



What does it take to fund systems change?

February 2025

Learning summary



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Introduction

Over the last six months, London Funders' learning programme has focused on what it takes to fund and support systemic change. This followed our 2024 annual Festival of Learning, where over 900 people from across London Funders' membership came together to share, challenge, and be inspired by colleagues and changemakers from across the capital and beyond. What emerged from the Festival was a strong desire from funders to support real change for London's communities.



We know that the current systems in which communities and organisations operate aren't fit for purpose - a benefits system that fails to offer the security people need in times of hardship; an immigration system intentionally rooted in hostility; a housing crisis denying millions of people a safe and secure home, to name but a few. There is a sense that 'tinkering' around the edges is no longer a sufficient response to the deeply entrenched problems funders hope to play a role in tackling.

Instead, we're seeing more funders being explicit in supporting organisations and community groups to tackle the root causes of issues they work on, not just the symptoms.

But, as we heard during the Festival, while 'systems change' is high on the radar for many funders, it can be hard to know where to start or how to keep going when you get stuck.

Over the years, systems change has been at the heart of London Funders' collaborative work - we have been working with different funders and civil society groups to test, support and observe what it takes to tackle underlying systemic inequality facing Londoners.

We think that by making the space for learning together with our members and others who are working on systems change we can unpick some of the elements that are making this work feel difficult, messy and complex. By digging deeper into what it takes to fund and support systems change we can gain a better understanding of what actions we need to take – both individually and collectively – to ensure that we're translating big ambitions of change into tangible and sustained action.

Since the Festival we have hosted learning events; interviewed funders, charities and change makers; and brought together insights from across our membership on what it takes to fund systems change, and to shift our own behaviour and practice to create change in the wider funding system. There has been an incredible depth and breadth of insights – this briefing aims to bring together and make sense of these insights so that we can keep building on the incredible work and learning that is already emerging.

This briefing is not a 'how to' guide for systems change – if there is one thing we've learnt from the last few months is that there is not one set recipe, framework or method to follow. Systems change is dynamic, contextual and complex – what works for one community, funder or place might not be right for others (we have included a list of resources and methods funders and organisations have used to approach systems change at the end of this briefing).

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That is also why we have not included a ‘catch-all’ definition of systems change. We’ve heard time and again that one of the things that makes this work so challenging is the different ideas and interpretations people have about ‘systems change’. There’s a risk that it becomes another empty buzzword into which organisations feel they need to shoehorn their work when applying for funding – many organisations are already doing systems change work but wouldn’t necessarily use those words. As one funder told us during our [Big Network Day in October 2024](#): “the language of systems change is too complicated and abstract—it excludes community organisations who are driving the change”.

Instead, we’ve tried to understand more deeply what principles, approaches and processes are needed to fund systems change effectively. In this briefing, we’ve brought together insights, evidence and reflections that explore the following learning questions:

- What are the challenges with funding and supporting initiatives systems change initiatives?
- What funding conditions are enabling changes to the systems we work in?
- What approaches have other funders found useful?

While not providing exhaustive answers to these questions, we hope the learning captured here will spark reflection, action and ideas for those working on or have the desire to make lasting change for the communities we support.

What are the challenges with funding and supporting systems change initiatives?

We hear that systems change is difficult, complex work that takes time and patience but what exactly is making this work feel challenging? Below we've grouped together what we heard most often throughout the last few months, alongside the learning that has emerged from our wider funder collaborations on systems change.



A lack of shared understanding

It's easy to jump on the 'systems change' bandwagon – many of us feel and know instinctively that the systems we operate in just aren't working and we want to do something about it now. But what we might have a less clear idea about is what exactly we want to change and how we go about it. The lack of a shared understanding and diagnosis of the 'system' was by far cited as the most common challenge by funders we spoke to throughout this learning programme.

What are the challenges with funding and supporting systems change initiatives?

People interpret systems change in lots of different ways and without a shared understanding in place, this can lead to problems later down the line. Related to this is how we draw the boundary of which systems are holding back the changes we want to see for our communities (for example we know that a hostile immigration system coupled with an inadequate housing system means many migrants and asylum seekers are living in deep poverty).

Some funders told us that they sometimes feel stuck gathering endless evidence about different systems rather than ‘getting on with the work’. It’s a fine balancing act between developing a common understanding and analysis of ‘the system’ while avoiding getting lost in theoretical rabbit holes about different concepts of systems change or how different systems intersect and overlap with each other.

But considering who is around the table and how that will inform our understanding of a system can help – many funders have found that listening and collaborating with funded partners, communities and other stakeholders to develop a shared understanding has helped them move forward together to change the systems they work in.

Not having the right processes in place

There are a lot of things that characterise systems change initiatives but a key element is the mindset shift it requires from funders – it means being prepared to fund in a different way than more traditional, short-term project grants because the work of systems change is often slow, complex and unpredictable.

“We need to get our own house in order first – we can’t ask organisations to do systems change without funding them flexibly and long-term and without modelling the same behaviours we expect of our grantees”

Funder attending learning workshop on systems change, October 2024

What are the challenges with funding and supporting systems change initiatives?

Inevitably, that means having processes and governance structures that enable grantees to work systemically – i.e., more flexibility, more long-term support and being willing to adapt processes based on what funded partners need.

Funders mentioned the challenge of trying to fund innovative systems change work within the confines of inflexible funding practices, where decisions often become ‘stuck’ in the bureaucracy of grantmaking.

We’ve asked funders who have supported systems change initiatives what they would do differently next time. Many said they would look at their own internal processes and how they could better enable the evolving nature of systems change work and recognise the level of resource that goes into sustaining the work. As one funder told us “do not underestimate the administrative capacity it takes to coordinate systems change initiatives – it needs resourcing along with time, patience and dedication”.

“Don't underestimate how much we have to unlearn things, not just learn things”

Kathleen Kelly, Director of Collaboration, Local Motion

What are the challenges with funding and supporting systems change initiatives?

Assessing the impact

“We have to be really careful about taking complex change processes and simplifying them into sets of quantitative indicators”

Naomi Gold, Head of Practice, Collaborate CIC

Sometimes the hesitancy or nervousness about funding systems change is that the impact isn't immediately obvious or its perceived as being harder to measure compared to more 'traditional' funding programmes.

It's difficult for example, to measure the impact that building deep relationships with relevant stakeholders can have. You won't necessarily be able to predict the value of a relationship right away either – but that doesn't mean that spending time building relationships isn't a good strategy for creating systemic change.



What are the challenges with funding and supporting systems change initiatives?

Spending time developing messaging or advocacy strategies is also an important systems change tactic for many – but you won't be able to see the impact of that straight away. Testing, experimenting and exploring is a key facet of most systems change work, so we need to be prepared to recognise that this type of work is less about quantifying and measuring and more about learning and adapting. It can also be difficult to attribute wider changes within a system (whether a reduction in poverty or changes to the welfare system) to the particular (systems change) initiative you've funded.

“It's not always about attributing a change in the system to a specific organisation or funder – if change in a system happens organically, we should view any progress as a win regardless of whether we're able to evidence the role we played”.

London Funders member attending learning workshop on systems change,
October 2024



What funding conditions are enabling changes to the systems we work in?

“For many funders, they have something around systemic change in their strategies and a desire to work in this way, but quite often they’re struggling to actually work out what action they should be taking around systemic change”.

Leah Black, Lead for Regenerative Futures Fund



Many of the lessons captured below will not come as a surprise to funders who are already taking the steps to become more open and trusting – but throughout this learning programme these have come through as essential conditions for enabling organisations to make changes to the systems they work in. Institute for Voluntary Action have been doing a lot of work on the practical steps funders can (and need) to take to become more open and trusting, which we recommend checking out [here](#).

What funding conditions are enabling changes to the systems we work in?

“When we’re talking about ‘systems change’, we’re not just saying that we’re sitting down at home dreaming about how nice it would be if things looked like this. Everything we’re funding is actual practice – it’s about changing the way we behave, our mindset and unlearning oppressive practice. So yes, it’s important to have a vision but there are so many things in that vision that require us to change the way we practice things right now”.

Letícia Ishibashi, Paul Hamlyn Foundation

Why flexibility is essential to funding systems change

Throughout this learning programme, we’ve asked funders and organisations what they think has been critical to success in their systems change efforts. By far the most cited element was flexibility. Flexibility of application processes, monitoring and evaluation, in decision-making and more. When trying to change a system, we won’t always know at the start which strategies will be most effective, how long it’s going to take or what political, social and economic changes might completely change the prospect of achieving change. That’s why flexibility is so important and as funders, we need to be prepared with the right processes in place to enable this. It might require asking different questions in an application form, not asking funded organisations to commit to delivering a certain number of outcomes or have completed the work in a certain amount of time.

Sustaining the work

“You don’t fund two-year systems change projects, or at least not without a plan for what happens afterwards. So having the patience to understand how much time it takes to build relationships and trust is really important”.

Naomi Diamond, Collaborate CIC

Calls for long-term funding are nothing new but when it comes to system change, this is central to enabling organisations to do the deep work of changing entrenched systems and processes. Without putting in plans for how systems change work can be sustained and developed, there is a risk the groundwork that’s already been laid goes to waste. As Liz Mercer from Inclusion London told us in a [learning interview](#) about Propel (the ten-year funder collaboration coordinated by London Funders): “so much time and effort has already been made to create these partnerships, build up the evidence base and explore solutions to these systemic issues. That will all be wasted if there isn’t continued, long-term investment. We might then end talking about the same issues in five years-time, which will be a tragedy”.

We [heard](#) from Leah Black, Lead for the Regenerative Futures Fund in Edinburgh that for many organisations receiving long-term funding is new, so the first part of the Regenerative Futures Fund will be to support organisations to do some development work around “whatever it is they need to be able to hold this money for ten years”. A similar approach has been taken with Propel where organisations have been funded for two to three years to explore and develop their thinking on how to change the systems they work in. So, if the prospect of funding work for 10+ years feels new and daunting for both funders and funded partners, spending some time in the first couple of years developing the right processes and laying the groundwork can help.

What funding conditions are enabling changes to the systems we work in?

No system can be changed without collaboration

Throughout this learning programme, we've heard how important collaboration is to the work of systems change and how "any funding for systems change work needs to be about funding collective efforts and not just individual interventions".

As one funder put it during one of our learning workshops, "getting the system in a room together" - whether that's other funders, those with lived experience, public agencies, funded partners or other stakeholders - enables us to identify solutions and increase our chances of achieving change across a system.

We also need to recognise that collaborative efforts need to be sustained - it takes commitment, resources, patience and someone who can facilitate the learning and convening of all partners. From our own work on funder collaborations, we know that people will need to go at different speeds and require different support to work in a way that's often radically different to their own organisational processes and cultures. So having someone who can "hold it all together" is key to sustaining the work of realising the shared vision a partnership have (more on this later).



Learning, not quantifying

“We haven’t discovered a universal formula for measuring progress in the early stages, and given the nature of systems change, we don’t believe there should be one. By its nature, supporting systems change requires a mindset that leads to a different approach to measurement, prioritizing contribution over attribution, employing multiple methods to capture data, and adapting as the work itself changes”.

Bridgespan

We’ve mentioned the concerns funders might have around the ability to assess the impact or success of systems change work. Assessing systems change work requires us to step away from traditional monitoring and evaluation methods towards more reflective practice, rooted in learning and deepening our understand of how we create change.

There are different ways of introducing more reflective processes when funding systems change. The US-based nonprofit consultancy Bridgespan encourages funders to ask their funded partners three core questions to understand how they are progressing towards the goal of changing a particular system:

- What long-term outcomes are you working toward, and what are the indicators you are tracking along the way to understand progress?
- What are you finding to be the most critical and informative outputs to track and learn from and why?
- How is the context for your work changing, and how are you shifting your approach?

What funding conditions are enabling changes to the systems we work in?

This approach is similar to the one we've used through Propel, our long-term funder collaboration. The majority of funders collaborating through Propel have agreed to a shared approach to reporting, with a key focus on understanding what funded organisations have learned throughout the duration of their grant, rather than what's been "done". This is of course, a cultural shift for both funders and funded organisations, and has required a more relational approach to grant making. We've encouraged this by prioritising informal, face-to-face "halfway check-ins" over mid-project written reports, and in some cases, funders have co-authored end-of-year reports.

For other approaches to assessing early-stage systems work, Collaborate CIC have identified the 'foundations for systems change' based on learning from the [Cornerstone Fund](#) (a collaborative funding programme including many of our members and to which London Funders and others have provided in-kind support). Their hypothesis is that it's possible to design better, fairer systems but that certain foundations need to be in place first, including:

- Voice, agency and equity: we surface and address inequalities in voice, power and access to decision-making
- Vision, structures and relationships for collaboration: we develop shared purpose and collaborate to achieve collective impact and change
- System understanding and behaviours: we recognise that systems, not individual organisations create impact for people and that we have a role in nurturing healthy systems.
- Learning and co-production: we learn and adapt with all our stakeholders when working for change in complex systems and ecosystems
- Collective power and influence: we have a deep understanding of power dynamics and use diverse strategies for influencing change.

These foundations can be a helpful framework for organisations and funders alike – helping us understand the progress being made in the early stages.

What funding conditions are enabling changes to the systems we work in?

Renaisi's model for measuring the progress of place-based systems change offers another approach to tracking change over a longer time period and which “acknowledges the very real accountability challenge for the public sector, while allowing evaluators to capture, document and respond to emerging change, and ultimately prove the impact of an initiative on a place, a system, or the population at large”. The model combines both quantitative and qualitative evidence gathering to assess “the causal link between a programme and the outcomes”.

Rockefeller Philanthropy Advisors also have a tool funders can use themselves to assess whether their approach and processes enable systems change, which can be a helpful way of understanding to what extent your funding is “systems-oriented in its giving and programme planning”.

Ultimately, there are several frameworks and methods that funders can draw on to better understand the impact of their investment in systems change initiatives. What's important is that it's rooted in learning, allows for emergence, and values the voices of funded organisations and the communities they support.

“Funders need to scale back the air of detached scientific authority that is often associated with evaluation, instead embracing a more humble and open-minded approach to evaluation that recognizes the importance of community knowledge and grantee experience”.

Rockefeller Philanthropy Advisors

What approaches have other funders found useful?

Year Zero

We've previously spoken about the challenges around articulating and developing a shared understanding of what we mean by 'systems change'. One of the strategies that can help is to make space for a 'year zero' to develop, co-design and explore what working systemically and long-term mean in your context (more on the idea of 'year zero' can be found in our learning interview with the Regenerative Futures Fund [here](#)).

Funders as partners for change

“People think it's just about spending the money and that's it. It's about relationships, building trust, this active engagement, listening to civil society groups and being part of the goal of fundamental change”

Jonathas Azevedo, Comuá Network, Brazil

Many funders support systems change work consider themselves as one partner in a wider ecosystem of actors fighting for change. When we [spoke to the Brazilian-based Comuá Network](#) (a group of funders working in the fields of socio-environmental justice, human rights and community development), they told us that as progressive funders they don't see themselves as the “main protagonists of transformation” – instead, they're focused on “funding and supporting the ones who are spearheading this change, rather than changing the systems directly themselves”. This mindset shift can help funders let go of control and focus more

What approaches have other funders found useful?

on how they contribute to that wider ecosystem of change actors, rather than dictate how change should happen.

Many funders who support systems change work have also recognised that they need to take a step back and give organisations space and trust to get on with the work. But that doesn't mean funders shouldn't do the deep work of understanding the systems funded partners are trying to change and the complexity that comes with that work. [Collaborate CIC](#) told us that they've seen through several systems change initiatives that funders letting go of control is a positive step but sometimes they can “almost appear not to care about the work”. But as both they and [Paul Hamlyn Foundation](#) shared in their learning interviews, funders can make significant contributions to systems change work beyond just financial support: “funders aren't just providers of money and resources, they also have power, they have access to decision-makers and have this kind of helicopter view of what's going on in the area they fund – that's really important to systems change work”.



“We can't just be bystanders in social movements and think we can just give out the money and that's it. We should be putting a lot of work in understanding systems of oppression, in dismantling those within our organisations”.

Letícia Ishibashi, Paul Hamlyn
Foundation

What approaches have other funders found useful?

Someone who can ‘hold’ the work

The messiness and complexity of systems change makes it all the more important to have someone who can facilitate and coordinate the work and create ‘a container’ for the learning and relationships that emerge. This is one of the key learnings we’ve taken away as coordinator of the Propel collaboration – as a convenor, the work can feel equally messy and unpredictable but being able to design and take people through a process that stays true to the shared vision of change is key. Our member, Impact on Urban Health initiated a process that engaged community leaders in Lambeth and Southwark to explore the shared challenge of safety. Facilitated by the Ubele Initiative and Reos Partners, the project highlighted just how important the role of the facilitator/ convenor/ coordinator is:

“The role of the project manager is hugely important. Within the social lab and U theory, we call the project manager the host or convenor; the person that’s holding people beyond the workshops and creating a container to deal with the kinds of issues that emerge in a process like this. ...It’s absolutely critical that the project manager and convenor understands the process, and sees their role as relational. Their job is to hold people through the process of experimentation, and resist getting scared about outcomes along with funders or process participants; resist the desire to take the groups into action prematurely, which is the urge many of us have”.

Michael Hamilton, Director, The Ubele Initiative



What approaches have other funders found useful?

Being realistic about what's possible

Identifying which systems (or parts of a system) are in your control to change vs the systems outside your control can help us identify where to begin. If a system is outside of your control to directly change – like the media or our economic system – think about where you might need to invest in terms of influencing, community power-building and advocacy.

Systems change doesn't always need to be about big-scale, national policy change – it can be about changing one bit of a system, making transformative changes locally or laying the groundwork for building community power (to name but a few examples). The [Advice Workforce Development Fund](#) for example (coordinated by our member London Legal Support Trust) is focused on responding to the systemic workforce issues in the advice sector (which we've covered more in our learning interview with London Legal Support Trust and funded partners [here](#)). So instead of starting with the ambition of changing the root causes of why people need free social welfare and legal advice (e.g. the daunting task of solving poverty), the Advice Workforce Development Fund is trying to ensure that within the system of access to advice, there is a sustainable workforce and a coordinated sector who can support those needing help in the most effective way.

That's not to say that systems change doesn't offer an opportunity to dream big and imagine radical alternatives (the [process](#) Paul Hamlyn Foundation used to develop a new vision for their Migration Fund is a good example). Funders can support and enable initiatives that challenge what we accept as normal. Giving organisations the time and space to reimagine what a system could look like can help us to drive different outcomes and solutions. Once we've unearthed and changed the assumptions, biases, and structures that uphold a system, it's possible to start thinking about the practicalities needed to drive and create a new one.

What approaches have other funders found useful?

So, systems change can both be about tackling entrenched problems in an existing system and giving space for exploring and advocating for new ones. Some are easier to control and impact than others but all aspects (and scale) of systems change have value – we just need to ensure we're open to learning about how this happens and not impose unrealistic expectations on people doing the work.

This has been a key learning point from Propel where we have spent significant time asking ourselves whether we should define a 'Propel approach' to systemic change. What has become clear is that there is more than one approach to systems change – some are about affecting change directly in a local system, others are about trying to achieve bigger policy changes nationally. What they all have in common is the desire to tackle complex social issues and the causes of inequalities and injustice – as funders, we need to recognise that funded organisations are best placed to identify which approach works best for their communities.



What approaches have other funders found useful?

Working with those directly affected by the system

Those who are directly impacted by a system will have intimate knowledge of why and how it isn't working. Participation is widely recognised as a key tool to successful systems change work – whether that's by funding those with direct, lived experience of a system, an organisation led by and for communities experiencing inequality or devolving decision making to a local community.

There are many considerations funders need to take into account when it comes to participation and centring the voices of those who are impacted by a particular system – it requires time, resources, being willing to listen and act, understanding power structures, offering wellbeing support and more. In other words, it is not something to jump into quickly without having first considered these dynamics. A good starting point would be to read the [learning insights](#) that emerged from The Black Systemic Safety Fund, initiated by Impact on Urban Health and facilitated by The Ubele Initiative and Reos Partners. We have also brought participation to the fore under previous learning programmes, which you can access [here](#).

“Hearing about people’s trauma and experience can be very taxing when you’re from that community yourself so it’s about recognising the burden on the individuals who are involved in systems change work. There is a lot of burnout that happens so funders considering wellbeing and resilience budgets as part of their funding for systems change feels really important”.

Leigh Brown, Collaborate CIC

Conclusion

The insights and reflections shared through this learning programme have highlighted the complexities and challenges inherent in funding systems change. Throughout this programme we've been less focused on defining systems change or how funded partners can do it well – instead we've been trying to hone in on what it takes from funders to enable this work to happen.

We're grateful to everyone who has shared their learning and reflections with us. At London Funders, we see learning as a tool for change – it helps us make sense of what is required to ensure funding in London is more joined-up, effective and equitable and where resources are placed in the hands of communities who are best placed to make London a fairer, greener and safer city. Deepening our understanding of what takes to fund systems change helps shape the work we're doing with members and civil society to realise this ambition.



Resources

There are a number of useful resources that funders can take advantage of to shape their thinking and work on systems change, some of which include:

- [The Art of Scaling Deep – The Systems Sanctuary](#)
- [Transformative Philanthropy: A Manual for Social Change – Fozia Irfan](#)
- [Cornerstone Fund Final Learning Report – Collaborate CIC](#)
- [The Black Systemic Safety Fund \(learning reports\) - Impact on Urban Health, Reos Partners, The Ubele Initiative](#)
- [Black-led Systems Change insights with Ubele – Propel](#)
- [What Propel is teaching us about funding change and changing funding – London Funders](#)
- [Renaisi's Guide to Systems Change: Activity 4 – Shifting Mental Models](#)
- [Funding place-based systems change - Renaisi and Save the Children UK](#)
- [Regenerative Futures Fund: Learning Report on the Development Phase](#)
- [Q&A: on the journey of changing systems - what we can learn from the Advice Workforce Development Fund \(London Funders' learning interview\)](#)
- [Q&A with Leah Black: creating a long-term fund for change](#)
- [Q&A with Collaborate: learning, measuring and defining systems change](#)
- [Q&A with Letícia Ishibashi: Practising anti-racism and exploring alternatives systems for the future](#)
- [Q&A with Jonathas Azevedo: funders as partners of change](#)

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