



FEST Funding Strategy

Introduction

The FEST funding strategy is a community-based action experiment to develop the field of financing systemic transformation (FST) by building on current diverse work in the field. It aims to support the definition of a three-to-five-year strategy for development of the field of FST. The funding strategy has the additional goals of:

- (1) raising money,
- (2) advancing the distinct priorities held by individual field participants,
- (3) enhancing the collaborative nature of the community,
- (4) distributing action to engage members and a wide range of funders,
- (5) shifting the dynamic between funders and their grantees to develop relationships of greater transformational capacity,
- (6) creating *coherence* and organization to accelerate the field's development, and
- (7) building participation in the FEST community.

The core actions in the collective [FEST proposal](#) comprise 13 individual Concept Notes submitted by field participants. The Notes have each been developed by two or more organizations, with 20 engaged in their development. This approach aims to expand "ownership" of the activity, enhance diversity, create for each concept note a network of potential funding relationships associated with the Concept Note writers, and grow the FEST community. The notes are "in development": they have begun as concept notes, they are being modified in response to community reviewers' comments, and they will continue to develop in conversation with potential funders.

Those who are writing the concept notes can raise money totally separate from FEST. There is no limit on that. However, by positioning their work in the context of a much bigger effort to develop the field of FST, FEST participants enhance funders' appreciation for the importance of their work. It is a strategy to raise all boats together as a field.

The funding strategy aims to do two things concurrently with funders: (1) develop a *participatory* relationship with them, rather than a *transactional* one, and (2) obtain money to "do the work". We need to change the funder-grantee dynamic, starting with modest Concept Notes. There is [more here](#) about what needs to be cultivated. This makes the FEST funding strategy an action project about how to transform the role/relationships of those who come together with distinct resources (money, research ability, etc) to develop as a field and *system* rather than as simply a transaction of input-output.

The Concept Notes have been framed within very modest funding guidelines, generally from \$25,000 to \$50,000. This modest level of funding and the on-going developmental approach to the Concept Notes aim to "entice" field participants and funders into community participation through modest up-front commitments. The modest levels of funding are associated with the "ask" that funders commit between \$25,000 and \$75,000 to FEST's development and the development of a particular Concept Note(s).

Requests for funding are framed as an "invitation" to participate in FEST and the field's development. Funders are invited to participate in FEST events, and are also expected to participate in the Concept Note implementation. The participation may be as modest as meeting monthly with the implementers, commenting on reports, providing network connections or more. Funding is seen as a sort of membership or community participation fee, as well as funding a specific output. In addition to developing the FST field, funders' benefits of participation are:

- (1) Accessing the leading FST knowledge, tools, and processes;
- (2) Developing relationships with leading FST players;



- (3) Developing new capacity for systems transformation funding through a modest step;
- (4) Advancing particular actions funders see as important to develop the field.

In discussion between the proposers and funders, the amounts of money will quite possibly change and increase as the Concept Notes become more detailed and the parties explore the potential for mutual value creation. However, a key goal is to develop a relationship between the parties and development of the field in the context of FEST that will be enduring for subsequent work.

Findings to Date

The original goal was for 10 – 12 Concept Notes. Of the 13 received, one will not be supported as a FEST community proposal because it is about funding a specific transformative project, rather than for advancing the field. Two Concept Notes were deemed weak and may or may not continue depending on the writers' response to the community reviews. A Concept Note for developing an evaluation strategy is still in development; it was initiated by FEST Lead Steve Waddell after he reviewed the Concept Notes and felt the absence of a strong evaluation proposal needed to be addressed.

The process revealed the intention to create a community convening by TransCap, Meridian Institute and MIT, at MIT at the end of January 2024. This was developed into one of the Concept Notes received by FEST. It has produced greater definition of a pathway forward with a good and feasible dynamic. The work from all of the Concept Notes will feed into this event and contribute to one of its outputs being defined three-to-five year pathways for the FST field's development.