



Catalyst 2030: Creating the environment for systemic change

The Problem

Much of our advancement as a global society has come at the cost of environmental and human wellbeing. Despite improvements in life expectancy, literacy rates, and electricity access, severe inequalities in income, health, education, and representation, disadvantage billions around the world. The combination of these co-occurring and overlapping challenges signals that we urgently need to transform the entrenched systems underlying these major problems.

Social entrepreneurs (SEs) have been developing effective and ground breaking solutions to these challenges for decades while simultaneously contributing to global economic development ([WEF, 2022](#)). SEs are driving systemic change that enable people and the planet to thrive. Despite their potential for global systems change, there are many barriers which prevent SEs from achieving the change that they are capable of: poor government policies limit innovation, profit-oriented value chains exclude them from markets, and rigid funding models put heavy and restrictive demands on SEs ability to innovate.

If we are to truly address global crises, it is crucial that the environment in which SEs operate enables, rather than hinders, their impact. This requires systemic shifts in governments and policy, the private sector, and financing and funding to create an enabling environment in which SEs can innovate, adapt, and drive change. But how?

Catalyst 2030

Catalyst 2030 is a global movement uniting over 1,900 SEs and allies. Joining forces with communities, governments, businesses and others, Catalyst 2030 members are changing systems at all levels through collective action and bold new strategies. Together we address the failed systems that have given way to persistent global challenges and catalyse progress towards the UN Sustainable Development Goals (SDGs) by 2030.

Catalyst 2030 was first launched at the World Economic Forum in 2020 by SEs from Ashoka, Echoing Green, the Schwab Foundation and the Skoll Foundation. In this time, we have mobilised at the global, regional, and local level to enable the representation of SEs and proximate leaders in key spheres of influence. This has included advocacy within government policy, influencing private sector behaviours, and financing and funding systems level work. Creating an enabling environment for SEs is at the core of our strategy and the Catalyst 2030 [Theory of Change](#). We define this strategic pillar as, *enabling local actors to thrive within the systems in which they work*. In doing so, we believe we can catalyse the change required to achieve the SDGs by 2030.



The Opportunity

Through consultations with our global membership of SEs and allies, the movement's needs were clear: the biggest barrier they face to scaling their impact is the environment in which they operate. In order to drive impact and achieve the SDGs, we must focus our efforts on developing an enabling environment for the social economy.

As a movement of diverse actors, Catalyst 2030 is ideally placed to build cross-sector partnerships with government, private sector, and funding/financing systems. Through collaboration with our members, we are accelerating the impact of social innovation and ensuring that SEs are empowered by their environment. We have already made significant progress in key target areas, demonstrating our readiness and effectiveness to scale this strategic pillar and empower SEs globally. By developing Catalyst 2030 Secretariat's capacity, we will accelerate our strategy to catalyse change at the global, regional, and local levels in three targeted areas outlined below.

Governments and Policy

We advocate for the recognition and acceleration of SEs' impact at all levels of governance. By building partnerships between government and SEs, we aim to create a regulatory environment which drives innovation across the globe. Through our 26 established regional and country [chapters](#), Catalyst 2030 has a far ranging presence of proximate actors who are working together to accelerate progress towards the SDGs by 2030. With your support, we will develop a global campaign alongside our chapters, advocating at all levels of governance to ensure SEs are represented at the decision-making table. This includes creating tailored interventions for each stakeholder and level of governance, with the main aim of assisting governments in unlocking social entrepreneurs for the power of the common good.

Our goals are ambitious and will ensure global, regional, and local policies enable social innovation to thrive. By the end of 2024, we aim to (1) support 30 Chapters to engage with their governments on specific issues and support them to access bi and multilateral funding sources and (2) enable at least 10 chapters to develop a full ecosystem of SEs. Over the course of the next three years we have the ambitious target to grow from 26 regional and national chapters to 100, multiplying our reach and impact. In doing so, we aim to create a political environment which encourages ecosystems of SEs to emerge and flourish (free from barriers) and accelerate progress towards the SDGs.

Governments have made huge commitments to the SDGs, as have bilaterals and private donors. The network of Catalyst 2030 has created the [New Allies Handbook](#), which gives concrete case examples on how the government can work together with SEs, in order to change policies, practices, power dynamics and social norms, and of course, how this can lead to institutionalisation. These SEs provide participative, people-centric ways of developing solutions, which complement the macro-level governmental perspective, delivered at a lower cost and are able to "debug" approaches which the government can support or scale.

Implicit in this approach, is one of so-called localisation, or community driven development. However, community driven development is one that is not always understood well. We believe that there are key levers that can enable this approach: Advocacy: Collective advocacy by social innovators; Facilitation: Social innovators collaborating to facilitate community-driven development for community-driven development



towards stakeholders; and lastly, Scale: Scaling community-driven development across geographies through collaboration. We have created a guide, [Turning Wheels](#), that further details the approach, offering a guide for how social innovators can do this together, and importantly, how funding agencies and governments can become involved within the ecosystem to support community led development, both through financial as well as non-financial means. Building upon these principles, ways of working, and direct engagement with government and the funding community, Catalyst 2030 will be looking to offer four scalable pilot programmes, developed within the community in the coming time.

Signals of change:

- **Malaysia Chapter** has engaged their government with the [C2030 New Allies report](#) and submitted recommendations for the Malaysian Blueprint for Social Economy. They engaged in the consultation rounds with the Ministry of Finance for the 2022 budget and convened a round table discussion with the Economic Action Council Secretariat under the Prime Minister's Office. This led to critical recommendations to shape the social entrepreneurship ecosystem in Malaysia including the tax exemptions statuses, national accreditation system and annual grant disbursements. The Chapter has recently been identified by the government as a significant partner for supporting social entrepreneurship as they develop the country's Social Entrepreneurship Action Framework 2030.
- **Latin America Chapter:** designed a cross-country project on food security that will take a holistic approach to food security, from production to consumption. This project aims to generate changes in the way social organisations, local governments and companies in the food sector operate.
- **Advocacy with European Commission Delegations:** we are working with the European Commission to focus on priority countries outside the continent to promote the social economy. This includes collaborating with the EU and local governmental, bilaterals, multilaterals and social economy actors to co-create a strategy and vision for local stakeholders to further the social economy in the country.
- **Collaborating with the French Government:** supporting the global alliance, [Pact for Impact](#), to advance the Social Economy agenda through [key publications](#) and advocacy efforts globally through the Catalyst 2030 network, OECD and via the UN Task Force on Social and Solidarity Economy.
- [Unlocking the Social Economy Towards an Inclusive and Resilient Society](#) report: published in collaboration with Deloitte, and in partnership with Euclid Network, Motsepe Foundation and the Schwab Foundation for Social Entrepreneurship. The report aims to drive action by raising awareness and actively discussing policy options globally, regionally and locally to reduce common barriers that keep the social economy from reaching its potential.
- **Advocacy with the UN:** we are in discussions with the UN to ensure the UN Resident Coordinator system is taking into account and consulting local SEs and proximate leaders.

"Social entrepreneurs are the R&D engine for society – and government. They design, test and debug new approaches that tackle the root causes of social problems. Once shown to work, their innovations inform better policies that increase prosperity, participation and equity for citizens from all walks of life."

Konstanze Frischen, Global Leadership Member, Ashoka



Private Sector

The private sector too often prioritises profit margins at the cost of people and the planet. Despite SEs' innovative business solutions, they continue to be excluded from value chains due to a lack of recognition of their business benefits and/or a disassociation between business revenue and social and environmental costs. We want businesses to see SEs as a part of the solution to risk, sustainability, and as providers of market opportunities as a whole, catalysing progress towards the SDGs.

We aim to create a new market system which values mission and people over (purely) profit. Recognising the power the private sector has, we need to build meaningful collaborations between businesses and SEs to pave the way to a new regenerative economy. With your support, we will mobilise more, and deeper collaborations between the private sector and SEs in order to catalyse systems change, achieve the SDGs, and accelerate the transition to an inclusive, regenerative economy.

Signals of change:

- **Catalysing Collaboration Report:** in collaboration with Resonance, Catalyst 2030 produced a crucial [report](#) on how and why corporates and SEs should partner to achieve the SDGs. The report highlights the value social enterprises can bring to the table, the ways in which companies and social enterprises collaborate for impact, and how to more effectively partner for success.
- **The Business Pledge:** a certification is being developed which will commend work done by businesses in three specific areas: 1) System Change Funding, 2) Pro-Bono/ Discounted Services, 3) Social Procurement.
- **Global Business Council:** this council will bring together key stakeholders and innovators from private sectors who will advise and co-design ways to deepen engagement with SEs.
- **Collaborations Building Programme:** curricula being developed in consultation with the private sector which will be a twelve week programme for companies and SMEs to better understand what it takes to truly collaborate.
- **Impact Investors:** working with impact investors and venture capitals who are looking at debt and equity lending. We are currently working in collaboration with Rianta Capital to provide a platform where investors can identify debt and equity opportunities and our member entrepreneurs can access financing.

“What’s distinct about a social enterprise? We’re at this cusp, in the global economy, of realisation, that it’s not only a nice to have, but it’s actually strategic to be a business driven by mission. Because we’re seeing across the board in both public markets, and to some extent in private equity, that mission-driven businesses—those businesses that commit to protecting people and planet, as well as profit—are outperforming their peers.”

Audrey Selian, Artha Impact

Financing and Funding

Current financing and funding systems have a direct impact on global progress towards the SDGs. Despite the positive impact of philanthropic investments, many systemic inefficiencies hinder the progress of those working on the frontlines to drive change. These include (1) a lack of funding allocated to proximate leaders; (2) resource allocation towards symptoms rather than root causes of social and environmental issues; (3) a power imbalance between funders and grantees (which manifests in heavy application and reporting requirements



and project-focused funding); and (4) competitive grant processes leading to competition rather than collaboration within the social impact sector.

We aim to harness the power of financing and funding systems to keep pace with the urgency of global social and environmental challenges. Through shifting current funding and financing practices, we will direct more support to high-impact SEs who have the capacity to drive real, systemic change. Working as an ‘honest broker’, this strategy will connect and cohere global initiatives to shift the funding paradigm. In unifying the power of the collective, we can create a world in which social impact actors and funders alike are empowered by the funding ecosystem, catalysing our collective impact towards solving the world’s most pressing problems.

Signals of change:

- **Embracing Complexity Report:** a group of Catalyst 2030 members from Co-Impact, Echoing Green, Schwab and Skoll and SystemIQ developed this [report](#) in collaboration with Ashoka and McKinsey & Company. It addresses how systems change across the world can be financed more effectively.
- **NGO Call to Action Letter:** Catalyst 2030 members have mobilised over 1,100 signatures from NGOs across the world; speaking with a collective voice, these NGOs are calling on donors and funders to remodel their traditional grant investment practices to more effectively support grassroots organisations. The [open letter](#) highlights the changes social innovators and allies would like to see in the current funding paradigm, asking funders to embrace ten key principles.
- **Funder Self-Assessment Tool:** a tool which asks funders a series of questions to assess their culture, strategy and practice and understand where they are on their journey to embracing a systems change approach. The [BETA version](#) has already been launched (and embraced by funders) with the full tool expected to launch by August 2022.
- **Funder Pledge:** this initiative will ask funders to demonstrate an intention to improve their funding practices by committing to a Funder Pledge. Those who commit will endorse the ten principles of the NGO call to action letter and identify a strategy for embracing each principle.
- **Catalyst Hub:** a new funding service through which innovative funders are connected with proven systems change initiatives. This has been developed in partnership with leading systems change experts and strategic consultants who would also be involved in training/mentoring grantees to further catalyse their impact. The concept has been launched and we are working with third parties to support the operationalisation of this initiative with a pilot launch planned for October 2022.
- **Financing and New Economies:** bringing together SEs and others in the ecosystem to identify financing innovations, advance their application, and further develop them with experiments/pilots to support emergence of a powerful financing ecosystem. In partnership with Bounce Beyond and Cattail Strategy, this group led the development of a key report, [An Investigation into Financing Transformation](#), which outlines the current state of the field and proposed solutions.

“To transcend the compounding crises of our times – including climate change, rising inequality and the erosion of democracy – philanthropy must help humanity become adept at systemic change.”

Stephen Huddart, President & CEO McConnell Foundation



Budget

Our budget is in the region of \$800,000 per year for us to carry out this work. We have a detailed budget on request but the headlines are the hiring of a Facilitator of Enabling Environments (or Director of External Relations) to oversee this strategy and be the driving force of the campaign. In order to ensure targeted impact in each of the identified areas, we would also require three mid-level employees and associated junior coordinators to advance relationships in Government & Policy, Private Sector, and Funding & Finance. To support the facilitator and provide oversight of these three focus areas, the team will also require an overarching coordinator. The Enabling Environments team will have established experience in these three streams and a capacity to facilitate and coordinate systemic change.

Opportunity to Partner

We are looking for well-aligned strategic funding partners who can help us to drive change and create enabled environments across the globe for the social economy to flourish. Your investment in this strategy will unlock the power of the social sector and provide the foundations for community driven development. We hope you will choose to align your support with the vision of Catalyst 2030 and help us to solve the most complex challenges humankind faces today. We would be delighted to discuss any aspect of our work with you to establish how you can join us and become part of this catalyst for change.

Contact

We welcome the opportunity to meet with you and find out more about your work and areas of interest. Please feel free to reach out to Matthew Patten, Donor Relations Facilitator at matthew@catalyst2030.net or call (+44) (0) 7748 705 890.

We look forward to engaging with you and thank you for taking the time to engage with Catalyst 2030.