Funding Systems Change Glossary

Ecosystem[i]: refers to a complex set of environmental conditions within which an individual or organization operates. An ecosystem can include: institutions, social norms, laws, market dynamics, resources, competitors, allies, beneficiaries, customers, influential actors, structures and culture.

(Eco)system-Mapping[ii]: a synthetic representation capturing all the key roles and dynamics that have an influence and interact with the environment of an entity (individual, team and organization). The ecosystem map usually entails and describes different entities, flows and relationships that characterize the surrounding ecosystem.

Funding Systems Change *(working definition)*: funding for social innovations that are tackling root causes of social and/or environmental issues by changing the systems that produce them. Funding this type of work requires a different mindset and grantmaking processes than funding projects addressing the symptoms of problems. Read more on the 5 principles for funding systems change here.

Funding (types of)[iii]
- Core funding / Unrestricted funding: funds to be used entirely at the grantee's discretion (including general operating support)
- Target support: investments in the organization (capacity building and organizational development)
- Flexible funding: flexible funding for a specific program
- Project funding: funding for a specific project (could be payment per outcome of project, single price set without distinction between direct and indirect costs or, funding determined based on direct and indirect costs)
- Program funding: funding for a specific program (sometimes includes limitations for overhead and/or administrative costs)
- Hybrid funding: a combination of different funding types
- Crowdfunding: a funding source that uses a platform to allow for many contributors to fund projects
- Grants: a sum of money given for a specific purpose and is typically sector based
- Other types of non-financial support: in-kind contribution (offering a good or service like voluntary labor), network (offering access to partners and events), advocacy (offering public support), the sharing of intellectual property (best practices, prototypes and trainings), mentorship (thought leadership and strategic guidance)

Impact (levels of)[iv]
- Direct service: addressing the immediate needs of specific individuals and communities
- Scaled direct service: reaching lots of people or communities with a direct service approach
- Systems change: tackling a root cause for a social problem, in such a way that it changes the way a system operates

Leverage points for systems change (The 5Rs Framework)[v]

- Resources: refer to both the scope and (non)distribution of different resources in the system, including financial and human resources, information, power, and money
- Roles: refer to formal or informal roles given or taken by actors, including who is eligible for them
- Relationships: contain all the interactions and connections, or lack thereof, and their quality between different actors. This also includes relationships that are marginalized or unrecognized within a system
- Results: are what this system produces, the outputs, outcomes or their impact on the short and long term
- Rules (& mindsets): include any laws, guidelines, norms, protocols, governance, traditions and other elements that direct behavior and processes within a system.

System[vi]: set of interdependent/connected elements, that is organized to achieve something

Systems Change[vii]:

- Addresses **root causes rather than symptoms** and thus tends to take a multidisciplinary, long-term approach.
- It aims to **solve societal problems with lasting effect**, meaning that it works towards a new, stable situation that may make a systems change leaders' work obsolete.
- It does this by **altering, shifting, and transforming a system's characteristics**, ranging from the explicit (policies, practices, and resource flows) to the semi-explicit (relationships and power dynamics), to the implicit (mental models).
- It **results in different forms** of systems change, ranging from adoption by other entities, such as the government, to a mindset shift within society.
- It may use **evolving approaches** as systems adapt to disruptions, making it difficult to measure progress and impact in traditional ways.
- It **does not require an organization to scale** its work in the traditional sense. As Gugelev and Stem put it, "the scale of an organization (…) does not necessarily equal the scale of its impact".

Social entrepreneur / social innovator / systems change leader[7]: refers to any individual or organization driving systems change

Theory of Change[viii]: designed to aid social innovation projects to hypothesize about the outcome and impact of their work, in order to be able to respond to rapidly changing contexts and emergent insights while remaining accountable to stakeholders and funders

[i] Bloom, Paul N., and J. Gregory Dees. 2007. 'Cultivate Your Ecosystem'. *Stanford Social Innovation Review* 6 (1): 47–53. https://doi.org/10.48558/QWAW-VP62.

[ii] Collaboratio Helvetica. 2019. 'System Mapping'. Collaboratio Helvetica. 2019. https://www.collaboratiohelvetica.ch/en/blog/2019/10/18/system-mapping.

[iii] Collaboratio Helvetica. 2021. 'From Project Funding to Core Funding: A Smart Move?' Collaboratio Helvetica. 11 June 2021. https://www.collaboratiohelvetica.ch/en/blog/2021/6/11/from-project-funding-to-core-funding-a-smart-move.

[iv] *Ashoka Systems Change Masterclass: Module 1 - What Is Systems Change and Why Does It Matter? - YouTube*. 2021. https://www.youtube.com/watch?v=WINiEIFWSCQ.

[v] USAID. n.d. 'The 5Rs Framework in The Program Cycle'. https://usaidlearninglab.org/sites/default/files/resource/files/5rs_techncial_note_ver_2_1_final.pdf.

[vi] Meadows, Donella H. 2008. *Thinking in Systems: A Primer*. Vermont, United States of America: Chelsea Green Publishing.

[vii] Ashoka, McKinsey, Schwab Foundation for Social Entrepreneurship and al. 'Embracing Complexity: Towards a Shared Understanding of Funding Systems Change'. 2020. https://www.ashoka.org/en/files/embracing-complexitypdf.

[viii] Collaboratio Helvetica. 2022. 'Theory of Change Framework'. Collaboratio Helvetica. 2022. https://www.collaboratiohelvetica.ch/en/blog/2022/3/7/theory-of-change-framework.