

How can donors invest with a post-Covid-19 world in mind?

By [Noxolo Hlongwane](#), issued by [Dialogue](#)

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Nedbank Private Wealth has won multiple awards for its philanthropic advice and has published [The Giving Report](#), a snapshot of giving practices among South Africa's wealthy, since 2010.



Noxolo Hlongwane

The coronavirus crisis has been challenging for everyone, including donors like foundations, which draw from endowments in order to give. The markets have performed poorly, and investment portfolios have lost a lot of their value. However, philanthropy remains one of the mainstays of our society, and giving will continue – it will just look a bit different in the future. One of the issues donors will have to face is how to give sustainably in a post-Covid world, where recovery may be slow and painstaking.

During this time, donors have had to be flexible when it comes to supporting beneficiary organisations and the communities that rely on them. Companies and foundations have offered non-discretionary funding so that immediate crises can be managed. Looking ahead, donors should consider their own sustainability as they simply cannot meet every need that arises. If you are currently supporting

beneficiary organisations, do not respond in a way that jeopardises the long-term sustainability of your organisation. Community needs will change over time and a post-Covid world is going to be just as challenging as the pandemic itself. The recovery period may be a long one.

Unfortunately, a number of looters and fraudsters are taking advantage of people during the pandemic, so vigilance is necessary. Due diligence should not fall away because you are working remotely – in fact, it is probably more important than ever, even though it may be difficult to measure certain outcomes. If you are partnering with new organisations, do your homework; and if you are working with trusted partners, focus on your objectives. Do you have a long-term plan? What does that look like, and how has the pandemic affected it? Think beyond immediate needs and allocate funding for rebuilding communities over months and perhaps years.

Investing in capacity building is going to be important as organisations reinventing themselves and their programmes. Maintaining a balance of immediate needs while not losing sight of the systemic approach and tackling the root causes will ensure we build more resilient communities, particularly as this will likely not be the last pandemic we face. Finally, companies have taken care of the wellbeing of their own employees. Many have attended to the physical and mental wellbeing of their staff in admirable ways, and this should continue, but should also extend to beneficiary organisations and partners in the social sector.

Implications for non-profit partners

The way we work, school our children, interact, and function as a society has been affected – not just in the short term, but also in the medium and perhaps long term. The pandemic has affected our non-profit partners in various ways, and their sustainability has come under discussion. Their financial sustainability has to be considered, but they also need to become more resilient and future-fit, reshaping their work in innovative ways. Those who are dependent upon face-to-face interactions may be unable to operate in the next few months and could struggle to survive. Now more than ever, non-profits need to demonstrate the relevance of their programmes as funding becomes even tighter. As donors, we should consider helping them to invest in themselves – in people, training, research, and technology – so they are better equipped and more resilient.

This will require open engagements between donors and non-profits, with frank conversations about discretionary funding and capacity building. It is critical that donors assist their beneficiaries in terms of skills development and putting the right systems in place. The true value of NPOs has been emphasised during the pandemic. They play a critical role in society and plug gaps in communities that government cannot fill in the short term. The wider sector must embrace technology and the opportunities it affords, since it can achieve greater impact and wider reach by leveraging this, enabling it to enhance its missions. This strategic leadership will have to come from the boards of non-profits – ultimately, their role is to provide support, direction, and clarity. This requires constant, ongoing communication.

Increasingly, business needs to find the nexus between business and society and make even more deliberate attempts to explore that intersection with the sustainable development goals (SDGs) in mind.

Above all, as we explore new ways of doing business, we need to confront the most pressing social challenges of our time and leverage our internal competencies to solve our social problems. There has never been a better time to have these strategic conversations. Ultimately, once the coronavirus crisis is over, we will have a new sense of urgency about supporting our most vulnerable citizens, who have been disproportionately affected by the pandemic, and find ways to narrow the inequality gap, which has become even more stark during the pandemic.



Triologue CSI forum on what corporates can learn from philanthropy's response to Covid-19

The response of philanthropic organisations around the world to the pandemic has contributed enormously to addressing the health and humanitarian crises. Not only have foundations supported the response, they have also assisted their partners to reinvent themselves to deliver services during and after Covid-19.

They've done this through financial and non-financial support as well as by adjusting their own giving practices, which have in many cases become more flexible, participatory and responsive. Join us as we discuss what corporate social investment practitioners can learn from the philanthropic response and apply to their own giving practices. Participants in the webinar will be able to pose questions to the panellists after the opening statements.

Panellists:

- Noxolo Hlongwane, Nedbank Private Wealth
- Sarah Rennie, IPASA
- Vuyiswa Sidzumo, Ford Foundation

Date: Thursday, 23 July

Time: 9.30-10.30am

Register to join [here](#).

Nedbank Private Wealth is the sponsor of the [Philanthropy](#) topic on Trialogue's Knowledge Hub, a digital platform for social investment information: <http://www.trialogueknowledgehub.co.za>.

ABOUT THE AUTHOR

Noxolo Hongwane is the Head of the Philanthropy Office at Nedbank Private Wealth.

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