.



PAYERS AT SCALE

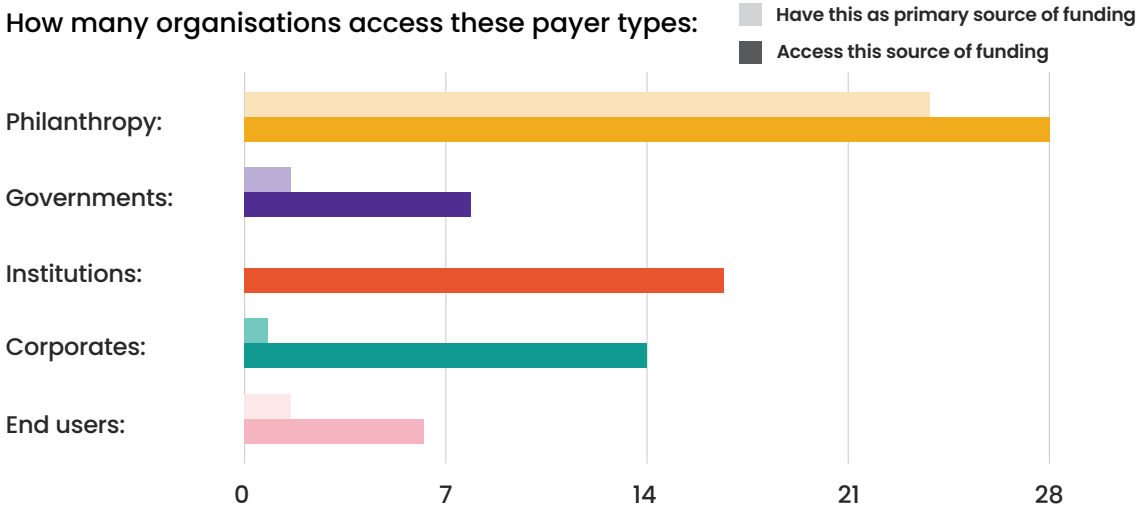
We examined the funding sources for 28 non-profits whilst they are operating at scale, or, in other words, in the 'scale impact' stage of their journey. Organisations reported the proportion of their annual income[8] from each of these categories:

PHILANTHROPY | GOVERNMENTS | INSTITUTIONS | CORPORATES | END USERS

This section includes:

- Funding model trends for solutions sustained at scale
- Payer type profiles, lessons and trade-offs
- Success factors for unlocking funding at scale

How many organisations access these payer types:

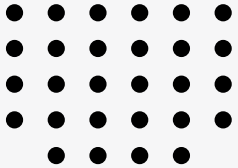


It's important to note that this data pertains to organisational annual budgets, which is distinct from the costs of sustaining the solution at scale (which often involves contributions for other stakeholders beyond the non-profit).[9] Whilst this data is valuable in building a picture of where funding is coming from, given the diverse nature of funding models, we encourage readers to draw insight from the case studies and examples throughout this report, rather than focusing solely on the data.

[8] Organisations' most recent annual income data was used. For most organisations, this was 2023.
[9] Capturing total solution delivery costs at scale is challenging as these costs are often absorbed into various existing structures and funded by various stakeholders. Consequently, few organisations can calculate the total budget required to deliver a solution at scale and determine how much each stakeholder contributes to the budget.

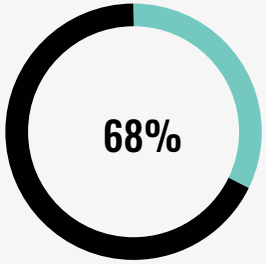
Key Insights

#1 Philanthropy is the most significant funding source for organisations in this study.



28 OUT OF 28

Organisations recieve funding from this payer type



Average percentage of funding from philanthropy

*Data limitations
–This data is taken from different years due to the different financial reporting cycles of each organisation, and so does not provide a single snap-shot in time.
– MacKenzie Scott injections meant that some organisations have a greater proportion of unrestricted funding than usual.

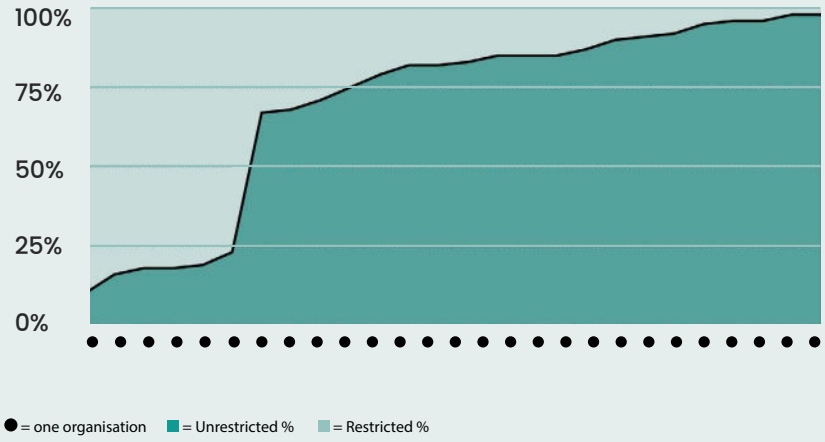
#2 The majority of funding for organisations in this study is unrestricted.

Unrestricted funding is invaluable to achieve scale, offering organisations the flexibility to allocate resources where they are most needed, respond swiftly to changing circumstances, invest in testing innovative solutions, and cover core costs. All 28 organisations secured some level of unrestricted funding, ranging from 10% to 98%, with unrestricted funding making up an average of 67% of organisational funding.

While the absence of unrestricted funding can be constraining for organisations, not every organisation needs a majority of unrestricted funding to achieve their scale goals. The roll-out of highly evidenced, simple solutions requiring simple measurement systems, such as Malaria Consortium's distribution of antimalarials, which has just 10% unrestricted funding, can happen using restricted funding.

20 of the 28 organisations (71%) have more than 50% unrestricted funding.

Unrestricted funding proportions:



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THE MACKENZIE SCOTT EFFECT

Since 2020, Mackenzie Scott injected over $17.3 billion[10] in unrestricted grants into the non-profit ecosystem, benefiting over 2,300 organisations.

17 of the 28 organisations in this study (61%) received this 'rocket fuel investment', as Jaya VP and Chief Impact Officer of BOMA described it. Mackenzie Scott grants ranging from $3 million to $50 million, with organisations receiving an average of $17 million.[11]

A strong track record of a credible solution and operational efficiency are prerequisites of Scott funding. The funding has already propelled these organisations to access large grants from major philanthropic players who view Scott grants as a 'seal of approval'. Although some in the non-profit world are concerned that donors could see Scott funding as an indication that their funds were no longer needed and could be better utilised by smaller organisations,[12] these 17 organisations have not experienced challenges in attracting funding from other donors following Scott grants.

"There are pros and cons to all sources of funding. MacKenzie Scott's no strings attached funding is an exception."
- Village Enterprise

[10] '$' in this study refer to USD throughout
[11] Of those whose data is available on Yield Giving. The disclosure of the grant amount of three organisations has been "delayed for benefit of recipient".
[12] "Are MacKenzie Scott grant recipients poised for impact in this fiscal landscape?", Alliance, 2024

© SELCO Foundation

Key Insights

#3 Non-profits almost always provide long-term support to other doers delivering their solution at scale, but are rarely paid by those doers to provide this support.

16 of the 28 organisations we spoke to (57%) have successfully recruited other doers to deliver their solution - such as government, private sector actors, or NGOs - enabling them to achieve greater impact at scale. For example, BOMA enlisted various doers to deliver its poverty graduation approach, including the Kenyan government and NGOs in conflict-prone countries where it is challenging for governments to be the doer. Though some organisations aim for doers to autonomously implement the solution, all organisations continue to play a significant role in sustaining quality implementation of the solution and very rarely receive funding from doers to provide this support (despite it being time intensive and costly).

The continued role of the 28 non-profits in this study included:

- Assistance, training and supervision of delivery
- Provision and maintenance of technical systems
- Solution innovation and iteration
- Advocating for the solution to remain on government agenda
- Building constituents' demand for the solution

FES equips and empowers state governments in India to deliver their solution. Their approach aims to help local communities retain their rights over common land, move towards sustainable land-use practices that aid conservation, and create economic opportunities. FES plays a significant role in programme design and building capacity of government functionaries for supporting programme delivery, yet only 1% of their $12m annual budget is covered by governments. FES aims to eventually phase out their support to governments, but is yet to achieve this in any states.

Bridges to Prosperity secured a funding commitment of 80% of bridge building costs from private-public partnerships in Ethiopia. Bridges to Prosperity plays an intensive ongoing role, advocating for increased government funding and prioritisation of rural access, and providing technical advice to government. Government contributes 10% of B2P's $15m annual budget.

Key Insights

#4 Some non-profits navigate funding challenges by creatively influencing other doers to directly absorb solution delivery costs.

Looking at organisational budgets of these 28 organisations only gives us part of the picture of 'who pays for scale'. Successful non-profits reduce their fundraising needs by shifting their costs to other stakeholders through two key approaches, embedding the solution into existing structures; and advocating for other stakeholders to directly fund solution delivery.

Last Mile Health deploys both approaches, creating a powerful strategy to sustain impact at scale. Last Mile Health embeds their innovations within national government programmes in Sierra Leone, Liberia, Malawi, and Ethiopia. Using impact and costing data, Last Mile Health also advocates for governments to allocate more funding towards community health, resulting in strengthened community health systems.
Find Last Mile Health's case study here.

FES and Bridges to Prosperity have successfully embedded their solution within government structures, with governments absorbing many of the solution delivery costs, as outlined above. Other examples from this study include:

- **Healthy Learners** embedded its approach to improve children's health into the Zambia education system by training and equipping teachers to monitor student health, resulting in a low cost per outcome.
  Find Healthy Learners' case study here.
- **CAMFED** collaborated with governments to incorporate its curriculum and study guidelines into national education systems, such as Tanzania's 'safe schools curriculum. CAMFED's approach focused on embedding educational programs within official school systems rather than operating as a separate initiative.

Other non-profits have successfully advocated for other stakeholders to directly fund the delivery of their solution, or elements of their solution including:

- **SELCO** demonstrated the effectiveness of their solar-powered health centres and convinced UNICEF and WHO to adopt them. UNICEF and WHO are now scaling the health centres in five new countries while funding their implementation.
- **Evidence Action** installs chlorine water dispensers in Kenya, Uganda, and Malawi. While government funding covers only 5% of their income, Evidence Action has influenced governments to purchase chlorine for the dispensers directly, covering some solution costs.

Key Insights

#5 Almost no organisation we spoke to considers their funding model 'sustainable'; funding models are, and must remain, dynamic.

This study set out to explore specific funding models that have 'succeeded' in sustaining solutions at scale, but very few leaders believe their model is completely sustainable long-term without continuous iteration due to the potential volatility of all funding sources.

"When it comes to funding, we never consider ourselves in a comfortable spot. The world is always changing and we always have our eyes open to how our funding could become less reliable and therefore what our next move is"

- Anonymous

Instead of establishing a deliberate funding model upfront, many leaders adopt an agile approach, testing and learning which funding types best support their organisation's goals, and deciding on acceptable trade-offs. This highlights the sector's need for more consistent, long-term funding for non-profits.

"We've tried a lot of funding streams, assessing regularly what has traction versus what does not. It's very much a process of testing, learning, failing, adapting, as opposed to a deliberate funding model that we're aspiring to."

- Anonymous

#6 Diversification of funding sources and types is crucial.

Organisations in this study accessed funding from an average of three different types of payers. Only one organisation accessed funding from a single payer type.

Although managing various contracts requires time, diversification is crucial for sustainability as all funding sources can be volatile and unpredictable. Over-reliance on any single funding source poses risks.

"I believe if an organisation really wants to solve a big problem, it can't rely on just one source of funding. If you rely on bilateral and multilateral funding right now, you do what the bilateral and multilateral want you to do. We haven't solved the problem yet, so there needs to be more innovation. And in order to innovate, you need other sources of funding."

- Village Enterprise

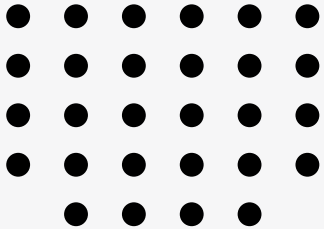
INSIGHTS PER PAYER TYPE: PHILANTHROPY

This study categorises donations from all types of foundations - family, corporate and independent - and individuals, including high net worth individuals (HNWIs) and public donations, under philanthropy.

Key Insights

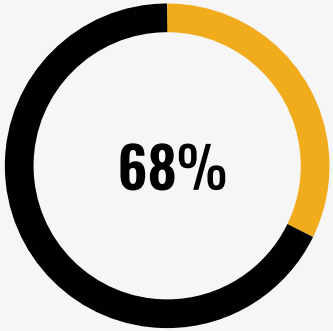
#1 Philanthropic funding is the largest funding source for organisations in this study.

All 28 organisations receive philanthropic funding, averaging 68% of their annual budgets. The proportion of philanthropic funding does not significantly differ across geographies (e.g. Africa vs. Asia) or sectors (e.g. health vs. livelihoods and employment).

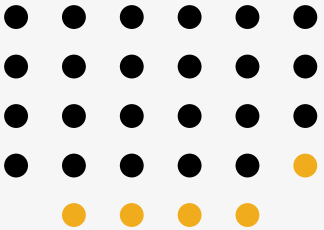


28 OUT OF 28

Organisations receive funding from philanthropy



Average percentage of organisational funding that comes from philanthropy (of those who receive it)



23 OUT OF 28

Organisations have philanthropy as their primary payer

SECURING NON-PROFIT FUNDING

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Key Insights

#2 Funding from philanthropic foundations with high risk appetite has been critical for organisations on the journey to scale.

For many organisations, multi-year, big ticket funding from foundations with an eagerness to fund solutions to scale was essential to achieve scale.

Large-scale restricted funding has proven to be effective in many cases, but it's unrestricted funding that is "the golden ticket" to enable scale (SHOFCO).

A number of organisations focused heavily on raising multi-year, big ticket funding in the middle stage of their journey to scale, and even turned down other potential sources - including consultancy income and bilateral aid contracts (Village Enterprise) to retain flexibility and innovation capacity.

The role of Big Bang Philanthropy

19 of the 28 organisations (60%) received funding from one or more members of the Big Bang Philanthropy group. Formed in the early 2010s, Big Bang Philanthropy consists of like-minded funders collaborating to find and fund organisations with scalable solutions to address poverty.

Organisations supported by Big Bang Philanthropy often credited their successful scale to this funding and its benefits, such as mentorship, introductions, referrals, and the stamp of credibility. BOMA's first grant from the group, for example, "was a big boost for BOMA's scale funding journey, as other focused, smart foundations were then willing to give flexible, significant funding that allowed us to build capacity."

Philanthropy collaboratives are one of the fastest-growing drivers of philanthropy today, channelling $2 billion towards social causes.[13]

[13] "The rise of collaborative giving", Financial Times

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#3 Individual giving doesn't contribute hugely to sustaining solutions at scale, but can be a useful entry into the scale journey when viable.

While individual giving constitutes a smaller portion of the funding mix at scale, the leaders interviewed highlighted its importance as an entry ramp, particularly when combined with effective marketing during periods of heightened public interest.

Individual giving is particularly effective for organisations with:

- **High-profile founders,** such as Fred Hollows, a widely respected eye surgeon and founder of Fred Hollows Foundation, and FK Day, co-founder of World Bicycle Relief and bicycle manufacturer SRAM
- **Strong presence in wealthy countries** where the general public has more disposable income, such as Fred Hollows Foundation in Australia and New Zealand and Trussell Trust in the UK

Whilst individual giving can provide organisations with valuable unrestricted funding, it can be volatile to external factors.

Public awareness and crises drive major influxes or reductions of individual donations. For example, as a result of COVID-19 spotlighting the need for emergency food, Trussell Trust's individual giving grew in just 12 months from $200,000 per year to $33 million in 2020.

On the flipside, Fred Hollows Foundation lost 25% of its individual giving almost immediately when the 2019 Australian bushfires diverted individual donations from eye health towards fire response.

Key Insights

#4 Working with philanthropic funding comes with its own set of challenges and barriers for non-profits to navigate.

Although all 28 organisations have secured philanthropic funding for scale, leaders report significant challenges:

! Accessing unrestricted funding for innovation, flexibility and operational costs remains difficult compared to project-based funding

! As philanthropic funders often prioritise specific outcomes, often decided on without input from their grantees, it can be challenging to secure funding for cross-cutting solutions with multiple outcomes or niche issues. Outcomes can be unrelated or unhelpful to non-profits and can create a 'reporting burden' Funders can be reactive to what is happening in society at the present moment, making it difficult for non-profits to feel secure in their funding because the money can 'dry out' in the blink of an eye when other crises happen

! Philanthropic funding power often depends on individuals and relationships, which can perpetuate inequalities in funding deployment

! Philanthropic funders can be reluctant to fund organisations working in spaces considered to be a government's responsibility, despite the ongoing and significant roles non-profits are required to play which are rarely paid for by governments

! Some philanthropic funders prioritise either systems change or scaling solutions, and can encourage organisations to focus on one or the other, while many non-profits believe that both are essential for creating impact at scale

! Due to their distance from the work, some philanthropic funders don't have full insight into the challenges their grantees face

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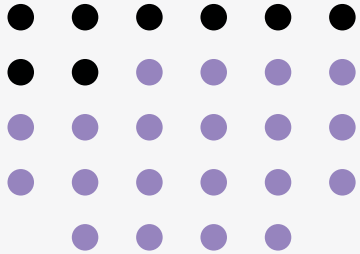
OVERALL TRADE-OFFS ASSOCIATED WITH ACCESSING PHILANTHROPIC FUNDING

- \+ Some larger foundations are **willing and able to invest long-term in organisations**
- \+ **Can be more stable** than other sources such as government funding in some contexts
- \+ Can be **relatively quick to convert** compared to other sources
- − Often comes with **restrictions on how money can be spent**
- − Often requires **managing multiple donor relationships** with **strict reporting measures**
- − Some organisations hold **ethical questions around underpinning the future of basic services** like WASH and health with foreign philanthropy

© World Bicycle Relief

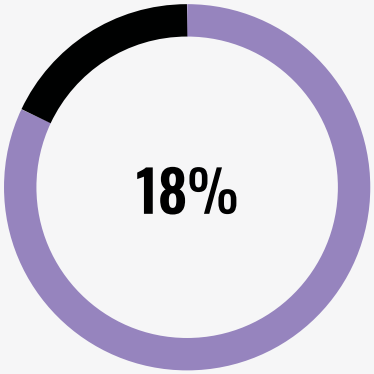
INSIGHTS PER PAYER TYPE: GOVERNMENT

This section explores how governments, both national and local, fund organisations directly or support the costs of sustaining a solution at scale through other means (e.g. directly funding a solution or embedding the solution within existing government structures).

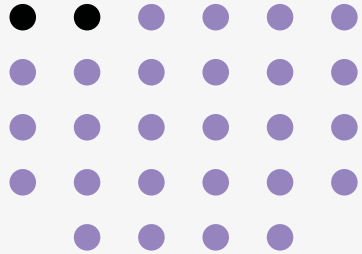


8 OUT OF 28

Organisations receive funding from government



Average percentage of organisational funding that comes from government (of those who receive it)



2 OUT OF 28

Organisations have government as their primary payer

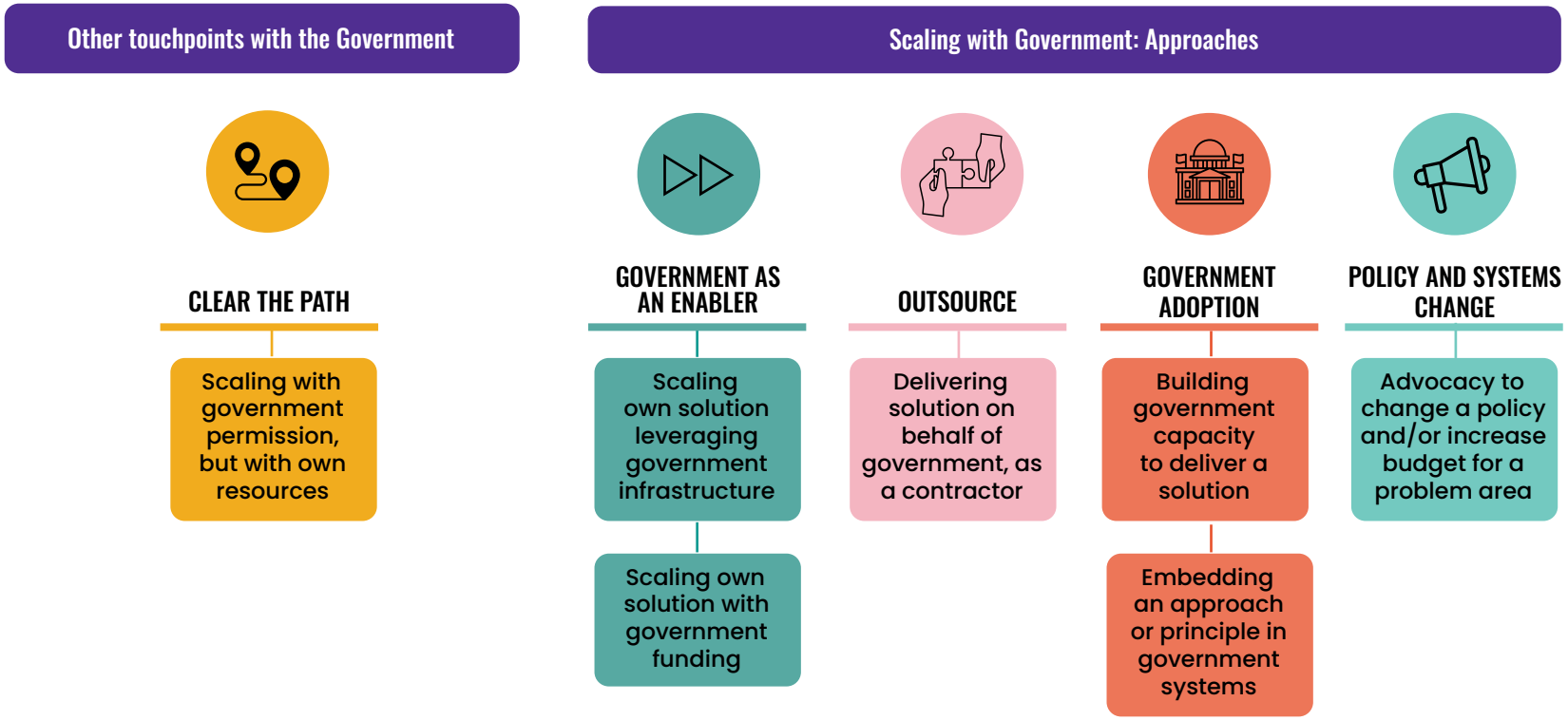
Our study cemented that governments are crucial stakeholders to enable scale. Though some non-profits have effectively transferred solution delivery costs, it remains rare for government to be the full payer for sustaining a solution at scale and in particular, government tends to pay only a fraction of the costs for non-profits providing ongoing implementation support.

Key Insights

#1 Governments are crucial stakeholders to enable scale.

Whether through direct support or advocacy, government engagement has proved essential for most non-profits seeking to address problems at scale. All 28 organisations engage with government in some capacity and have generally transitioned from direct service delivery to increased collaboration with government.[14]

Government engagement takes many forms, as presented in the framework below.[15]



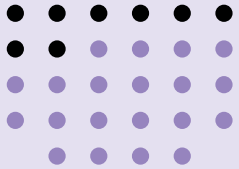
[14] "The Journey to Scale with Government" tool developed by Spring Impact and VillageReach shares guidance on how to radically collaborate with the government for sustained impact at scale.
[15] Graphic is inspired by Innovation Investment Alliance, Skoll Foundation, and CASE at Duke's "Leveraging Government Partnerships for Scaled Impact", 2018

Key Insights

#2 Transferring solution delivery costs to government is an effective strategy for financial sustainability at scale.

Many non-profits aim for national or local government to be a payer for their solution at scale, mainly in two ways:

Directly paying the non-profits for solution delivery



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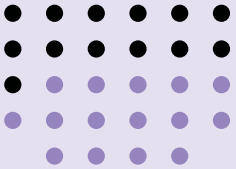
Embedding the solution into existing government structures, absorbing some delivery costs



13 OUT OF 28 ORGANISATIONS

More organisations in this study have achieved scale by embedding solutions into existing government structures, or securing government budgets to directly fund the solution, than by having the government fund the non-profit directly. [16]

#3 Government is rarely the full payer of a solution sustained at scale.

Many organisations aspire for government to cover all costs of sustaining a solution, including paying for costs of solution delivery (regardless of who is delivering it on the ground) and incidental costs such as those incurred by organisations in their ongoing support role to government.

1 OUT OF 28

Government is the full payer for just one organisation's solution

Chipatala cha pa Foni (CCPF), a health hotline originally co-created by VillageReach and the Malawi Ministry of Health, provides free information on health and nutrition to all Malawians 24 hours a day, 7 days a week. It fully transitioned in 2020 and now CCPF is one of the first government-run, and government-funded nation-wide health hotlines in Africa.[17]

[16] While Harambee and Planned Parenthood local affiliates' income shows the highest proportions of government funding, this is because this study's data only reflects governments' contributions paid directly to non-profits.
[17] "CCPF Case Study: The Practical Application of the Journey to Scale with Government Tool", VillageReach

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Transferring solution delivery costs to government for financial sustainability at scale: a case study

HEALTHY LEARNERS: Embedding within government structures for cost effectiveness

Healthy Learners improves children's health by training and equipping teachers to monitor student health, assess children who are unwell, administer basic medical care, and refer serious cases to associated government health facilities for preferential care.

Healthy Learners calculates that creating its programme outside of existing government structures would be five times as costly.

Working closely with the Zambian Ministries of Health and Education, Healthy Learners integrates its model into government structures and systems, leveraging existing personnel. This reduces fundraising costs to $1.46 per child (costs have reduced every year of the partnership).

Healthy Learners has signed Memoranda of Understanding (MOUs) with both Ministries of Health and Education to transfer additional costs associated with human resource and supplies to the Government.

They are currently working to establish a budget line item for remaining costs (estimated at $0.50-0.75 per child) within the Ministry of Health and Ministry of Education. The National Assembly has established Zambia's first Parliamentary Caucus on School Health, a multi-partisan group advocating for government financing and resources to sustain the programme.

Healthy Learners' success can be attributed to their commitment to embedding the model within government structures from the start. Healthy Learners' co-founder, with 15 years of experience in the Zambian Ministry of Health, was able to build buy-in from relevant government departments to gain the required access.

HEALTHY LEARNERS:
Embedding within government structures for cost effectiveness

Although embedding in existing structures absorbs a significant portion of delivery costs, Healthy Learners must still fundraise to support essential activities shown on the following page as government funding does not cover these costs. Philanthropy covers 85% of Healthy Learners' budget, with bilateral and multilateral institutions contributing another 12%.

Elements embedded within existing structures and personnel

- Instead of employing new staff members as School Health Workers, existing teachers are trained, not increasing payroll
- School Administrators - also on Government payroll - are trained and engaged to provide daily oversight of the program
- The Ministry of Education established a new department for School Health and Nutrition to oversee the coordination and management of the program at national and sub-national levels
- District Health and Education staff facilitate the training of health teachers and school administrators
- THINKMD Digital Platform[10] helps guide and support teachers in screening and assessing students
- School Health Rooms have been established as a lowest level entry point into the healthcare system, with the Ministry of Health integrating schools into their supply chain for drugs and testing kits

Elements Healthy Learners has to fundraise for

- Set-up costs, including constructing health rooms in schools and initial equipment
- Supporting the Ministries of Health and Education to conduct 'training of trainers' for staff at provincial and district offices
- Providing technical and financial support to train health teachers and school administrators
- Ongoing programme costs to sustain operations, such as supplies, equipment maintenance, etc.
- Research and development to improve and refine their model
- Advocacy and policy work to engage the government and strengthen supportive policies

[18] The THINKMD platform can be found here

Transferring solution delivery costs to government is an effective strategy for financial sustainability at scale: a case study

LAST MILE HEALTH: Strengthening community health systems

Last Mile Health addressed the global health access gap by professionalising community health workers who deliver essential services in remote, rural communities in Sierra Leone, Liberia, Malawi, and Ethiopia. The did so by:

1. Embedding in Government Systems:

Last Mile Health embeds its approach within government health systems, aligning with the government's existing community health worker programmes. This includes integrating community health workers into national supply chains and data systems, and standardising training and supervision for the previously fragmented workforce.

2. Providing Technical Support to Governments:

Last Mile Health works directly with Ministries of Health in the countries where they operate, providing technical support to strengthen community health systems and technical expertise for policy development.

3. Advocating for Standardised Pay:

A critical aspect of Last Mile Health's advocacy is pushing for standardised pay and professionalisation for community health workers. Too often treated as volunteers, community health workers routinely face challenging conditions, resulting in high turnover and inconsistent service for the communities they serve.

Last Mile Health leverages its evidence and partnerships to encourage governments to adequately recruit, train, supply, supervise, and salary community health workers - ultimately leading to meaningful improvements in health outcomes.

Despite the intensive role that Last Mile Health plays in supporting governments, it receives no direct funding from governments. Philanthropic funding covers 80% of Last Mile Health's annual operating budget, with institutional funding covering the other 20%.

Last Mile Health has managed their overall costs by embedding their approach within government structures and successfully advocating for governments to allocate more budget to supporting the community health workforce.

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BRIDGES TO PROSPERITY:
Building the ecosystem for government ownership and government funding

Bridges to Prosperity (B2P) fosters private-public partnerships to fund bridge construction, transitioning from 'building bridges' to 'getting bridges built'. Their greatest success is in Ethiopia, where 80% of bridge costs are financed by government, leaving a 20% gap for B2P to fundraise.

Bridges to Prosperity has 'built more than 600 trail bridges, serving almost 3 million community members throughout the world … to create a world where poverty caused by rural isolation no longer exists'.[19]

Bridges to Prosperity's model involves entering new countries, building the ecosystem, and forming private-public partnerships to sustain bridge building costs without Bridges to Prosperity needing to perpetually raise funds.

Bridges to Prosperity's process for entering new countries:

- Initial Assessment: B2P enters a country to deeply understand the context, including private sector and public sector standards
- Bridge Construction: B2P aims to build 10-15 bridges in three years, and contributes to the funding of these bridges
- Advocacy and Advisory: While building bridges, B2P:
  - Advocates for the importance of bridges and government funding for their construction
  - Provides technical advisory services to help governments effectively plan, prioritise, budget, and implement rural infrastructure projects, building government capacity and ownership
- Exit Strategy: After 5-10 years, B2P exits the country, leaving the government fully responsible for expanding and maintaining the rural infrastructure network, with an allocated budget for bridges
- B2P will then move into another country, following the same process

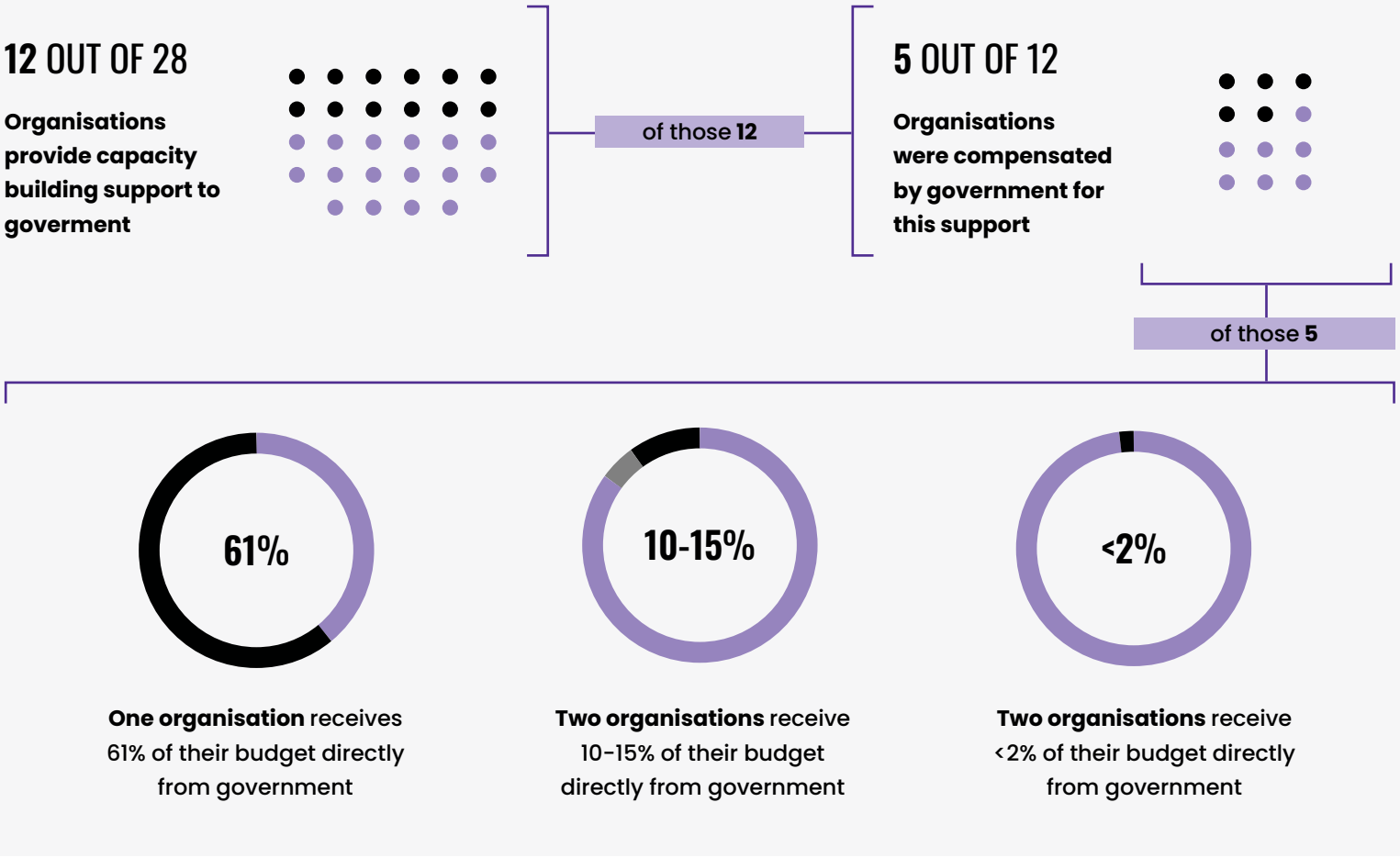
Bridges to Prosperity has scaled this model in Rwanda, Uganda, Ethiopia, and Zambia where government and/or private sector partners are funding the bridges, although it is yet to fully exit any country as it is still in the relatively early stages of this strategic shift.

[19] Bridges to Prosperity, "Our Work"

Key Insights

#4 Governments typically provide minimal funding, if any, for the ongoing support that non-profits provide them in implementing a solution.

Even when governments 'adopt' a solution and significantly fund its delivery, organisations usually play a crucial role in sustaining the solution, and are rarely paid by governments for this ongoing support.



SECURING NON-PROFIT FUNDING

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are improving the capacity and systems of government to embed and deliver a solution on an ongoing basis

VillageReach transitions successful healthcare access programmes to government ownership and management. They provide technical assistance by training government staff to take over operations, data systems, and supply chains to sustain the programmes at scale.

Last Mile Health focuses on strengthening community health worker programmes within government health systems. They work with ministries of health to develop policies, budgets, and implementation plans to professionalise community health workers as a formal part of the healthcare workforce.

CAMFED works closely with ministries of education to integrate their model of supporting marginalised girls to go to school and succeed into national education systems and policies. They provide training to government teachers and education officials on their approach.

1001fontaines delivers the government action plan for rural safe drinking water access, setting up infrastructure in priority areas and building capacities from the local to the national level.

Only one of these four organisations is currently receiving funding from government.

Whilst some organisations in this study aim to eventually phase out all support to government, with governments owning and effectively implementing the solution, none have achieved this yet.

As important as this insight is for mission-driven organisations planning funding strategies, it is arguably more crucial for philanthropic funders to understand the realities of government adoption. Philanthropy plays a vital long-term role for organisations scaling with government.

Harambee Youth Employment Accelerator is an exception; as the only organisation in this study receiving a majority of their annual funding directly from the government.

Harambee's remarkable success can be attributed to a harmonious blend of relentless solution iteration, early and deep relationships with government, and close alignment with government's top priorities (youth unemployment in South Africa), meaning that government demanded the specific type of support that Harambee provides.

SECURING NON-PROFIT FUNDING

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OVERALL TRADE-OFFS ASSOCIATED WITH ACCESSING FUNDING FROM GOVERNMENT

- \+ Securing government funding can **build credibility**, enabling non-profits to attract more funding from institutional donors and philanthropies
- \+ Government funding represents **'skin in the game'**, increasing the likelihood of the government introducing supportive policies
- \+ Democratic governments have a more legitimate mandate to **respond to the needs of communities** than foundations or bilateral aid organisations, and are often the most powerful actor in a system. Therefore, securing government funding and engagement has great potential to impact lives and society at scale

- − **Changing governments can discard solutions** - especially in countries with high levels of corruption, conflict, or political instability
- − **Bureaucratic hurdles can slow or halt progress**
- − Working solely with government risks **turning organisations into service providers rather than innovators**
- − Spending tax-payers' money can come with **very high pressures and accountability**
- − Non-profits must **navigate various government entities** and may need to take different approaches for each
- − Government **budgets can be low** in countries with a low GDP, reducing availability of government funding for solution

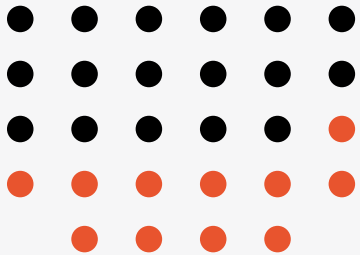
INSIGHTS PER PAYER TYPE: BILATERAL AND MULTILATERAL INSTITUTIONS

Bilateral agencies are government agencies that provide development assistance, such as the US Agency for International Development (USAID).

Multilateral organisations are international organisations that receive funding from multiple groups or countries to address issues of common interest, such as the United Nations Children's Fund (UNICEF) or the World Health Organisation (WHO).

The organisations in our study reporting funding from bilaterals or multilaterals received it *directly from the institution*. Funding received via a recipient government is categorised under 'government' funding.

This study combines bilateral and multilateral donors together as many of the lessons, advantages, and trade-offs apply to both.



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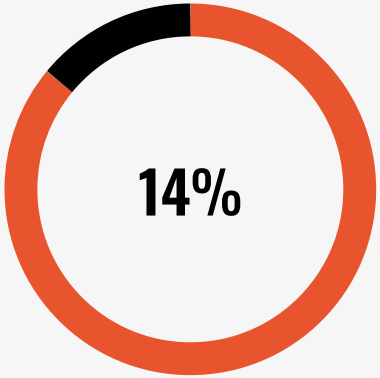
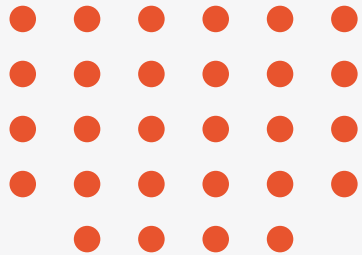
Organisations receive funding from bilateral and multilateral donors



Average percentage of organisational funding that comes from bilateral and multilateral donors (of those who receive it)



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Organisations have bilateral and multilateral donors as their primary payer

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#1 Funding from bilateral and multilateral donors comes later in an organisation's scale journey and requires a significant track record and evidence of impact.

Bilateral and multilateral donors can offer millions or even tens of millions of dollars over many years, providing security and the resources needed to significantly scale up operations and impact. This funding opens doors to new funding streams and partners by enhancing credibility and validation.

Bilateral and multilateral donors tend to be risk averse and invest in proven, cost-effective solutions delivered by well-established organisations with experience managing large grants and advanced monitoring and evaluation capabilities. VillageEnterprise, for example, reported:

"We had been a subcontractor on small projects for a long time without appearing on the radar of USAID or DFID (now FCDO). It was only after we launched a Development Impact Bond, and undertook a second, larger RCT with 14,000 households in 14 countries, that we were able to access bilateral funding directly."

Whilst most bilateral and multilateral donors fund well-established organisations delivering proven impact, some like USAID Development Innovation Ventures (DIV) play a pivotal role in the early scaling journeys of organisations.

For example, USAID DIV funded a pilot project for VillageReach, large randomised controlled trials (RCTs) for Village Enterprise and Evidence Action, and scaling funding for One Acre Fund and 1001fontaines.

© 1001fontaines

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#2 Funding from bilateral and multilateral donors is often heavily restricted and burdensome.

Bilateral and multilateral aid grants - due to their size and the pressure to both demonstrate "value for money" and align with current priorities - are often restricted and require detailed, rigorous reporting. Organisations must invest significant time and resources in navigating complex application, management, and reporting processes.

CAMFED and BOMA, among others, emphasised the need to dedicate specialised expertise to effectively raise and manage bilateral and multilateral funding. Some organisations in our study even reported declining these contracts due to the challenges involved. One organisation, for instance, noted:

"It's been hard to find the instrument for engaging with multilaterals and bilaterals. There's lots of interest on their part to engage, but the machinery of these institutions makes it hard to find ways to partner that don't eat up disproportionate amounts of time and capacity."

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OVERALL TRADE-OFFS ASSOCIATED WITH ACCESSING BILATERAL AND MULTILATERAL AID

+ Significant, long term funding provides **programme security and supports the scaling up** of operations and impact

+ Bilateral and multilateral donors often fund projects and organisations aligned with their geographic priorities, **opening up opportunities for non-profits to expand into new regions**

+ **Provides credibility** and can open doors to further funding opportunities and new partners

− **Aid is most often restricted,** requiring substantial time and resources to navigate detailed applications and reporting requirements

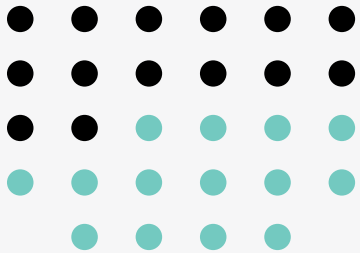
− **Securing aid is difficult without a strong evidence base and reputation**

− **Donor government priorities may change,** potentially reducing or removing funding altogether for specific initiatives or geographies

− Organisations already working closely with a national government must carefully consider relationship dynamics with a bilateral and multilateral institution, which can involve **navigating overlapping interests and expectations**

INSIGHTS PER PAYER TYPE: CORPORATES

In this study, 'corporates' refer to private sector companies that fund non-profits directly from the business itself, excluding corporate foundations (categorised under 'Philanthropy').



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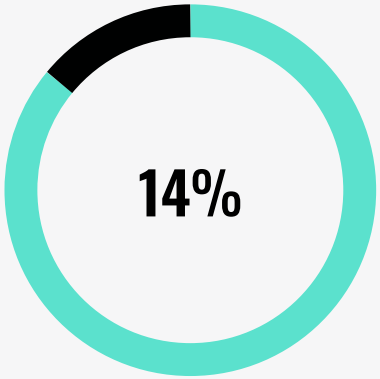
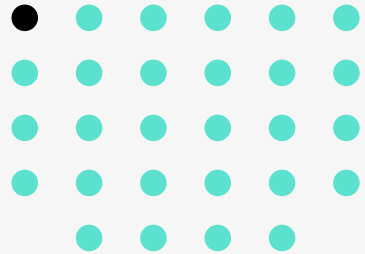
Organisations receive funding from corporates



Average percentage of organisational funding that comes from corporates (of those who receive it)



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Organisations have corporates as their primary payer

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#1 Corporates primarily act as a payer at scale via earned income.

A number of non-profits we interviewed sell products or services to corporates to generate income. Generating revenue from corporate partnerships isn't suitable for every non-profit. It tends to be more effective for organisations that can support corporations in the following ways:

Meet Environmental, Social, and Governance (ESG) goals

- **Uptime** can apply results-based contracts for reliable drinking water services to help large multinational companies meet water replenishment goals through Volumetric Water Benefits.[20]

Meet a Corporate Social Responsibility (CSR) goal and/or help with employee engagement

- **Bridges to Prosperity** runs a corporate volunteering programme which generates 15% of their annual income. Corporate teams, typically from engineering and construction companies in the US, work alongside local teams on bridge projects in Rwanda, providing a meaningful experience while generating unrestricted income.

Provide certification for a product or service that corporates are selling themselves

- **Rainforest Alliance** developed a highly successful certification programme, with royalties contributing 65% of Rainforest Alliance's annual income. Businesses, farms and forest communities pay a fee to use the Rainforest Alliance logo on their products after meeting sustainability standards.

[20] "Reducing uncertainty in corporate water impact: The role of ResultsBased Contracting for drinking water supply", Uptime, 2024

#2 Organisations have also unlocked some corporate funding by leveraging cause-related marketing.

Cause-related marketing (CRM) is a collaboration between a non-profit and a corporation designed to promote the non-profit's cause and the corporation's sales. Some examples from our study include:

- **1001fontaines** has historic partnerships with Danone (a multinational food retailer) and Intermarché (a French retail company), through which Danone and Intermarché donate a small share of two weeks' water sales in supermarkets to 1001fontaines' Water in School programme. These partnerships represent just less than 5% of 1001fontaines' annual budget.
- **Trussell Trust** has previously partnered with Unilever, which donates 5 pence to Trussell Trust from each product sold during specific promotional periods.

Key Insights

#3 In-kind contributions from corporates take diverse forms and play a significant role for some organisations on their scale journey.

Alongside monetary contributions, corporates often provide in-kind contributions such as donations of materials, technology, professional expertise or platforms for campaigns. This can take diverse forms, including:

- **1001fontaines** receives in-kind support from Veolia and the Veolia Foundation, leveraging corporate expertise in managing large-scale industrial water systems, with the goal of adapting this knowledge to the challenging operational context of a non-profit organisation.
- **World Bicycle Relief** receives broad in-kind support from the global cycling industry for product development and testing.
- **JED Foundation** has partnered with a number of Gen-Z facing brands including fashion and skincare brands to promote mental health awareness messages.

OVERALL TRADE-OFFS ASSOCIATED WITH ACCESSING FUNDING FROM CORPORATES

- \+ **Can help raise visibility and awareness** for an issue or organisation
- \+ Partnerships allow organisations to **leverage corporate expertise, distribution channels, and relationships**
- \+ Selling a valuable product to corporates can generate **a large amount of unrestricted income**
- − **Opportunities can be limited compared to other funders** as corporates rarely make public calls for applications
- − **Corporate philanthropy strategies can shift quickly** with programmes and initiatives coming and going with little notice
- − Some opportunities with corporates **require the non-profit to have strong credibility** and brand recognition
- − **Possible reputational risk of partnership** (e.g. greenwashing) must be assessed
- − **Requires a significant investment of time and effort to build,** proportionate to the value add, compared to other funding sources

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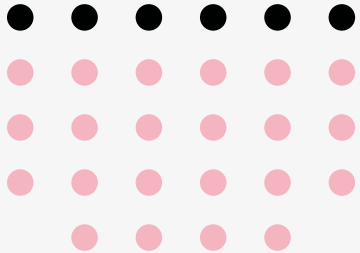
INSIGHTS PER PAYER TYPE: END USERS

In this study, 'end users' refers to generating income directly from the user; charging end users to benefit from the solution.



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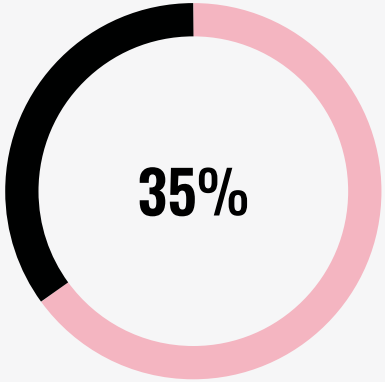
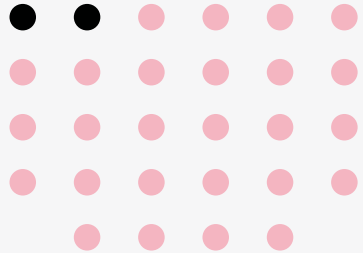
Organisations receive funding from end users



Average percentage of organisational funding that comes from end users (of those who receive it)



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Organisations have end users as their primary payer

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#1 Charging users can contribute to sustainability as part of a diverse funding strategy.

Drawing inspiration from successful for-profit and social enterprise models, some non-profits generate income directly from users to achieve greater autonomy and reduce dependence on unpredictable philanthropic or government funding.

Six of the 28 organisations (21%) charge end users. One organisation (CARD SME Bank) generates 98% of its income from users. Across the other five, fees from end users contribute an average of 24% of their annual income.

Fee-based models are most appropriate for non-profits operating in markets where there is a gap in services that are not provided by the government or private sector.

Within this study non-profits successfully generate user fees in the following ways:

Sell products or services as a core part of their mission

- **World Bicycle Relief** sells their purpose-built Buffalo Bicycles directly to individuals, and generates approximately 35% of its organisational income from sales of bikes and spare parts.
- **Planned Parenthood** local affiliates' patient fees for sexual and reproductive health services make up 21% of federation-wide income.
- **1001fontaines**' revenue from safe water services to rural consumers fully covers the operational costs of service delivery at scale in Cambodia. This accounts for 47% of the total annual budget in the country (philanthropy is now fully focused on infrastructure set up and innovation).

Provide loans, savings accounts, or other financial services to underserved communities, generating revenue from interest or service fees

- **CARD SME Bank Philippines** generates 98% of its income through microfinance loan repayments. CARD provides loans, alongside business support, to socially and economically challenged women and families in the Philippines to start, grow, and expand their business.
- **One Acre Fund** generates 52% of its revenues through loan repayments from smallholder farmers. Alongside these loans (in the form of technologies such as improved seed and irrigation kits), farmers receive training and market facilitation to improve the productivity and resilience of their farmers.

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© World Bicycle Relief

Charging users can contribute to sustainability as part of a diverse funding strategy: a case study

WORLD BICYCLE RELIEF

World Bicycle Relief (WBR) supplies bicycles to rural, under-served communities, enabling individuals to access opportunities and services that are out of reach. WBR sells their purpose-built Buffalo Bicycles direct to individuals, and generates approximately 35% of its organisational income from sales of bikes and spare parts.

WBR does not subsidise the cost of its bikes, instead focusing on supplying a quality product that is deeply valued by consumers, and building a sustainable ecosystem. The Buffalo Bicycle has been specifically designed for the users and communities that WBR serves, and is continually improved based on consumer feedback. WBR builds the "bicycle ecosystem" in the areas they work - training mechanics, supplying spare parts and providing consumer financing. Customers are more likely to be able to afford the initial purchase and get long-term use from their bike.

WBR's approach has reached profitability in Zambia, its first operating country, indicating the potential of the model when it reaches maturity. Sales do not yet cover operating costs in its six other countries so WBR still requires significant, patient investment.

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Charging users can contribute to sustainability as part of a diverse funding strategy: a case study

1001FONTAINES

1001fontaines delivers safe drinking water to vulnerable communities through a service- and quality-focused approach, embodied by its sleek, refillable 20L bottles. These bottles meet a growing demand in climate-affected and underserved communities. To ensure lasting impact, 1001fontaines establishes and builds the capacity of local organisations dedicated to sustaining and expanding water services across entire countries.

In Cambodia, the local organisation Teuk Saat 1001 has a 20-year track record, serving over 1.2 million consumers through 340 decentralised water kiosks, providing bottled water as a utility. Revenues from water sales amount to $5 million annually, covering the operating costs of each kiosk, as well as Teuk Saat 1001's support structure.

While water sales fully cover operating costs in Cambodia and Madagascar, philanthropic support is still necessary for infrastructure setup, capacity building and innovation, particularly in newer markets like Bangladesh and Vietnam, where operations are still in their early phases.

© 1001fontaines

Key Insights

#2 End user income is not appropriate for many non-profits in this study and is rarely the primary driver of sustainability.

End user income can be an important source of funding given the right circumstances, but it is not appropriate for many organisations. Only three of the organisations interviewed generate more than 50% of their income from end users.

The majority of social impact organisations support people with few resources, as poverty often underlies the societal problems they address. In some contexts, charging end users can risk excluding the people they exist to serve. Even when viable, it is rare for organisations to charge a price that covers the unit cost of a product or service, let alone generate surplus for further investment. Most organisations will need other funding sources to create impact at scale.

OVERALL TRADE-OFFS ASSOCIATED WITH CHARGING END USERS

- \+ Can be a reliable source of funding that **grows as you scale, and reduces reliance on philanthropy**
- \+ **Generates unrestricted income** that organisations can choose how to spend
- \+ Charging a fee for a product or service can **enhance its perceived value** and increase end user commitment
- \+ Focuses organisational attention on **providing strong value for the end user**
- \+ A successful fee paying model can help to **build a market-based approach**, fostering local economic activity and contributing to the overall sustainability of the solution
- − **Only appropriate for certain solutions** and market conditions
- − Unlikely to be able to charge a price that covers the whole cost or generates the surplus required to fund development, meaning that **a level of subsidisation is often required**
- − **Long runway likely required to build quality product** and sufficient user base to generate significant income
- − Risks driving organisations towards **users that can pay rather than users with highest levels of need**

OTHER PAYERS

While less common, organisations in this study receive some funding from the following additional payers.

Impact Investors

Impact investors are not a payer at scale for the vast majority of organisations.

Impact Investors invest money with the goal of generating positive social or environmental impact while also earning a financial return. Only one non-profit in our study (Village Enterprise) has raised impact investment, in the form of a Development Impact Bond. Development Impact Bonds are results-based financing mechanisms where private investors fund projects upfront, and governments or funders repay the investors based on the achievement of agreed-upon social outcomes. Two further organisations, World Bicycle Relief and Fred Hollows Foundation, are considering impact investment as part of future strategies to diversify their income. However, other non-profits cited that pursuing impact investment could divert attention from their core mission and more suitable funding sources.

This finding reflects the fact that, despite the rapid growth of the market[21], impact investment remains an appropriate tool only for a limited number of organisations that expect to generate a financial return as they scale; and not for the majority of organisations addressing stubborn social and environmental problems in challenging, low-resource contexts.

Development Impact Bonds - the Village Enterprise experience:

In 2017, Village Enterprise implemented the first Development Impact Bond focused on poverty alleviation. USAID's Development Innovation Ventures (DIV), Department for International Development (DFID), now FCDO, and other funders committed to pay for specific outcomes such as increasing income and savings for the entrepreneurs in their programme. Village Enterprise received up-front funding of over $5m in the form of working capital from impact investors, with USAID and other funders' repayments to those investors conditional on Village Enterprise delivering verifiable results.[22]

Despite the complex impact bond structure requiring Village Enterprise to create a separate non-profit LLC to house the investment capital, this DIB enabled Village Enterprise to:

- Conduct another large-scale RCT, further building the evidence base for their poverty graduation model
- Develop direct relationships with major bilateral funders, rather than just being a subcontractor
- Speak the language of investors and work with results-based funding

[21] "Sizing the Impact Investment Market 2022", Global Impact Investing Network, 2022
[22] "The Village Enterprise Development Impact Bond", USAID, 2021

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OTHER PAYERS

NGO/CBO Partners

Partner NGOs rarely pay non-profits enough to generate the revenue needed to fund scale.

Many non-profits across the sector aspire to scale through a social franchise-type model; a model where non-profits enable other NGOs to implement their solution and become new doers, in exchange for a fee from the new doers.

Although most non-profits in our study collaborate with NGOs and/or community-based organisations (CBOs), these partners only act as payers for four non-profits, and provide only a very small amount of their total income.

Non-profits receive funding from NGOs/CBOs in two main ways:

#1 Being paid by other NGOs in exchange for advisory services or programme implementation support.

Examples include:

- **Sanergy** who serves NGO clients via their Citywise consulting arm.
- **BOMA** who are contracted by international NGOs such as MercyCorps, Swiss Caritas and Danish Refugee Council to support the implementation of poverty graduation programmes in humanitarian settings

#2 Cost-sharing - other NGO doers paying for the support required to replicate a non-profit's solution.

Whilst rare, we found one example of this payment structure working. **StrongMinds** works with NGO and government partners to deliver its community mental health support model in low-resource communities. The cost-sharing model sees NGO partners covering StrongMinds' costs associated with supporting the set-up and supervision of NGO partners delivering the programme; those costs vary based on the needs of the partner.

The NGO partner is responsible for the costs associated with delivering the programme after StrongMinds' training period ends. However, StrongMinds has found that government partnerships, in particular Ministries of Health and Education, are leading to more rapid scaling within schools and communities as the ability of NGO partners to pay varies significantly. StrongMinds continues to partner with NGOs and government agencies as it expands to new countries.

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TRUSSELL TRUST: A pivot towards funding CBO partners

Trussell Trust, a UK food bank network, provides a social franchise-style package of support to enable small, local charities to easily set-up and deliver food bank centres. This model has expanded their network to more than 1,300 food banks. Initially Trussell Trust charged a small partnership fee to join the network and access the support, but these fees were subsequently scrapped. Trussell Trust now provides grant funding to the food banks in their network to ensure they have the resources needed to meet local need for emergency food and expand their services to tackle root causes and campaign for change.

SECURING NON-PROFIT FUNDING

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This is an interactive PDF

SUCCESS FACTORS IN UNLOCKING FUNDING FOR SCALE

As part of this study we explored the key success factors that enable organisations to build the funding models for scale, illustrating where non-profits should focus their energy.

An important caveat to these learnings is the role of privilege, timing and luck. Some Western-founded organisations directly acknowledged their privilege, such as access to networks, ability to speak the language of funders, and legal structures (e.g. having a registered charity in the UK or 501(c)(3) in the US).

Some also benefited from good timing and first-mover advantage. One Acre Fund, for example, launched in 2005 just as the social enterprise funding ecosystem and interest in agriculture as a poverty solution was growing. A number of organisations have also raised significant capital in the wake of national or international crises such as the Covid-19 pandemic, which created huge opportunities for organisations including StrongMinds, Healthy Learners and Trussell Trust.

With those caveats considered, three key success factors in unlocking funding for scale emerged from this study:

- Relentlessly pursuing and demonstrating cost effectiveness
- Demonstrating rigorous evidence of impact, ideally through RCTs
- The snowball effect: recognition and a major financial award from a credible funder to drive success

Key Insights

#1 Relentlessly pursuing and demonstrating cost effectiveness.

19 OUT OF 28

Organisations referenced the importance of proving cost effectiveness or return on investment (ROI) to attract scale capital

19 of the 28 organisations (68%) referenced the importance of proving cost effectiveness or return on investment (ROI) to attract scale capital. A number of organisations have a dedicated metric to demonstrate cost per person or per outcome - including Evidence Action, Sanergy, VisionSpring and StrongMinds - and have invested heavily in minimising this cost without compromising impact.

Organisations have achieved cost efficiencies in a range of ways, some of which are showcased in the case studies below.

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Relentlessly pursuing and demonstrating cost effectiveness: a case study

STRONGMINDS: Leveraging volunteers and technology to increase operational efficiency

StrongMinds reduced its cost per outcome from over $400 in 2014 to $31 in 2024 through two main drivers:

1. **Shifting to a volunteer-led model.** StrongMinds partners with the Ministries of Health and Education to train volunteers to facilitate mental health support groups

"This volunteer model is really what has allowed us to expand our reach and drive costs down. We can reach more people, at lower cost per person. It's been key to our scaling strategy."

2. **Technology.** Technology allowed StrongMinds to reduce personnel costs and increase access simultaneously. Specifically, StrongMinds uses technology to deliver therapy content digitally rather than in-person (which has also helped to standardise delivery), and to enable coaches to monitor therapy group sessions remotely rather than in-person.

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Relentlessly pursuing and demonstrating cost effectiveness: a case study

EVIDENCE ACTION: A data-driven approach to bring down costs

Evidence Action's Safe Water Dispensers programme has a cost per outcome of just $1.50 per person per year, which "has been one of the biggest motivations for funders".

As the name suggests, Evidence Action invests heavily in an evidence and data driven approach to continually drive programme improvements. By systematically collecting and analysing data on usage, functionality and maintenance requirements of the dispensers, Evidence Action can optimise resource allocation and streamline operations.

"The M&E team are in the field every day, collecting data around usage, functionality, quality, maintenance, community knowledge, and more."

The low cost per outcome of dispensers unlocked a 2022 grant of $64.7 million from GiveWell. GiveWell estimates the Dispensers for Safe Water programme is six to seven times more cost-effective than unconditional cash transfers, their standard benchmark for comparison.[23]

[23] "Evidence Action's Dispensers for Safe Water program – General Support", Givewell, 2022

© Evidence Action. Young man in Kenya uses an Evidence Action chlorine dispenser to treat water

Key Insights

#2 Demonstrating rigorous evidence of impact, ideally through RCTs.

25 OUT OF 28

Organisations emphasised the importance of rigorous impact evidence to de-risk scale capital for funders

17 OUT OF 28

Organisations have completed at least one independent randomised control trial (RCT)

According to BOMA, in the midst of undertaking their third RCT,

"This evidence generation has been essential to making the case to governments and large actors for doing this work at scale, and to adopt and/or invest in this approach".

Demonstrating rigorous evidence of impact through RCTs: a case study

VISIONSPRING

VisionSpring is a fierce advocate for RCTs, seeing them as serving a number of purposes:

"These studies are designed to build up the evidence for our theory of change, demonstrating that eye-glasses are a cross-cutting intervention to support the SDGs. They help build up evidence and funding for our work, but are designed for the sector, not just for ourselves."

VisionSpring's early investment in evidence generation has played a pivotal role in unlocking funding and advancing their mission. They began with a quasi-experimental study in rural India, which helped secure initial funding but wasn't sufficient for larger-scale investments or policy influence.

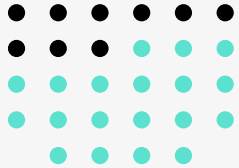
At later stages, they investigated the impact of eyeglasses on work performance in India's tea estates, and partnered with BRAC in Bangladesh to explore how vision correction affects income across various occupations.[24]

These studies have not only attracted further funding to VisionSpring, but also underscored the cross-cutting impact of eyeglasses on multiple Sustainable Development Goals (SDGs). VisionSpring continues to pursue this research with ongoing RCTs examining areas such as mobile banking, road safety, and productivity in the garment sector, in the hope of attracting further funding towards eye-glasses.

[24] "PROSPER, Randomized Control Trial", VisionSpring, 2018; "THRIVE, Randomized Control Trial", VisionSpring, 2024

Key Insights

#3 The snowball effect: recognition and a major financial award from a credible funder to drive success.



9 OUT OF 28

Organisations mentioned recognition from a credible funder as being a key success factor

This recognition often comes in the form of a large grant ($1m or more), in some cases from a multi or bilateral institution (e.g. FCDO for CAMFED and BOMA, and WHO for Reach Digital Health), but more commonly from large foundations (e.g. Gates Foundation for One Acre Fund and MasterCard Foundation for One Acre Fund and CAMFED). Awards or prizes, such as One Acre Fund winning the Skoll Award in 2010, SHOFCO winning the Hilton Humanitarian Prize in 2018, or CAMFED winning the Audacious Prize in 2023, also contribute to this recognition.

"We have the holy grail of funders, who have been with us from the start providing core, long-term funding and who co-own both our successes and our failures. We have prioritised making personal connections with individuals, not institutions, and this has lasted between individuals for 13 years - it's like a marriage."

– SELCO Foundation

Receiving this kind of recognition bestows a number of benefits that unlock further scale funding:

- **Increasing funders' confidence:** Large grants signal an organisation's ability to effectively manage and deliver large funding. As BOMA put it, "Funders want to know, 'what was your largest previous grant?', so proving you can manage big money gives you a pathway to unlocking even bigger pots of funding. It forces you to put in place the organisational structures, capabilities and safeguarding mechanisms that give donors confidence and build your reputational integrity."

- **Brand affiliation and credibility:** For the Malaria Consortium, being one of GiveWell's top charities has hugely boosted its reputation and attracted additional funders.

- **Securing champions:** Many of these foundational scale funders become champions for organisations, opening up their networks and proactively working to source follow-on funding. For SELCO Foundation, this is essential because their unique ecosystem building model can be difficult to understand, and their loyal first funders have tirelessly championed their model and reassured other funders who would have otherwise been sceptical.

CONCLUSION

These findings underscore the difficulty of securing funding for scale. Other doers, especially governments, require ongoing support to implement a solution, yet will rarely pay for this. Philanthropy remains the most significant funding source at scale, yet philanthropic funders usually want to find exit strategies for their grantees.

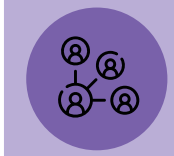
Despite the challenges, these 28 non-profits have successfully raised funding to enable them to transform lives at scale. They have walked the journey and are able to bestow clear lessons and advice to other non-profit leaders on their mission to create impact at scale.

In conclusion, non-profits striving for impact at scale face two primary financial challenges: sustaining organisational operating budgets and covering solution delivery costs. This report focuses on the first challenge, providing in-depth analysis and case studies. While we've highlighted key insights on solution delivery costs, more research is needed to fully address this area. Spring Impact encourages our sector to continue sharing and promoting best practices in unlocking sustainable funding for solution delivery costs.

We hope the lessons within this study offer ambitious non-profit leaders valuable insight to navigate the complex and dynamic funding landscape, and ultimately make more meaningful dents against society's most pressing challenges.

Pursue cost effectiveness relentlessly
Learn what price point payers are willing to pay. Demonstrate your solution can be delivered affordably within that price point, which often requires a low cost per outcome.

Build evidence of impact
Convince payers your solution is the best return on investment for their contribution. Build evidence that your solution is more effective than others, usually through randomised control trials (RCTs).



Influence other doers to absorb costs directly
Design your solutions to be embedded within and delivered by other doers - including existing government systems. Influence the wider ecosystem to incentivise other doers to adopt your solution.

Test, learn and adapt
There is no silver bullet funding model; all funding sources can be volatile and involve making trade-offs. Take an agile approach, constantly testing, learning, and adapting.

Diversify across different payer types
Most non-profits have learnt the hard way that any payer types can be fickle, and over reliance on any funding streamis risky.

APPENDIX 1: STUDY METHODOLOGY

Our team created an initial database of 126 non-profits that we believed met our criteria of scale, i.e. having made a meaningful dent in a social or environmental problem. This database was generated based on internal knowledge, the database of previous Spring Impact partners, grantee databases from scale-focused funders, and referrals from sector experts such as Echoing Green, Mulago, Draper Richards Kaplan Foundation, Ashoka and Vitol Foundation.

In compiling our database, we did not have specific criteria or thresholds around organisational size, geography or length of operation. However, we were interested in having broad representation across geographies, issue areas, scale pathways and nature of leadership (local vs. foreign) and created a shortlist of non-profits to interview on that basis.

Spring Impact used convenience or availability sampling of organisations and leaders already in our extended networks who were happy to be approached and become part of the study. As a result of taking this approach, we acknowledge that this piece of study does not include a representative sample and the organisations included in this study are predominantly Western-led.

We aimed to interview 28 non-profits. As part of the interview, we sought to validate to what extent these organisations did meet our definition of scale. We found this held true for most organisations, however we found that once organisations achieve significant impact at scale relative to a specific problem in one place, they increase their ambitions to tackle additional geographies or other aspects of the problem. As a result, all organisations are still refining their model for impact at scale to meet their more ambitious targets. We then asked questions around four main areas: the nature of their solution; their current funding sources; the evolution of their funding model; and insights around various payers. Findings were triangulated through additional interviews, financial data and desk research.

APPENDIX 2: SUMMARY OF TRADE-OFFS

AREA OF FUNDING	POSITIVES	NEGATIVES
PHILANTHROPY	• Some larger foundations are **willing and able to invest long-term in organisations** • **Can be more stable** than other sources such as government funding in some contexts • Can be **relatively quick to convert** compared to other sources	• Often comes with **restrictions on how money can be spent** • Often requires **managing multiple donor relationships** with **strict reporting measures** • Some organisations hold **ethical questions around underpinning the future of basic services** like WASH and health with foreign philanthropy
GOVERNMENTS	• Securing government funding can **build credibility**, enabling non-profits to attract more funding from institutional donors and philanthropies • Government funding represents **'skin in the game'**, increasing the likelihood of the government introducing supportive policies • Democratic governments have a more legitimate mandate to **respond to the needs of communities** than foundations or bilateral aid organisations, and are often the most powerful actor in a system. Therefore, securing government funding and engagement has great potential to impact lives and society at scale	• **Changing governments can discard solutions** - especially in countries with high levels of corruption, conflict, or political instability • **Bureaucratic hurdles can slow or halt progress** • Working solely with government risks **turning organisations into service providers rather than innovators** • Spending tax-payers' money can come with **very high pressures and accountability** • Non-profits must **navigate various government entities** and may need to take different approaches for each • Government **budgets can be low** in countries with a low GDP, reducing availability of government funding for solution
INSTITUTIONS	• Significant, long term funding provides **programme security and supports the scaling up** of operations and impact • Bilateral and multilateral donors often fund projects and organisations aligned with their geographic priorities, **opening up opportunities for non-profits to expand into new regions**	• **Aid is most often restricted,** requiring substantial time and resources to navigate detailed applications and reporting requirements • **Securing aid is difficult without a strong evidence base and reputation** • **Donor government priorities may change,** potentially reducing or removing funding altogether for specific initiatives or geographies

APPENDIX 2: SUMMARY OF TRADE-OFFS

AREA OF FUNDING	POSITIVES	NEGATIVES
INSTITUTIONS	• **Provides credibility** and can open doors to further funding opportunities and new partners	• Organisations already working closely with a national government must carefully consider relationship dynamics with a bilateral and multilateral institution, which can involve **navigating overlapping interests and expectations**
CORPORATES	• **Can help raise visibility and awareness** for an issue or organisation • Partnerships allow organisations to **leverage corporate expertise, distribution channels, and relationships** • Selling a valuable product to corporates can generate **a large amount of unrestricted income**	• **Opportunities can be limited compared to other funders** as corporates rarely make public calls for applications • **Corporate philanthropy strategies can shift quickly** with programmes and initiatives coming and going with little notice • Some opportunities with corporates **require the non-profit to have strong credibility** and brand recognition
END USERS	• Can be a reliable source of funding that **grows as you scale, and reduces reliance on philanthropy** • **Generates unrestricted income** that organisations can choose how to spend. • Charging a fee for a product or service can enhance its perceived value and increase end user commitment. • Focuses organisational attention on **providing strong value for the end user** • A successful fee paying model can help to **build a market-based approach**, fostering local economic activity and contributing to the overall sustainability of the solution	• **Only appropriate for certain solutions** and market conditions • Unlikely to be able to charge a price that covers the whole cost or generates the surplus required to fund development, meaning that **a level of subsidisation is often required** • **Long runway likely required to build quality product** and sufficient user base to generate significant income • Risks driving organisations towards users that can pay rather than **users with highest levels of need**

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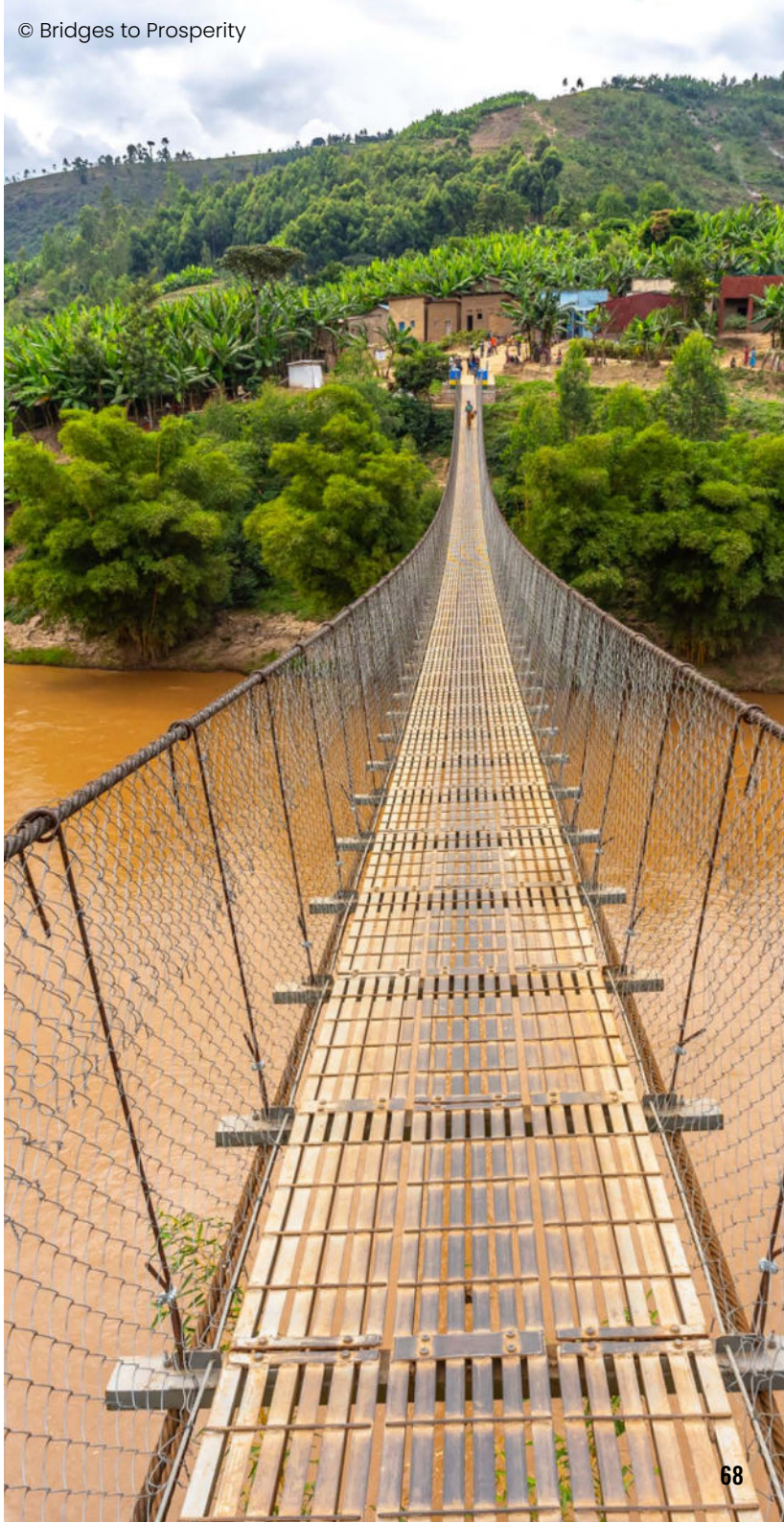

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