

MAINSTREAMING SCALING INITIATIVE CASE STUDIES

The DG Murray Trust, South Africa (DGMT)

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MAINSTREAMING SCALING

A Case Study of DG Murray Trust, South Africa (DGMT)

by

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A Case Study for the Initiative on
Mainstreaming Scaling in Funder Organizations

For the Scaling Community of Practice

www.scalingcommunityofpractice.com

Preface

The [Scaling Community of Practice](#) (CoP) launched an action research initiative on mainstreaming scaling in funder organizations in January 2023. This initiative has three purposes: to inform the CoP members and the wider development community of the current state of support for and operationalization of scaling in a broad range of development funding agencies; to draw lessons for future efforts to mainstream the scaling agenda in the development funding community; and to promote more effective funder support for scaling by stakeholders in developing countries. (For further details about the Mainstreaming Initiative, see the [Concept Note](#) on the COP website).

The Mainstreaming Initiative is jointly supported by Agence Française de Développement (AFD) and the Scaling Community of Practice (CoP). The study team consists of Richard Kohl (Lead Consultant and Project Co-Leader), Johannes Linn (Co-Chair of the Scaling CoP and Project Co-Leader), Larry Cooley (Co-Chair of the Scaling CoP), and Ezgi Yilmaz (Junior Consultant). MSI staff provide administrative and communications support, in particular Leah Sly and Gaby Montalvo.

The principal component of this research is a set of case studies of the efforts to mainstream scaling by selected funder organizations. These studies explore the extent and manner in which scaling has been mainstreamed, and the major drivers and obstacles. The case studies also aim to derive lessons to be learned from each donor's experience, and, where they exist, their plans and/or recommendations for further strengthening the scaling focus.

The case studies also aim to derive lessons to be learned from each organization's experience, and, where they exist, their plans and/or recommendations for further strengthening the scaling focus. The present case study focuses on the DG Murray Trust in South Africa and its strategic effort to institutionalize catalyzing outcomes at-scale. It was co-authored by David Harrison, CEO of the DG Murray Trust, and Larry Cooley.



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Executive Summary

Describing DGMT

The DG Murray Trust (DGMT) is a South African foundation which positions itself as a 'public innovator through strategic investment.' It focuses on ten opportunities to escape the inequality trap in which that country is stuck. This trap is characterised by inadequate investment in child nutrition and early learning, poor school outcomes, high unemployment and low productivity growth. Breaking this cycle requires fundamental and large-scale shifts in the structure of society and the economy.

Given DGMT's positioning, national-level scaling is embedded in the way that it works, championing large-scale change through strong public advocacy, working with government to redesign systems and leverage both public and private financing. It has made a substantial contribution to an emerging national ecosystem for early childhood development characterized by policy change, new delivery platforms for early learning and nutrition-support, and the allocation of substantial new public funding for early learning.

Not all routes to change at scale require substantial new public resources and DGMT has also spearheaded the design and adoption of policy instruments that sustainably leverage the resources of the private sector to expand people's access to services.

DGMT's strengths lie in its rootedness in local communities through its wide network of implementing partners, its flexibility and adaptability, and position of influence through government partnerships and the media.

Fit-for-purpose organizational design

Over the past fifteen years, the composition of the board of trustees has changed to include several people who were leaders in the apartheid struggle. Their mindset – and that of younger investment professionals on the board – is one of national transformation. They expect large-scale change. Since 2010, the identity of DGMT has shifted from a 'philanthropic grant maker' to a 'public innovator through strategic investment'. Its brief became to 'commission, communicate and connect' in pursuit of the ten opportunities to escape the inequality trap - building empirical evidence, public demand and political interest. This shift in identity led to an expansion and change in the composition of the staff team, as grant-making now constitutes only about one third of its total effort.

Ingraining scale in organizational thinking

DGMT's optimization for scale did not only require structural change, but mindset shifts as well. Static, project-based approaches to funding gave way to adaptive initiatives that were better designed to navigate and influence complex systems of government. It now sees its role as enhancing the probabilities of successful national outcomes, rather than supporting discrete projects that offer greater certainty but lower prospects of substantial change. Special focus is placed on the demand-side of system-change, as DGMT tries to push towards desired tipping points in social convention.

Strategies for scaling

In resource-constrained environments, mechanisms for exponential growth must be core to every scaling initiative. As DGMT and its partners design for impact, it tries to identify pivotal strategies that could drive exponential growth, such as:

- an in-built replicator mechanism that sustains change once it has been initiated,
- the release of chokes or bottlenecks within the system that would have widespread ripple effects,



- the outsized scaling properties of knowledge-based socio-economic networks?
- social franchising, which creates economies of scale through the replication of similar branded units of program delivery across the system,
- a large-scale behavioral effect through public communication and mobilisation, that reshapes demand and social convention.

The application of these mechanisms is illustrated through three examples, namely support for the development of a national ecosystem for early childhood development, the accomplishment of zero-rating of the digital content of public benefit organisations as a critical bridge across the digital divide, and the nurturing of political leadership at the highest level in support of children and adolescents.

Lessons to share

This case study illustrates that smaller, local foundations in countries of the South can have significant influence on national policies and systems and can provide an anchor for initiatives which blend local and international funding – rooting them in local realities, negotiating fast-changing contexts, imprinting them in national systems and increasing the prospects that they can be sustained at scale.



DGMT: A public innovator through strategic investment

The DG Murray Trust (DGMT) is a South African foundation committed to developing that country's potential. It strives to "create an ethical and enabling environment where human needs and aspirations are met; and where every person is given the opportunity to fulfil their potential, for both personal benefit and for that of the wider community". It positions itself not as a grant-maker, but as a 'public innovator, through strategic investment', with one foot planted firmly in communities through the work of its implementing partners and the other constantly feeling its way through national and sub-national systems and policy spaces.

Its total endowment is USD 250 million, small in global terms but relatively large in terms of private foundations in South Africa. This endowment enables it to distribute about USD 12 million a year, placing it, size-wise, in the top three private foundations. Together though, the hundred or so private foundations only account for about 15% of the income of non-profit organisations derived from non-government sources. The single largest revenue source for non-profits in South Africa is the corporate sector, contributing about one quarter of the income of non-profits. Driving a substantial part of this investment is the statutory obligation to support broad-based Black economic empowerment, which has led to the establishment of large corporate foundations, some roughly twice the size of DGMT. The second largest source of income for non-profit organizations is individual giving, from both high-net-worth individuals and by hundreds of thousands of small donors who support development work in their own communities.¹

What makes DGMT unique in the South African context is its blend of grant-making, program initiation and in-house incubation, and strong policy advocacy. Its financial autonomy and independence from business interests allows it to pursue specific – and sometimes unpopular – policy proposals based on evidence emerging from the programs and research it funds. In US terms, DGMT would probably be categorised as a private non-operating foundation, although it has some of the features of an operating foundation. It makes grants to about 200 non-profit organisations a year, but also incubates between ten and fifteen initiatives within its own structures. Some of these initiatives are of a formative nature and will probably remain as part of DGMT's R&D portfolio for a long time; others are preparing for independence by building out their own strong management capability and revenue pipelines. So far, over the past eight years, five have spun off as independent legal entities. In the exceptional circumstances of the COVID-19 pandemic and beyond, DGMT operated beyond its normal scope of work to lead the management and execution of bilateral (government-to-government) funding agreements for large-scale national projects. These have included the provision of cold chain and information technology to 2,400 public clinics and the delivery of health care to over 700,000 young people through outreach programmes. But this role is largely tactical, and DGMT sees its main work as pursuing a specific set of national development outcomes through the actions of 'commissioning, communicating and connecting'. As will be shown, the adoption of these outcomes necessitated a shift from its historical project-based funding to a focus on systems and strategies for scale.

¹ Trialogue Knowledge Hub (2023). Overview of NPO income in South Africa 2023.
<https://trialogueknowledgehub.co.za/overview-of-npo-income-in-south-africa-2023/>



The mainstreaming of scale – intrinsic to DGMT's mission

From charity to national mission

Somewhat disparagingly, but truthfully, it could be said that the DG Murray Trust is the product of “old white money”, the endowment of a construction engineer, Douglas, and his wife, Eleanor. His company, founded by his father in 1906, reflected the demographics of the day – all-white male leadership – and his philosophy was old-school: he would extend help to those ‘people willing to pull themselves up by their bootstraps’. In other respects, he and his wife were unusually progressive in their determination that all people, regardless of race, should benefit from the company's profits.

Douglas and Eleanor's personal trusts, established in 1944 and 1950 respectively, combined in 1979 to form the independent DG Murray Trust, which initially only supported projects in ‘welfare’ and ‘education’. The small grants team would literally wait for applications to arrive in the post, whereupon each was assessed on its own merit and either approved or declined for funding. The first real challenge to this project-based way of working happened in 2008, when DGMT, the ELMA Foundation and UBS Optimus agreed to create a pooled fund under DGMT's management to test new models of service delivery for early childhood development (ECD). Once the impact of these models was demonstrated, the funders then agreed to incubate a systems-change initiative within DGMT, called Ilifa Labantwana – the ‘legacy of our children’ – to work towards universal access to early learning in South Africa. This experiment was the prototype for a new approach, no longer working in isolation but in partnership with other funders who were willing to pool their funding, within a jointly governed initiative operating under the day-to-day management of DGMT until a new legal entity was established or that joint venture had run its course. In this way, institutional arrangements that began to leverage sufficient funding for scale were put in place.

The establishment of Ilifa Labantwana coincided with a change in composition of the DGMT Board, with the inclusion of more women and black leaders who had been anti-apartheid activists. Among them were: Shirley Mabusela, founder of the National Children's Rights Committee in the 1980's and later chairperson of the South African Human Rights Commission; Maria Mabetoa, social worker, academic and deputy head of the national department of social development; Mvuyo Tom, medical doctor and former political prisoner, later head of provincial government in the Eastern Cape and vice-Chancellor of the University of Fort Hare; John Volmink, education activist, interim vice-chancellor at two universities and chairperson of the national accreditation body for school education; and Murphy Morobe, former trade unionist and political prisoner and later head of communications in the Presidency.

This new cohort of trustees brought profound new insight into South Africa's extreme social and economic inequality that continues to stifle human capability and renders it unable to generate sufficient economic productivity and growth. Their skills and experience, honed during the apartheid struggle and the first decades of liberation, were complemented by several younger Trustees drawn from the business and public policy sectors.

These trustees were primed for a shift in the way of working, away from short-term project-based funding towards a long-term commitment to specific national development outcomes. They were supported by the Trust's chairperson, a former executive in Murray's company and engineer who understood the importance of leverage where DGMT's annual grant-making amounted to “only 100th of 1% of public spending in South Africa”.² Together, they acknowledged that achieving development outcomes at a national level would require fundamental changes in key components of the system – how relevant sectors of government worked and what they funded, how civil society

² DGMT (2016). 2011 – 2015 Five Year Review: Investing in South Africa's potential.
<https://dgmt.co.za/wp-content/uploads/2016/05/DGMT-FIVE-YEAR-REVIEW.pdf>



and business worked together and even what the general public thought and did. Inevitably, this required a quantum leap in DGMT's thinking about the scale of its intervention. It had to think big.

The mainstreaming of scale in the organisation was therefore more a consequence of its ambitious objectives than a separate statement of intent. By 2016, the chosen national development outcomes had been honed as 'ten opportunities for South Africa to fly.'³ This wording was later revised - to make the goal more practical - to 'ten opportunities to escape the inequality trap' (see Box 1). They constitute DGMT's long-term objectives. For each objective, key strategies and specific targets and outcomes are fine-tuned every five years. Together, they represent DGMT's current scope of funding, while still leaving space for new and unusual ideas to be considered at any time.

Box 1: TEN OPPORTUNITIES TO ESCAPE THE INEQUALITY TRAP

Goal 1: An innovative and inclusive society

1. Cultivate and connect imaginative leaders.
2. Release the systemic chokes that trap us in inequality.
3. Build productive synergies between communities and the environment.

Goal 2: All children on track by Grade 4

4. Give every child the benefit of early childhood development.
5. Stop nutritional stunting among young children.
6. Make sure every child is ready to read and do math by the time they go to school.
7. Build simple, loving connections for every child.

Goal 3: All young people on pathways to productivity

8. Accelerate learning for children failed by the system.
9. Create new connections to opportunity for young people.
10. Support young people to keep their grip on opportunity.

The premise of these 'opportunities' is that human development is the outcome of individual attainment, healthy group relationships and a protected natural environment. This led the DGMT team to identify three critical goals for South Africa to flourish.

The first goal is the emergence of an innovative and inclusive society to provide the conditions for people to flourish. In this regard, DGMT sees three opportunities - to build imaginative leadership, tackle systemic chokes and foster productive synergy between communities and their environments. The second and third relate to the attainment of human capital, aimed at keeping all children on track by Grade 4 and enabling all young people to reach pathways to productivity. These goals flow from evidence that, if children are developmentally on track by Grade 4, they will generally stay on track and complete their schooling⁴; and, if they obtain work experience within the first few years post-schooling, they are far more likely to secure life-long employment.⁵ This focus on human capital development is consistent with the economist Thomas Piketty's view that an increase in per capita economic productivity is the only pre-tax way to reduce inequality,⁶ and that education accounts for

³ DGMT (2022). 2017 – 2021 Five Year Review: Preparing to Fly.
<https://dgmt.co.za/wp-content/uploads/2023/10/DGMT-2017-2021-5-YEAR-REVIEW-final.pdf>

⁴ Spaull N, Kotze J. Starting behind and staying behind in South Africa: The case of insurmountable learning deficits in mathematics. *International Journal of Educational Development* 41 (2015) 13–24

⁵ Altman, M. & Marock, C. (2008) Identifying appropriate interventions to support the transition from schooling to the workplace. Human Sciences Research Council & Centre for Poverty Employment and Growth

⁶ Piketty T. *Capital in the Twenty-First Century*. Harvard University Press, Cambridge MA, 2014



almost half of the variance in total factor productivity growth⁷ across developing countries.⁸ For these reasons, the opportunities linked to these goals almost all reflect the centrality of nutrition, early learning and education as measurable inputs to human capital development. Even the apparent exception, that of ‘building networks of support for love and care for children’, aims to build trust as both a social and economic force.

According to the World Bank, a child born in South Africa today is likely to achieve only 43% of their potential human capital,⁹ which implies a consistent loss of over half of the nation’s potential. DGMT’s mission is one of universality - the attainment of human potential by every person in South Africa – and so, embedded in these objectives is the requirement of scale. For each opportunity, DGMT starts by assessing the related national status of children or young people to identify critical points of intervention that can act as levers for change. Its edge-thinking seeks out new possibility by identifying programme gaps, missed opportunities for synergy and collaboration, and interesting but untested ideas. Typically, this involves primary or secondary research and engagement with many of the relevant national, sub-national and local stakeholders. This analysis serves as the basis for designing strategy that is both within DGMT’s remit and capability.

The objective to which DGMT has made the largest national contribution to scaling is to ‘give every child the benefit of early childhood development’. This work, together with other funding partners and implementers has contributed to significant policy change, achieved substantial increases in public funding and developed delivery platforms for scale. Through these efforts, the country is closer to meeting that objective. There are other areas in which DGMT is positioned to contribute national level change, but where progress towards its goal is still limited.

That goal – a nation’s escape from the inequality trap – is necessary to put South Africa on a fundamentally different trajectory of growth and development. Its attainment will require sustained national effort over a long period of time, and DGMT is only one player – and a relatively small player at that. Its modest size and impact raise the question of whether there is a fundamental mismatch between the ambition of its goal and its ability to achieve it. Certainly, the stories to be told in this profile are less about peaks conquered than the opening of new routes upwards, providing some evidence of progress towards national scale.

DGMT’s current five-year strategy (2023 – 2027) uses the metaphor of a Möbius strip to illustrate the potential of counter-cyclical twists to change the trajectory of national development.¹⁰ Trace your finger on the inside of a paper bracelet and you remain trapped, as if on a hamster-wheel. Incorporate a 180° twist in the bangle and you trace a different pattern. Instead of being trapped on the inside of a perpetual loop, your finger emerges on the upper surface. In board meetings, “What’s the twist?” is shorthand for asking how the grant application under consideration could potentially disrupt prevailing patterns of inequality.

DGMT’s long-term commitment to South Africa means that it can contemplate intergenerational processes of change. It can map out realistic processes and timelines for scale that transcend political tenures, while working with successive governments. One of the benefits of being a home-grown foundation in a developing country is that, while there may be fewer resources than in more developed ones, there may be more direct access to people in power, which creates the possibility of greater influence. Despite their relatively small size, DGMT’s experience is that local foundations can play a pivotal role in policy change and the development of systems for scale, but not if they are

⁷ Total factor productivity growth is the portion of GDP growth due to factors other than growth in capital and labour. It includes factors such as institutional effectiveness, adequacy of infrastructure, market efficiency, education and innovation.

⁸ Kim Y, Loayza N (2019). Productivity growth: Patterns and Determinants across the World. *Economía* 42(84): 36-93

⁹ Kraay A (2018). Methodology for a World Bank Human Capital Index. Policy Research Working Paper 8593. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3255311

¹⁰ DGMT (2023). Escaping the inequality trap: Five-year strategy 2023 – 2027. <https://dgmt.co.za/wp-content/uploads/2023/04/DGMT-2023-27-STRATEGY-BOOKLET-FULL-final.pdf>



only designed for grant-making. Their organizational structure and way of working needs to be optimised for influence, a journey on which DGMT embarked between 2010 and 2020.

Internal re-organisation – from DGMT 1.0 to DGMT 3.0

As DGMT distilled its mission, its identity gradually shifted from that of a ‘philanthropic grant maker’ (1979 – 2010) to ‘strategic investor’ (2011 – 2020) to a ‘public innovator through strategic investment’ (2020 onwards)¹¹. The conceptual shift is represented in Figure 1 below.

The first shift, from that of grant maker to strategic investor, involved:

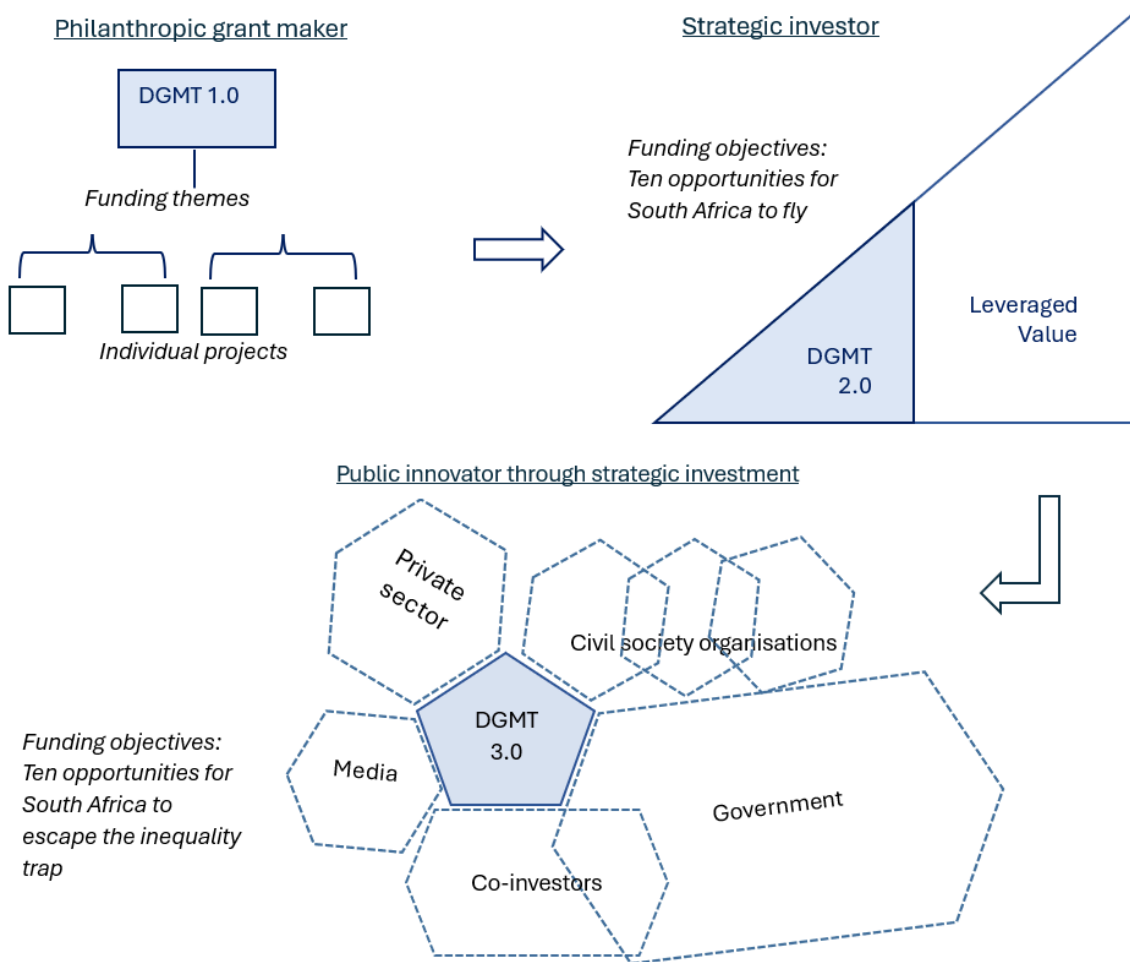
- A change from funding themes to funding *objectives*,
- The design of a strategy to leverage funds through multi-funder coalitions and government resources, in recognition of DGMT’s limited resources,
- Pro-active programme design and development, including incubation of joint projects within DGMT, and
- Stronger public communication targeting several stakeholder groups (including the general public, government and the non-profit sector).

The move to ‘strategic investor’ necessitated several internal changes to the organization. In DGMT 1.0, the Board had been involved in the approval of every grant above a very low threshold (USD 5,000). Now, it needed to elevate its functioning to a strategic level and delegate more grant-making responsibility to the chief executive officer and staff team. The threshold was increased to USD 50,000 (and has since been increased to USD 150,000). This means that about a quarter of the total annual allocation (in rand value) is authorised by the CEO, which accounts for 80% of the total number of grants. These changes have greatly improved operational efficiency, while still retaining strong Board oversight over DGMT’s portfolio of grants. It has freed up more time in Board meetings to focus on ways to seize the ten opportunities to escape the inequality trap and to leverage funding from government and other private donors.

¹¹ DGMT (2020). Optimising for DGMT 3.0. Internal document



Figure 1. Identity shift from DGMT 1.0 to DGMT 3.0



The staff capacity was also increased to meet the increasing demands of both grant-making and proactive engagement with government and potential co-investors. The finance team was expanded to manage the increasing revenue and distribution of funds, which had doubled within a couple of years. The size of the communications team was increased to ensure sustained engagement with the media, implementing partners and the broader development community. These moves were facilitated by a change in Board outlook towards DGMT's own operating budget. Previously, the view was that internal operations should be kept to a minimum to maximize the funding available for grant distribution, but this gave way to a growing understanding that DGMT could get more out of its own funding by leveraging additional capital and by enhancing the visibility and influence of the work of its implementing partners; and that required additional staff capacity. The rule of thumb that DGMT's internal operations should not cost more than 5% of its external distributions was relaxed and now constitutes about 15% of its own money. But, over the past five years, that commitment has leveraged nearly twice as much through co-funding¹², so that DGMT's overheads as a percent of total distributions is less than 7%.

The shift to 'strategic investor' also necessitated a change in the way grants were managed. DGMT has always been sensitive to the power dynamics between itself as funder and grant recipients and saw itself as an investor-partner in projects led by its implementing partners. However, it had kept an

¹² DGMT (2024). Joint project funding 2016-2024. Internal document.



arms-length from governance and management. As it moved towards larger, long-term projects with multiple funders and sometimes multiple implementing partners, DGMT started to play a stronger leadership role in the design and development of new initiatives, their governance and the convening of co-funders. Typically, these joint ventures were initiated after consultation with role-players in the sector to determine which of them were willing and interested to work together towards a goal that was much larger than that of their individual organisations. In some instances, an existing organisation was commissioned to drive the new initiative, but in others, DGMT took responsibility for recruiting a new team and incubating it within its management structure. In these instances, the founder funders served on the first boards, gradually expanding those boards to include other non-executive directors.

It could be argued that these institutional arrangements represented funders muscling into operating spaces traditionally occupied by implementing partners – especially as the participating funders would have vested interests in ensuring the success of their bespoke projects. Indeed, some civil society organizations (CSO's) did express concern that large-scale, multi-funder initiatives would crowd out smaller implementers and have an unfair advantage in securing donor funding in a highly competitive market. This was especially felt in the early childhood development arena, where regional or local non-profit organizations had laboured for many years to secure adequate funding to expand their services.

On the other hand, these multi-funder initiatives offered the opportunity to break through the ceilings that had constrained expansion to date, and the funder-led boards have demonstrated a commitment to both larger grant sizes and longer-term funding than is typical of philanthropies.

DGMT experimented with both funder-led boards and boards that were entirely independent from the outset. For example, in 2011 DGMT initiated Nal'ibali, a national reading campaign, and quickly spun it off under an entirely independent board. Without the patronage of a group of long-term, committed funders that comprise the boards of other initiatives, Nal'ibali has experienced greater fluctuations in revenue and increasing operational uncertainty, contributing to both governance and management instability. Without DGMT as a committed anchor funder, Nal'ibali would not have survived for almost fifteen years.

Sectoral concerns about the creation of funder-led oligopolies have been somewhat mitigated by active recruitment of existing CSO's into the scaling initiatives, and evidence that these joint ventures have brought additional funding into the sector. Nonetheless, murmurs of discontent still occasionally surface and a new equilibrium – balancing the need both for hyperlocal non-profit organisations and for national and sub-national initiatives – has yet to be reached.

The lattice-effect of thousands of local organisations is itself a mechanism of scale and the risk of destabilizing it through hyper-concentrated funding in a few large-scale programs is real. DGMT tries to maintain a balance between its support for scaling platforms and funding to individual civil society organizations. Within its support to the latter, it similarly maintains a balance between long-term funding (over 15 years in the case of some partners) and venture capital for new entrants into the non-profit sector. This is particularly important in a country where the bulk of donor funding to non-profit organisations traditionally went to white-led entities, but where a cohort of young black leaders is starting to replace white founders or commencing their own initiatives. This trend must be supported.

DGMT actively tries to strengthen the national network effect of the organizations it supports through joint programs of action, fellowship convenings, and training and support for public communication and information sharing. These include regular production of *DGMT Hands-On Learning Briefs* (summarising and learning from the work of implementing partners)¹³, the *DGMT Innovation*

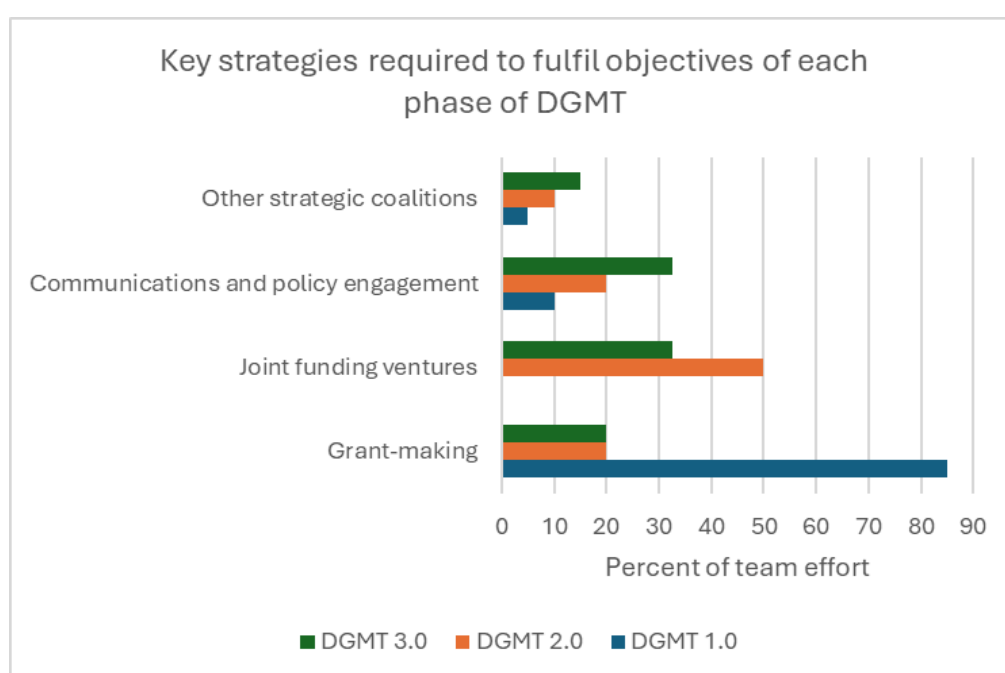
¹³ DGMT Hands-On Learning. <https://dgmt.co.za/resources/hands-on-learning/>



Fellowship for emerging leaders in civil society organisations¹⁴; and *Amplify Mobilise Change* designed as a training network for civil society-based communications practitioners.¹⁵

While the shift from DGMT 1.0 to 2.0 brought about some organizational redesign, it was still structured primarily to fulfil its ‘commissioning’ function, providing grant funding for both local projects and scaling initiatives. At the same time, it was playing an increasingly significant role in ‘communicating’ and ‘connecting’ – its other essential roles but was not adequately structured or capacitated to fulfil them. In a 2020 memo to the Board arguing for a transition to ‘DGMT 3.0’, the CEO summarised the operational requirements for each phase of DGMT’s identity (Figure 2).¹⁶

Figure 2. Shifts in operational requirements for each phase of DGMT



The proposed activity changes from DGMT 2.0 to 3.0 were intended to facilitate DGMT’s ability to engage in policy and planning processes, especially with government, and to further strength policy and public communication. This led to the appointment of four senior staffers – ‘Innovation Directors’- specifically focused on DGMT’s proactive funding and government engagement. It also led to the creation of a communications unit called Change Ideas to champion some of the best ideas emerging from DGMT’s funding with the country’s political leadership.¹⁷

The appointment of the four directors was not without hiccups. Despite the modesty and spark of the individuals concerned, the title of ‘director’ sat heavily on the structure of an innovation hub and initially resulted in an overly managerial approach to DGMT’s work. The organisation became more hierarchical with new layers of approvals and permissions. This unintended consequence needed to be quickly addressed. While the title of director has been retained, authority is more distributed and the emphasis of work has now shifted towards its original intent, facilitating and nurturing engagement with government and other role players. Its operational paradigm is now one of

¹⁴ DGMT Innovation Fellowship <https://dgmt.co.za/project/innovation-fellowship/>

¹⁵ DGMT Amplify Mobilise Change. <https://amplifymobilisechange.org/>

¹⁶ DGMT (2020). Optimising for DGMT 3.0. Internal document

¹⁷ DGMT Change Ideas. <https://dgmt.co.za/resources/change-ideas/>



networking and partnership and it sees itself as a node of innovation within a lattice of government and non-government actors. It has expanded its efforts to:

- Synthesize programme experience and research,
- Design tailored communication for policy advocacy purposes,
- Develop and implement specific stakeholder engagement strategies for key issues,
- Foster coalitions of influence,
- Work with DGMT's joint venture implementing partners to understand their role and build their ability for systems change.

This agility does not come easily. The legal and governance requirements for a foundation impose a heavy administrative burden and there is constant tension between the need for greater internal consistency and the flexibility to chase new ideas or get behind initiatives that are fast gathering steam. The Board plays a crucial role in managing this tension – ensuring that its oversight is not onerous and that additional governance requirements are matched by greater latitude in other areas. The same delicate balance is needed within the staff team, ensuring a good mix between solid managers and social entrepreneurs.

Co-funding too sometimes puts the brakes on the momentum for scaling. Some donors have overly burdensome or inflexible planning tools or make funding contingent on a set of milestones that may, in practice, not necessarily be met in the anticipated sequencing or timeframes. Withholding funds when milestones are not met in their expected order may stifle the dynamic processes that almost invariably characterise effective scaling. In DGMT's view, there is a fine line between public innovation and attempts at social engineering, and it feels more comfortable participating in the former. In the leadership role it has played among funders, DGMT has tried to create the space and flexibility for initiatives to grow towards the agreed upon goals without over-prescribed planning.

In this regard, the pooling of donor funds managed by DGMT has proven to be a useful strategy in that DGMT assumes greater implementation risk. The associated collective governance structures build confidence and moderate some of the anxieties of more risk-averse funders. On the few occasions where fraud has occurred within co-funded initiatives, DGMT has absorbed the loss and pursued legal action against the perpetrators. Where co-funding is not pooled, DGMT ensures that the use of its own funding is highly flexible to get around some of the restrictions on the use of other funder's money and it has stepped in to provide additional funding when time-sensitive opportunities for expansion arise and which cannot easily be accommodated within other funders' funding cycles.

Through these mechanisms of internal reorganisation, reshaping of relationships with implementing partners and flexible funding, DGMT has tried to prime both itself and the proximate funder ecosystem for scaling. DGMT's experience is that building a wider mindset for scale is as important as the design of mechanisms for scale; and as its own systems thinking has evolved, it has tried to share its learnings with other foundations.

Thinking scale

By 2015, DGMT's different approach to philanthropy was well recognised by its local peers, and its leadership was regularly invited to share its thinking in different forums. The essence of this thinking was captured in a presentation to the Independent Philanthropy Association of South Africa (IPASA) Conference in November 2023¹⁸. Drawing on DGMT's experience, the audience was encouraged to:

Think dynamics, not statics: If anything captures DGMT's approach to planning for scale, it is a sense of continual molding and adaptation. By their very nature, programmes at scale are complex

¹⁸ Harrison D (2023). Courageous Collaboration. Presentation to the IPASA Annual Philanthropy Symposium (2 November 2023).



and require constant reappraisal of the socio-political and economic factors influencing their implementation. This does not mean that outcomes are random, but they are unpredictable, and growing programs need regular recalibration of their navigational compass.

The clearer the end goal, the more precise the calibration, which is why the scaling challenge should, wherever possible, be quantified; but always with the understanding that numerical output and impact targets tell us where we want to go, not how to get there. This limitation may be partly addressed in a log-frame linking targets to inputs, which goes some way in anticipating the steps from A to B. However, this linear approach to planning often fails to accommodate real-time diversions from anticipated routes necessitated by changing circumstance.¹⁹ What large-scale systems planners really need are dynamic navigational equivalents of Google Maps or Waze, informed by the pioneering work of agile vehicles for change.

In this regard, DGMT has found John Kingdon's theory of Policy Windows both simple and useful. Kingdon argues that the probability of change is enhanced when empirical evidence, political interest and public influence reinforce one another.²⁰ The job of the change-maker is therefore to increase the power of each of these three systemic forces in highly fluid operating environments.

Think exponentially, not linearly: By 2011, DGMT had already identified its interest in initiatives likely to have a "strong multiplier effect". It positioned itself as a catalyst for change in South Africa, explaining that a "catalytic effect can be achieved by demonstrating successful models that can be taken to scale, or by overcoming systemic bottlenecks, or by investing in initiatives with an 'innate replicator effect'".²¹ It developed a keen interest in knowledge-based networks as vehicles for accelerating change. DGMT was also intrigued by social franchising which provided a route to both quality improvement and economies of scale. These insights were behind the initiation of national networks such as Activate! Leadership for Public Innovation²² and SmartStart early learning social franchise.²³ Activate! is a national network of almost 5,000 young public innovators drawn from across sectors and disciplines, who are capacitated and committed to bring about change in their communities. The work of SmartStart will be discussed later.

DGMT also increased its involvement in public advocacy and litigation, understanding the large-scale and enduring impact of legal precedent.

Aim for tipping points: Network analysis has shown that, for many social conventions, the tipping point for large-scale adoption requires a committed minority (typically about a quarter to a third of the population), rather than an absolute majority.²⁴ This insight is a source of encouragement for DGMT, which does not have the resources for its programs to sustain engagement with most people but can intensify their efforts within a critical mass of the population. Its rule of thumb for media engagement is to reach about two-thirds of its target population by above-the-line (mass) media, while attempting to achieve sustained engagement with 20-25% of that population, either through social media or face-to-face interaction.

Shaping this engagement is formative research, typically conducted by DGMT's academic partners, which plays a critical part in trying to understand what drives specific behaviors. Identifying and focusing on that sector of the population that is amenable to change may precipitate a positive

¹⁹ Gasper D (2000). "Logical frameworks": Problems and Potentials.
https://www.petersigsgaard.dk/PDFfiler/gasper_logical_framework_problems.pdf

²⁰ Kingdon J (2003) *Agendas, Alternatives and Public Policies*. New York, NY: Pearson.

²¹ Harrison D (2013). Amplifying the DGMT's impact in the second half of its focused five year strategy 2011 – 2015. Internal document.

²² See www.activateleadership.co.za

²³ See www.smartstart.org.za

²⁴ Centola, D Becker J & Brackbill D, Baronchelli A (2018). Experimental evidence for tipping points in social convention. *Science*. 360. 1116-1119. 10.1126/science.aas8827

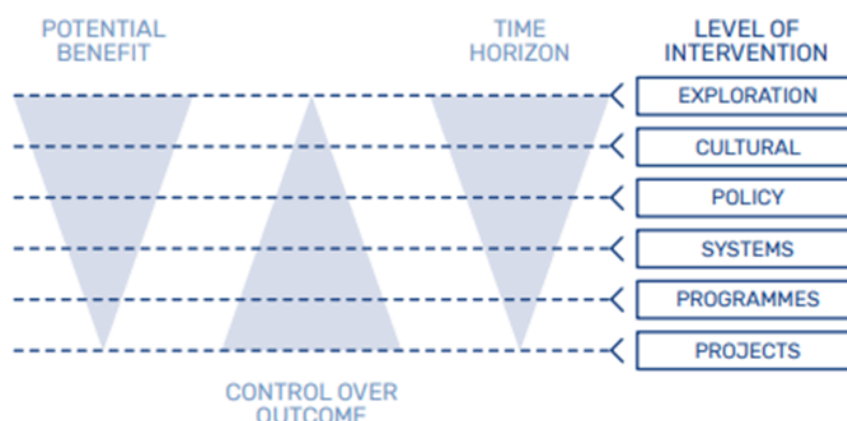


tipping point in social norms, ultimately effecting large-scale change well beyond the intervention group.

Don't run from risk, factor it in: The expected benefit of an intervention is its potential impact weighted by its implementation risk; and that risk is not constant. In 2019, DGMT adopted a distinctly Bayesian approach to Board oversight, setting its objectives as enhancing the probability of its desired outcomes – somewhat different to 'big-bet' or 'moonshot' philanthropy which tend to project outcomes in binary terms as either successes or failures.²⁵ DGMT identified three key determinants of expected impact, namely: the potential benefit of its investment portfolio under ideal conditions; the degree of control it could exercise over each outcome with that portfolio; and the time horizon in which change could likely be brought about.

It categorised different levels of intervention as projects, programmes, systems, policy, societal culture and blue-skies exploration²⁶ – recognising that the further along the spectrum from projects to exploration, the greater the potential benefit, but the less control DGMT could exercise over that outcome and the longer it would take to achieve it (Figure 3).²⁷

Figure 3. DGMT assumptions of potential impact



In practice, the assignment of specific probabilities of risk are inevitably subjective and are not applied to each grant under consideration. However, at an aggregate level, this framework has guided the internal mid-strategy evaluations of DGMT's portfolio of programmatic investments.²⁸

Thinking probabilistically also helps to move away from 'magical thinking' that can underpin grant-making, where funders overestimate their ability to influence systems, policies or even cultures. Based on this calculation of expected benefit, DGMT has defined its 'sweet spot' as support for the design of large-scale programmes and systems change in South Africa, with moderate potential to effect policy and normative change over ten years.²⁹

²⁵ Harrison D (2019). A framework for Board oversight. Internal document.

²⁶ In this framework, 'exploration' refers to processes of experimentation and discovery without an immediate practical application in mind. These do not really feature in DGMT's work.

²⁷ DGMT (2022). Preparing to fly: Five year review 2017 – 2021. <https://dgmt.co.za/wp-content/uploads/2023/10/DGMT-2017-2021-5-YEAR-REVIEW-final.pdf>

²⁸ DGMT Team (2019). Five year strategy 2017 – 2021: Mid strategy review. November 2019

²⁹ Harrison D (2019). A framework for Board oversight. Internal document.



Examples of scaling in practice

DGMT's mission is the continuing development of South Africa's potential through the ten opportunities to escape the inequality trap. In pursuit of these opportunities. The following three examples illustrate different strategies DGMT has used in pursuit of these opportunities:

- A focused strategy to the reduce the cost of mobile data for socio-economic development,
- An ecosystemic approach to achieve universal access to early childhood development, and
- A political approach to national mobilisation for children and teenagers.

A focused strategy to the reduce the cost of mobile data for socio-economic development

DGMT's 2nd opportunity is to "release the systemic chokes that trap us in inequality". One major choke that has emerged since the end of apartheid is the yawning digital divide, which prevents poorer communities from accessing basic information and stifles their participation in social and economic activities.

In South Africa, internet access has increased over the last decade from about 35% to 78.6%, although only about 14.5% have fixed access at home.³⁰ However, the high costs of mobile data still constrain utilization. In South Africa, 1GB of mobile data averages 2.17% of monthly income – higher than the UN Broadband Commission's affordability threshold of 2% of average monthly income.³¹ South Africa's the high unemployment rate (32%) compounds this internet affordability challenge³².

DGMT has invested in digital content development in several areas, including early childhood development and workplace preparation and job-seeking. It had supported public benefit organizations (PBO's) to develop content for their beneficiaries across numerous digital platforms.

However, in almost every case, it was noted that website utilization increased sharply at first and then rapidly plateaued. Feedback from the implementing partners was that their users could not afford mobile data.

In 2013, DGMT commissioned an independent expert to consider options for reducing the costs of mobile data. After consultation with industry and government role players, the most viable option was zero-rating of the digital content of government and public benefit organizations (PBOs). Zero-rating means that the network operator provides the data to the content provider for free, allowing any user to access this content at no cost.

Over the next five years, DGMT made numerous policy submissions to the Information and Communications Technology (ICT) Policy development process to ensure that the solution was consistent with national policy, embedding the zero-rating option in foundational policy documents.³³ In 2018, the idea attracted the interest of the Competition Commission's Data Services Market Inquiry established to review data costs. At the inquiry, DGMT argued for zero-rating as a partial solution within a broader set of cost-reduction strategies. The recommendation was included in Commission's final report but failed to be implemented in the horse-trading over the rest of the Commission's recommendations. By February 2020, the proposal was dead in the water.

³⁰ Statistics South Africa (2024). General Household Survey 2023. Statistical Release PO318. <https://www.statssa.gov.za/publications/P0318/P03182023.pdf>

³¹ Alliance for Affordable Internet Access (2021). South African data. https://adi.a4ai.org/affordability-report/data/?_year=2021&indicator=INDEX&country=ZAF

³² Statistics South Africa (2024). Quarterly Labour Market Survey Q3:2024. <https://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q3%202024.pdf>

³³ See ICT White Paper Section 10.4.3.4. www.gov.za/sites/default/files/gcis_document/201610/40325gon1212.pdf



A month later came the complete lockdown of Covid-19 and suddenly the value of digital communication became apparent to all. The Department of Communications and Digital Technologies issued a directive requiring network operators to zero-rate the local educational and Covid-related health content of websites. In the meantime, DGMT had been working with over 60 public benefit organisations, funding many of them, to strengthen their digital offerings and prime their technology for zero-rating.

On 5 May 2020, 39 of the PBO's were included on the official list of websites approved for implementation. When wealthier schools got bumped up the waiting list ahead of the public benefit organisations, DGMT contracted a legal firm to serve legal papers on the most recalcitrant network operator, with government as second respondent. They backed down within a week and all the other network operators followed suit, registering the PBO domains for zero-rating.

User traffic to the digital content of most PBOs increased by between 25% and 50% in the next month and continued to grow over the next few months. The case had been made, but the question remained how to sustain it once the disaster regulations were met. Fortunately, this experience coincided with the auction of additional spectrum by the national communications regulator, which all five network operators required to meet their 5G roll out plans.

In a meeting with the national regulator, DGMT successfully argued that zero-rating of PBOs (and of government services) should be included as a condition of licence (Government Gazette 10 December 2021). In April 2022, the five network operators all successfully bid for the spectrum licence obliging all of them to zero-rate the digital content of PBOs.

When the communications regulator was slow to implement the policy instrument, DGMT mobilized over 200 public benefit organizations in a petition published as a full-page spread in a national newspaper. The process of registration of PBO's for zero-rating is now underway, facilitated by a digital app commissioned by DGMT.

DGMT played a pivotal role in the identification of both the problem and solution, built the capacity of public benefit organizations to implement that solution, actively advocated for it and participated in national policy review processes that would enable it, mounted a legal challenge when circumstances required, seized on the openness to do things differently precipitated by the Covid crisis and linked the solution to something network operators all wanted, namely access to more radio spectrum. Once the policy was promulgated, DGMT's active mobilization of PBO's helped keep the pressure on the regulator to ensure its implementation, while its development of a registration app facilitated it.

In this case, the scaling strategy was to identify a single policy device that could be implemented and sustained without the need for additional public funding. The use of this instrument, namely licensing requirements which priced in the obligation of zero-rating, had achieved the national scale to begin to bridge the digital divide.

An ecosystemic approach to achieve universal access to early childhood development;

DGMT's 4th opportunity to escape the inequality trap is to "give every child the benefit of early childhood development". The World Health Organization's Nurturing Care Framework identifies five inter-related domains for young children's healthy growth and development. They include responsive caregiving, good health, adequate nutrition, safety and security, and opportunities for early learning.³⁴ It is beyond the scope of this study to describe the status of young children in South

³⁴ World Health Organization. *Nurturing care for early childhood development: A framework for helping children survive and thrive to transform health and human potential*. Geneva: WHO. 2018.



Africa in detail, but it may be useful to highlight a few findings from the Early Childhood Review, published by Ilifa Labantwana and the Children's Institute at the University of Cape Town in 2024.³⁵

- Approximately 1.1 million children are born in South Africa annually, an average rate of about 3,000 births per day.
- More than two thirds of young children, or nearly 5 million children under 6 years, live in households that cannot provide for their basic needs, despite high levels of access to limited social security (81% of eligible children receive the child support grant).
- Prenatal care is relatively good, but there is still a heavy burden of HIV infection, with around 30% of pregnant women testing positive.
- Stunting affects over 1.5 million (27%) of children under the age of five.
- About two-thirds of 3-5-year-olds attend some form of early learning program, but the poorest children have the lowest attendance rates. In terms of attendance, the early learning gap is about 1.15 million 3-5-year-olds. However, this statistic masks the poor quality of many early learning programs, and the Thrive by Five Index found that fewer than half of children aged 50 to 59 months are on track for early learning outcomes.³⁶ In short, the provisioning gap for early learning is about 2 million children.

Closing this gap became the common goal of a group of local and international funders, first operationalised through the establishment of Ilifa Labantwana in 2008. Over the following 17 years, this funder collective has developed and supported numerous components of a national ecosystem for early childhood development (ECD), described below. A key feature of this process has been a set of core funders – DGMT and the ELMA Foundation, later joined by Yellowwoods Social Investments – which has sustained the effort and helped to mobilize substantial additional funding. But their role has gone far beyond funding, initiating new programs where delivery gaps existed, participating in policy drafting, and directly facilitating processes for scaling within government departments.

For a decade, Ilifa Labantwana operated as an incubated project within DGMT before spinning off as an independent legal entity. Its role was to help drive systems change in early childhood development (ECD)³⁷, its staff team working with government to:

- **Facilitate policy change and regulation:** Participation in drafting the National Integrated ECD Policy³⁸, simplifying registration systems, norms and standards and local level zoning and licensing,
- **Unlock government financing:** Increasing the national allocation to early learning, expanding the funding available for the renovation and management of ECD centres, and linking services to other streams of public revenue which had not previously been used to support ECD,
- **Build information and data systems:** Developing the national management information system for early learning programmes, synthesis of outcomes data and support for the development of quality assurance systems,

³⁵ Hall K, Almeleh C, Giese S, Mphaphuli E, Slemming W, Mathys R, Droomer L, Proudlock P, Kotze J, and Sadan M. South African Early Childhood Review 2024. Cape Town: Children's Institute University of Cape Town and Ilifa Labantwana

³⁶ Giese S, Dawes A, Tredoux C, Mattes F, Bridgman G, van der Berg S, Schenk J and Kotzé J (2022) Thrive by Five Index Report (Revised August 2022), Innovation Edge, Cape Town. www.thrivebyfive.co.za

³⁷ Percept Collaborative Advisory and Spring Impact (2023). Ilifa Labantwana: A study of system change in the Global South. <https://ilifalabantwana.co.za/wp-content/uploads/2024/03/Percept-Case-Study-Summary-FINAL.pdf>

³⁸ Republic of South Africa. 2015. National Integrated Early Childhood Development Policy. Pretoria: Government Printers.



- **Strengthen delivery platforms:** Designing systems for managing and delivering learning programs at scale, and
- **Strengthen public communications about ECD:** Developing the Department of Health's national communications strategy for children younger than two years of age.

About five years after Ilifa's founding, it was recognised that there is a risk in only supporting government's prevailing agenda, which created little space for innovation. This recognition gave rise to the Innovation Edge (www.innovationedge.org.za), which supported the emergence and development of new ideas for early learning practice. It too was incubated within DGMT for the six years of its existence, and DGMT has continued to serve on its board and investment committees. One of the most durable outcomes was the development of Early Learning Outcomes Measures (ELOM), validated for children of different socio-economic status across South Africa.³⁹ This instrument for population assessment and program evaluation is now the basis of a triennial national survey of 50-59-month-olds called Thrive by Five,⁴⁰ facilitated by a new organisation focused on the publication and use of outcomes data for young children (www.DataDrive2030.co.za).

One of ELOM's critical uses has been to demonstrate the potential for rapid scale-up of early learning programmes through a social franchise model reaching children in informal spaces and child minder settings. The binding constraint to scaling of early learning in South Africa was the design of the system, which was set up to fund local early learning centres reactively, wherever a registered ECD site happened to be located. The state provides per capita subsidies to children in early learning centres managed and run by individual proprietors, who typically operate at a subsistence level as the subsidies are still woefully inadequate. Inevitably, child participation is lowest in the poorest communities, as service providers battle to meet the minimum standards for accessing the subsidy. Even if they do, parents' inability to supplement the subsidy with user fees reduces the viability of the service offering.

Until 2015, very little population-based planning had been done to identify and respond to the children in defined geographical areas who were not in early learning programs. Neither had consideration been given to a mechanism for national reach. What was needed was a platform for the delivery of a quality package of early learning, designed to reach all children in poorer communities, at scale. Outside of Montessori programs mainly serving wealthier communities, the idea of a franchise chain had not been contemplated.

DGMT's CEO (and co-author of this profile), David Harrison, had led South Africa's national HIV prevention campaign, loveLife, for nearly a decade between 2000 and 2010. During that time, this campaign had sustained national recognition and active public engagement through its strong brand and intensive inter-personal engagement with over a million young people a year. This had been achieved through a combination of extensive media exposure and the involvement of over 9,000 schools, 500 public clinics and 200 non-government organisations in a standardised program of action. In effect, loveLife operated like a social franchise, with a high degree of program uniformity but without the exchange of money. Its high visibility and program recognition facilitated easy entry into communities and achieved economies of scale in the implementation of all activities, while still allowing for adaptation in local contexts.

When David first joined DGMT, and at a national gathering of ECD stakeholders, he had presented the idea of social franchising as a mechanism for scale in the ECD sector – a way of breaking out of the design constraints of the current system.⁴¹ At the time, the proposal was firmly dismissed by

³⁹ [Anderson, K.J., Henning, T.J., Moonsamy, J.R., Scott, M., Du Plooy, C. & Dawes, A.R.L.](#) (2021). Test-retest reliability and concurrent validity of the South African Early Learning Outcomes Measure (ELOM), *South African Journal of Childhood Education* 11(1), a881

⁴⁰ www.thrivebyfive

⁴¹ Harrison D (2011). Social franchising as a possible breakthrough strategy for ECD provision. Presentation to a national meeting of ECD stakeholders held on 22 August 2011, Johannesburg



senior government officials and some of the leaders of sub-regional non-profit organisations as “acontextual and neoliberal”.

But five years later, resistance had softened and DGMT was able to initiate an 18-month process of market research and engagement with the broader ECD sector, with the intention of establishing a social franchise for early learning. This led to SmartStart (www.smartstart.org.za), characterised by a strong brand, well-defined unit of replication and a network of coaches and franchisees. The latter are typically women who had previously been offering some form of childcare to groups of children, but without any financial support or quality management processes. Through its structured program of training, assessment, licensing and ongoing support, SmartStart now reaches over 110,000 children through more than 11,000 franchisees and is projected to reach half a million children by 2030.

This design logic has also been applied to programming for nutrition support to pregnant women and young mothers. Grow Great (www.growgreat.co.za) was established in 2018 as a national campaign to halve the prevalence of stunting by 2030. This was in response to an assessment by DGMT and other funders that child nutrition had fallen off the national agenda. As a national campaign, Grow Great has both a strong public communications component and interpersonal engagement through two programs. The first, Grow Great Champions, attempts to harness the existing capacity of state-funded community health workers to monitor and respond to child malnutrition. The second, a social franchise called Flourish, recruits pregnant women into antenatal classes focused on their well-being and that of their baby. To date, over 300,000 mothers and their babies have benefited from these programs.

Grow Great continues to be incubated within the management structure of DGMT, although it has a high degree of operational independence. Its staff are on DGMT’s payroll and its executive director reports to DGMT’s CEO and to an EXCO comprised of Grow Great’s funders, while its financial management system piggybacks onto that of DGMT to ensure a high level of financial control and streamlined auditing. This management backbone allows the Grow Great team to focus on the communication and programmatic aspects of the campaign.

Similarly, large-scale public communication and program networks have been deployed to promote early literacy and reading through the national campaign of Nal’ibali (meaning ‘here’s a story’), mentioned above. Established by DGMT and an academic unit of the University of Cape Town in 2011, Nal’ibali supports over 1800 reading clubs and a similar number of ECD centres country-wide and reaches over 8 million listeners weekly on 13 radio stations. This combination aims to achieve the critical thresholds of scale (media exposure and interpersonal engagement) required to tip the prevailing culture towards a love of reading.⁴²

A common constraint to scale in all these programs is the cost of communication and information sharing, both to the public and within the network of practitioners themselves. The breakthrough achieved through the zero-rating of digital content (described above) will in time facilitate greater use of cell phone technology for training, in-service support and monitoring of quality, and SmartStart has developed a new digital application (ECDConnect) to facilitate this. Its implementation across the network is currently underway, supported by the necessary training and back-up.

However, all the programs described require the production and distribution of physical learning and training support material as well – not least to put books in the hands of children. The most obvious vehicles for distribution are commercial delivery platforms, because of their national reach. Numerous partnerships for delivery at marginal costs (or better) had been explored, largely – but not entirely – without success. The potential of this channel has been demonstrated by a partnership with Barrows, a design and manufacturing company producing retail displays for stores countrywide.

⁴² Nal’ibali (2024). Annual report 2023.

https://nalibali.org/sites/default/files/annual-reports/nalibali_2023_annual_report_final_final.pdf



Imagined together with the Innovation Edge, Barrows used its excess business inventory to print early learning materials and distribute them to under-resourced communities throughout South Africa.⁴³

Notwithstanding this pioneering effort, and with a few notable exceptions, the general apathy of the private sector and failure of government to translate its stated commitment to ECD into sufficient fiscal flows remain two of the biggest challenges to scaling provision in South Africa. SmartStart offered a scaling platform, and there have been political statements of intent – at the highest level – to scale up early learning, yet until this year, politicians had not felt sufficiently pressurised to convert those statements into resources and actions.

ECD practitioners themselves had limited influence. They were represented by two national network structures which lobbied government independently, but often missed opportunities for collective action.⁴⁴ Much of the galvanizing power of the sector still needed to be unlocked. Facilitated by Ilifa Labantwana and the Equality Collective, a national campaign called Real Reform for ECD was founded in response to poorly drafted national legislation affecting the registration and management of ECD programs. The ECD sector united in numbers, and over 1600 submissions were made to Parliament, mostly by ECD practitioners. In consequence, the poorly drafted legislation was withdrawn.

One of the effects of this bottom-up pressure has been greater recognition of ECD practitioners and caregivers who were previously excluded from the system because they lacked the resources to meet standards of hygiene and safety. Currently, the Department of Basic Education is registering all those practitioners and embarking on a process to support their attainment of minimum standards. Largely based on the experience of SmartStart, a new National Strategy for Early Childhood Development was published in 2023, which seeks to accommodate all children in all forms of programs, not only those in formally registered centres.⁴⁵

Ultimately, the National Treasury holds the purse-strings, and DGMT and Ilifa have worked directly with it to develop the mechanisms for increased public funding to ECD. An economist employed by DGMT has been based within Treasury for the past five years. These interactions have resulted in the creation of a new Conditional Grant to bolster ECD provision and the provision of funding for renovation and maintenance of ECD centres. Still, incremental allocations to early learning had been relatively modest, but this changed in March 2025 with the national budget announcement of a doubling of public financing for early learning to increase the per capita child subsidy by 40% and expand access to a further 750,000 children – effectively halving the funding gap for early learning for three-to-five-year-olds.

In summary, the above initiatives have shaped the ECD ecosystem over the past fifteen years, laying the groundwork for, and facilitating scaling. The key features of the ecosystem include:

- The **long-existing network of individual ECD programs and resource and training organisations**, which is slowly being organised to create better interfaces with government systems of quality improvement and funding,
- A bespoke entity (Ilifa Labantwana), working with government and **dedicated to policy and systems development** towards the goal of universal access to early learning,

⁴³ Innovation Edge (2024). Pivoting business processes for purpose with Barrows.
<https://innovationedge.org.za/project/pivoting-business-processes-for-purpose-with-barrows/>

⁴⁴ These two structures are the South African Congress for Early Childhood Development and the National ECD Alliance.

⁴⁵ Department of Basic Education of the Republic of South Africa. 2023. South Africa's 2030 Strategy for Early Childhood Development Programmes. Pretoria.
<https://www.education.gov.za/Portals/0/ODG%20Workspace/2024Lekgotla/South%20Africas%202030%20Strategy%20for%20Early%20Childhood%20Development%20Programmes%20FINAL.pdf?ver=2024-03-13-105446-230>



- A **bottom-up process of experimentation, research and development** through the Innovation Edge,
- New **Service delivery platforms designed for scale**, to address nutrition, early learning and literacy development,
- **Mechanisms for evaluation of the impact of programs**,
- **Partnerships with the private sector** (albeit still limited) to harness their commercial platforms for public communication and distribution of learning and training resource materials,
- A **'political' constituency of ECD practitioners** enabled to advocate on their own behalf,
- A **conducive policy environment, informed by the work** of Ilifa Labantwana and its programmatic partners, and
- **Expanded systems of public financing**, with some increases in fiscal flows, but not yet sufficient to achieve the goal of universal coverage of ECD.

It should be acknowledged that the development of this ecosystem did not follow a preconceived grand design. Rather it emerged as the natural consequence of the findings and experiences of the systems innovators, Ilifa Labantwana and Innovation Edge, as well as the insights of the dozens of community-based organizations funded directly by DGMT and other funders. This ability to embrace emergence and keep adapting was a critical success factor for scaling.⁴⁶

DGMT's role has been as mission keeper, working with government, co-funders and implementing partners to design the emerging ecosystem and construct its building blocks.

A political approach to national mobilisation for children and teenagers.

The third and final example of a strategy for scaling focuses on harnessing political leadership in support of a child and adolescent agenda. Children and teenagers in South Africa live on the edge of both possibility and risk. They are healthier,⁴⁷ better educated⁴⁸ and financially more protected⁴⁹ than their parents were thirty years ago. But many children still live constantly on the edge of profound risk. A quarter of children are exposed to direct abuse or violence.^{50,51} Three fifths of children live in

⁴⁶ Percept Collaborative Advisory and Spring Impact (2023). Ilifa Labantwana: A study of system change in the Global South. <https://ilifalabantwana.co.za/wp-content/uploads/2024/03/Percept-Case-Study-Summary-FINAL.pdf>

⁴⁷ Dorrington RE, Bradshaw D, Laubscher R, Nannan N (2021). Rapid mortality surveillance report 2019 & 2020. Cape Town: South African Medical Research Council. ISBN: 978-1-928340-58-4.

⁴⁸ Statistics South Africa (2023). General Household Survey 2022. <https://www.statssa.gov.za/publications/P0318/P03182022.pdf>

⁴⁹ Hall K, Proudlock P, Budlender D (2023). Reducing Child Poverty: A review of child poverty and the value of the Child Support Grant. Children's Institute, University of Cape Town. https://www.researchgate.net/publication/374618161_Reducing_Child_Poverty_A_review_of_child_poverty_and_the_value_of_the_Child_Support_Grant.

⁵⁰ UBS Optimus Foundation (2016). Optimus Study South Africa: Technical Report. Sexual victimisation of children in South Africa. Final report of the Optimus Foundation Study: South Africa. https://www.saferspaces.org.za/uploads/files/08_cjcp_report_2016_d.pdf (accessed December 2023)

⁵¹ Delany A, Hall K (2017). Analysis of South African Police Service crime data, 2013/14 – 2016/17. <http://www.childrencount.uct.ac.za/indicator.php?domain=11&indicator=84#5/-28.672/24.698>



the poorest 40% of households⁵² and a quarter are nutritionally stunted.⁵³ Teenagers leaving school face the prospect that half of them won't find work.⁵⁴

Of concern to DGMT and other advocates for children is that some of the gains of the past thirty years seem to be starting to reverse. Child food poverty has increased since the COVID-19 pandemic⁵⁵ and rates of stunting in children under five have remained stubbornly high⁵⁶. Preliminary estimates suggest a sharp rise in infant mortality and under-five mortality rates in 2021 and again in 2022.⁵⁷ The precipitous withdrawal of PEPFAR funding poses a major new threat to the national programme preventing vertical transmission of HIV and the management of children and teenagers living with HIV.

Drawing on international experience,⁵⁸ activists for the well-being of children and teenagers in South Africa have argued that accelerated action for children requires strong central leadership in convening a national program of action across all sectors of society.⁵⁹ DGMT led the call for direct Presidential engagement in initiating such a program.

In 2023, the Presidency and DGMT entered into an agreement to second a DGMT employee into the Office of the President to lead the development of a National Strategy to Accelerate Action for Children. Over the course of a year, government departments and civil society organisations worked together to define national priorities (Box 2) and to identify critical strategies to accelerate progress.

A Technical Task Team, comprised of government and civil society stakeholders and led by the Chief Operating Officer in the Office of the President, synthesised inputs from every government department and the wider children's sector. Consultations were convened with groups of children participating in advocacy groups and learner representative councils. These processes culminated in a national summit of stakeholders to recommend the National Strategy to Cabinet for approval.

The National Strategy goes to Cabinet for approval on 28 May 2025. These priorities, and the key strategies for achieving them, will serve as the basis for future government planning.

⁵² Dept of Social Development (2023) Reducing Child Poverty: A review of child poverty and the value of the Child Support Grant. Children's Institute, University of Cape Town.

https://www.researchgate.net/publication/374618161_Reducing_Child_Poverty_A_review_of_child_poverty_and_the_value_of_the_Child_Support_Grant

⁵³ Statistics South Africa (2017). South Africa Demographic and Health Survey 2016: Key Indicator Report, Statistics South Africa. Report No. 03-00-09. <https://www.statssa.gov.za/publications/Report%2003-00-09/Report%2003-00-092016.pdf>

⁵⁴ StatsSA (2024). Quarterly Labour Force Survey (QLFS). Q1: 2024. <https://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q1%202024.pdf>

⁵⁵ Hall K, Proudlock P, Budlender D (2023). Reducing Child Poverty: A review of child poverty and the value of the Child Support Grant. Pretoria: Children's Institute, University of Cape Town for the Department of Social Development. https://www.researchgate.net/publication/374618161_Reducing_Child_Poverty_A_review_of_child_poverty_and_the_value_of_the_Child_Support_Grant

⁵⁶ Simelane T, Mutanga S, Hongoro C, Parker W, V M, Zuma K, . . . Marinda E (2023). National Food and Nutrition Security Survey: National report. Pretoria: Human Sciences Research Council. <https://repository.hsrc.ac.za/handle/20.500.11910/23338>

⁵⁷ Dorrigton RE, Bradshaw D, Laubscher R, Nannan N. (2021). Rapid Mortality Surveillance Report 2019 & 2020 Cape Town: South African Medical Research Council; Rapid Morality Surveillance (Preliminary) 2023 (VR) published by UN-IGME. <https://childmortality.org/all-cause-mortality/data?refArea=ZAF&indicator=MRM0>

⁵⁸ Jayaratne K, K. M. (2010). Community Health Partnerships: A review of program characteristics, outcomes and their relationships. BMC Health Services: <http://www.biomedcentral.com/1472-6963/10/172>. Richter, L et al. (2017). Investing in the foundation of sustainable development: pathways to scale for early childhood development. Lancet 389(10064): 103-118. doi: 10.1016/S0140-6736(16)31698-1

⁵⁹ Government of the Republic of South Africa (2024). National Strategy to Accelerate Action for Children. Final draft for Cabinet consideration. 12 November 2024



Box 2: TEN PRIORITIES TO ACCELERATE PROGRESS FOR CHILDREN AND TEENAGERS

- Empower parents & caregivers to care for their children.
- Reduce infant and child deaths.
- Eliminate HIV transmission to babies.
- Improve child nutrition.
- Grow children's brain power through early learning and language development.
- Prevent disability in children and give those with disabilities the same opportunities as others.
- Protect children & teens from all forms of abuse, violence and harmful substances.
- Give teenagers good access to health care, including sexual & reproductive health.
- Increase participation in quality education and training and link school-leavers to work.
- Build teenagers' sense of identity, agency and connectedness.

In and of itself, this process is necessary but not particularly innovative. It gives political weight to the strategic priorities but does not guarantee that they will be funded or implemented. What is new and potentially innovative is an agreement between the Presidency and DGMT to formalise their collaboration through the creation of an 'Accelerator' to identify and focus on priorities and strategies which are neglected or fall between the cracks of government departments. These include issues of food security, language development and cognitive stimulation of very young children, screening for hearing and visual disabilities, agency and identity of teenagers, and alcohol harm reduction.

Unlocking value through greater synergy across government and non-government sectors in South Africa could boost the national response for child and adolescent wellbeing. DGMT has appointed a small, high-powered team to drive the work of the Accelerator, working with relevant government departments, civil society and the private sector. Its key functions include public communications, information synthesis, programme design and development, networking and resource mobilisation. The Hold My Hand Accelerator commenced its work in 2024, focused first on mobilising the public and leaders across society in support of children (www.holdmyhand.org.za). The work is still largely in a formative phase but provides the framework for national public-private collaboration which will hopefully become more substantive and formalised over time.

Actions and activities to mainstream scaling

Strategically, DGMT has positioned itself as a national node in support of large-scale change, in the following ways:

The organization's strategy, goals and results metrics

As described above, DGMT's ambitious long-term goal of national transformation through an escape from the inequality trap makes scaling a requirement of its mission. This is given substance through successive five-year strategies linked to the ten opportunities described in Box 1 above. For each opportunity a five-year aim is defined, either in terms of specific systems changes or, where possible, as the desired ultimate impacts (Table 1). For each aim, specific strategies and outcome metrics are identified.⁶⁰ As a funder, the risk of this approach is over-prescription, which could constrain

⁶⁰ DGMT (2023). Escaping the inequality trap: Five year strategy 2023-2027.
<https://dgmt.co.za/wp-content/uploads/2023/04/DGMT-2023-27-STRATEGY-BOOKLET-FULL-final.pdf>



applicants and dampen innovation, but DGMT's view is that the strategies and outcomes are framed at a level high enough to accommodate new ideas.

Table 1 DGMT's ten opportunities and five-year aims (2023 - 2027)

Opportunity		Five-year aim
1	Cultivate and connect imaginative leaders.	<ul style="list-style-type: none"> • Achieve effective leadership coalitions to seize the ten opportunities towards DGMT's goals. • Galvanise civil society to have greater influence and participation in national development strategies.
2	Release the systemic chokes that trap us in inequality.	<ul style="list-style-type: none"> • Implement effective zero-rating of mobile content and services provided by public benefit organisations. • Model a comprehensive alcohol harms reduction strategy to be adopted by government. • Establish a fair and effective interface between government and NGOs providing welfare services. Demonstrate effective strategies to reduce gender-based violence.
3	Build productive synergies between communities and the environment.	<ul style="list-style-type: none"> • Preserve and expand a language of ecology that draws on and has relevance for local communities. • Establish an expanded network of local food production and markets. • Set up waste management and recycling in specific communities.
4	Give every child the benefit of early childhood development.	<ul style="list-style-type: none"> • Ensure that 2 million children aged 0–5 have access to subsidised early learning programmes by 2027 (effectively trebling access to public financing).
5	Stop nutritional stunting among young children.	<ul style="list-style-type: none"> • Reduce the prevalence of stunting for children under 5 from approximately 23% to 16% by 2027.
6	Make sure every child is ready to ready by the time they go to school.	<ul style="list-style-type: none"> • Reach 40% of South Africa's children directly through a national reading campaign.
7	Build simple, loving connections for every child.	<ul style="list-style-type: none"> • Develop networks of support to parents to have positive impacts on children in at least 50 000 homes.
8	Accelerate learning for children failed by the system.	<ul style="list-style-type: none"> • Demonstrate how accelerated learning through public, civil society and private collaboration can reduce school dropout and improve learner results.
9	Create new connections to opportunity for young people.	<ul style="list-style-type: none"> • Support demonstrated pathways to further learning and earning opportunities for 1 million young people that are not in employment, education or training.
10	Support young people to keep their grip on opportunity.	<ul style="list-style-type: none"> • Achieve at least a 25% increase in successful student-to-work linkages and retention in first-work opportunities in support programmes funded by DGMT.

Analytical tools and frameworks

The above approach serves as the analytical framework to assess organizational progress, which is done midway through and at the end of each five-year period. This is collated as mid- and end-strategy reviews. At a governance level, quarterly strategic review is underpinned by the risk-return thinking described in Figure 1 above. In-between, learnings are captured through



qualitative and quantitative software and synthesized into learning briefs for implementing partners and policy briefs for decision-makers.⁶¹

Consistent with its view that scaling requires a high degree of flexibility, especially in the start-up phase, DGMT is able and willing to adapt its strategies and encourages its implementing partners to do the same should circumstances require. At program level, where scaling is an explicit outcome, DGMT works with its partners to develop dashboards for tracking and explaining progress and associated marginal costs.

DGMT has not found it useful to attempt to synthesise all its work and implementation support into a uniform monitoring system, as the strategies to seize the opportunities for change are so varied. Some, such as service delivery platforms, lend themselves to quantitative analysis, whereas others require a more qualitative assessment of systemic bottlenecks and enablers.

Funding instruments and criteria

With a few exceptions, DGMT has only used grant funding as a financing instrument, while seeking to leverage public funding. In the few instances that DGMT has used debt- or equity-based financing, it has been to provide venture capital to start-ups. This approach stems from a belief that most of the outcomes it is seeking to achieve are public goods for which there is not full expression of the market because of users' inability to pay. This position is not ideological, and it is following a national experiment of outcomes-based funding for early learning with great interest.

In short, DGMT's approach to funding is rather conventional for a grant-maker, but perhaps DGMT's greater distinction is its willingness to invest long-term in supporting initiatives through the J-curve and into more sustained pathways to scale. Two of the initiatives spun off through DGMT's incubation process have been funded for 15 years or more, although DGMT's relative contribution to their overall funding pool is now much smaller as they have attracted other funders. Having said that, long-term support is not unconditional, review is regular, and the assessment of progress considers factors both within and outside of the control of the recipient organization. On a few occasions, DGMT has terminated its support for initiatives envisaged as long-term either because they failed to gain sufficient traction despite or when opportunity costs proved too high. With limited resources and competing interests, initiatives supported by DGMT are rarely permitted to languish at the bottom of the J-curve for more than three to five years.

Project design guidelines

DGMT has not standardised project design guidelines, holding the view that the specific aims and objectives of each project should determine its form. It does, however, work systematically with its partners – often over a period of a year or two - in the design and development of initiatives for scale.

Having defined the problem and the opportunities that arise from it, DGMT's starting point for scaling is almost always to try to understand the underlying human motivations. DGMT invests in processes of formative research aimed at answering the questions of "What drives the relevant target population to act in a particular way?" and "How can those motivations be harnessed to incentivise the desired change?". This research is typically conducted by university through grant funding. DGMT views this focus on core human motivation as trying to 'split the atom' to unleash new power for cultural or systems change.

Then, DGMT seeks clarity on the exponential strategy envisaged for the project.

- Does the project have an in-built replicator mechanism, such as investment in multi-level leadership?

⁶¹ <https://dgmt.co.za/public-policies-to-change-our-world/>



- Or does the project propose to release chokes within the system that may have a widespread ripple effect?
- Or will it tap into the outsized scaling properties of knowledge-based socio-economic networks?
- Or could it scale through social franchising, enabling economies of scale through the replication of similar branded units of program delivery across the system?
- Or could it create a phenomenon-effect through public communication and mobilisation, that reshapes demand and social convention?

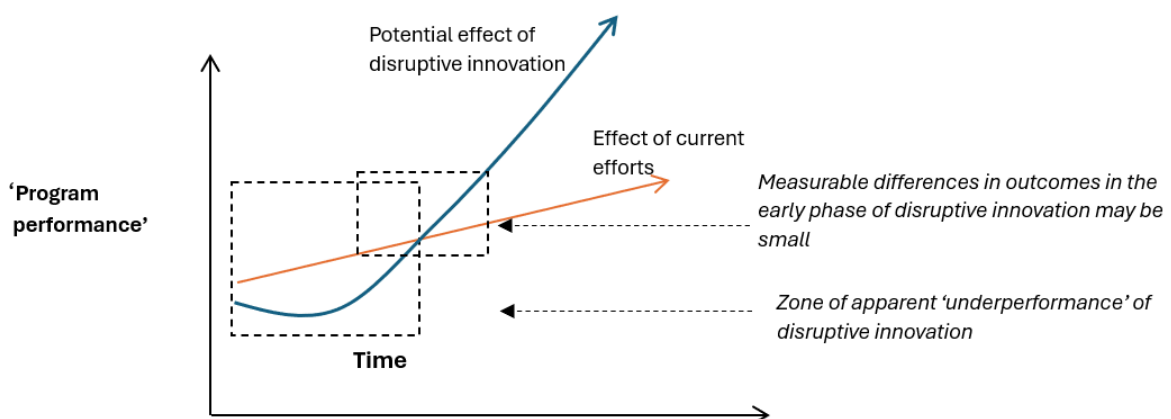
Finally, DGMT expects clarity on the assumptions underlying pathways to sustainability, including financing sources. Importantly, it does not expect these pathways to be in place at the outset. Rather, it requires clear definition of the strategies that will be used to enhance the probability for long-term sustainability, because they typically need to be initiated from Day 1, as demonstrated in the ECD case study above.

Project monitoring and evaluation criteria and guidelines

DGMT's implementing partners are required to report progress, ideally in the form of a learning brief for sharing with other partners as a way of strengthening communities of practice and adapted as opinion pieces published in the media. But the DGMT team understands that scaling typically takes time, and that true change may even result in an apparent reduction in performance as disruptive strategies progress through the J-curve.

DGMT is more interested in the question, "Has the project achieved a fundamentally different outcomes trajectory?" than "Can the current project show big effect sizes?". Often the outcomes differentials between the existing and disruptive strategies are small, especially in the first few years of the project; and it is sometimes helpful to identify specific lead and lag indicators of change to enable fine-tuning of the intervention and preempt misplaced disappointment (Figure 4).

Figure 4. Likely trajectories of incremental and disruptive innovation



Source: Drawing on Clayton Christensen's "The Innovators' Dilemma", Harvard University Press, 2002

Organizational culture and internal incentives

Internally, DGMT tries to replicate the features of an innovation hub, with a high degree of delegated authority, flexibility and cooperation. This mindset is appealing to some staff members but unsettling for others who would prefer a greater degree of structure and uniformity.



The DGMT team is not incentivised for the attainment of scale. Rather it is rewarded for the clarity of strategy related to each opportunity to escape the inequality trap and its ability to seize them. Given the ambitious nature of these objectives, operationalizing for scale is inherently part of that ability. “Commissioning, communicating and connecting” to grow South Africa’s potential is the DGMT modus operandi.

Results of mainstreaming efforts

The joint venture approach of collective governance, including joint funding and incubation of start-ups within DGMT has proved a successful recipe for attracting larger longer-term foundation funding. Still, pathways to long-term sustainability are fragile, especially as South Africa experiences a period of fiscal austerity. Even within government sources of funding, the key to sustainability has been revenue diversification and, in this regard, programs like the SmartStart early learning franchise and Nal’ibali reading-for-joy campaign have tapped into different pots of funding for public employment not specifically designated for ECD. Behind the scenes, DGMT and Ilifa’s work with the National Treasury – for ECD and broader welfare systems reform – is creating an enabling framework for incremental scale-up, with compounding benefit over time.

The work of DGMT is now integral to numerous pathways to scale in South Africa, including the three examples cited above:

- Zero-rating of digital content for socio-economic development,
- Ecosystemic approach to scaling of ECD, and
- Harnessing political leadership to further the interests of children and teenagers.

In addition, DGMT is the co-driver behind:

- A national process of welfare reform involving the Department of Social Development and the National Treasury,
- Government’s intention to make highly nutritious basic foods more affordable,
- Proposals by the National Treasury to introduce Minimum Unit Pricing for alcohol products,
- Strategic litigation to curb the extension of liquor trading hours across the country,
- Legislative reform (at provincial level) to introduce new forms of non-commercial public-private partnerships in schools, and the
- Development of tools to monitor school dropout across the country.

DGMT’s involvement in many of these pathways is facilitated by the fact that it is a local foundation, which affords it the space to play a strong advocacy role. Its partnership with larger donors lends additional credibility, even though, on their own, those funders would probably not be able to speak as frankly on public platforms as DGMT does.

Looking back over fifteen years - the timespan in which DGMT has had clear outcome objectives – DGMT has helped prime the system for large-scale change but cannot yet say that it has achieved significant changes in outcomes for children. It has contributed to policy and legislative change, worked with partners to design service delivery platforms and with government to improve management systems for scale. To this point, participation rates in early learning programmes had



not changed much since 2012 ^{62,63}, but the recent increase in public financing for ECD should dramatically improve access over the next three years. The zero-rating policy for digital content of public benefit organisations is in place, but rollout is crawling along as network operators exploit a three-year grace period in which to fully implement the requirement. And it is hard to retain the interest of politicians, let alone the President, in the well-being of children as other pressing interests complete for attention.

For many areas in which DGMT is involved, the probability of change at scale is far greater than it was a decade ago. There is now much stronger empirical evidence, public demand and political interest – the three factors that Kingdon argues open policy windows.

- For early learning provision, the design of the system is no longer the binding constraint and for the first time. The new binding constraint is the availability of public funding in a time of austerity, and that reality won't change anytime soon. However, the political commitment, policies and systems are now in place to facilitate population-based planning and scale-up, which will enable scale up as budgets are increased over time.
- Time is also the remedy for the tardiness of the mobile network operators, who will need to accelerate implementation as the three-year deadline approaches. When that happens, every household will have the ability to access critical resources for child development and navigation into the world of work, among other uses facilitated by digital data.
- Retaining the attention of the President and his Cabinet on matters related children and teenagers is the charge to DGMT and its fellow advocates. In this regard, public visibility is always important, and DGMT has a strong working relationship with Government Information and Communication Services.

One of DGMT's strengths is the inter-generational nature of its work, which allows it to tackle some of the most intractable challenges of South African society. If our children are to grow up on a fundamentally different trajectory, the time for action is now, but the full benefit of these investments will only be felt over the long-term. The national campaign to accelerate action for children and teenagers, Hold My Hand, challenges the entire nation to "imagine if every child born today, and tomorrow, and the next day and the next has enough love, enough food, enough safety and brain power; together it would change our future."⁶⁴

The future of mainstreaming of scale in the organization

As a relatively small, endowed funder, DGMT has almost reached the limit of its financial capacity to invest substantially in large new co-funded initiatives. To take on additional initiatives would need to divert funding away from the large network of civil society organisations it continues to support through grant funding or exit from some of the large-scale programs which it helped found. Going forward, this means that DGMT's ability to spark new ideas, mobilise multiple funders into joint ventures and derisk new initiatives through incubation within DGMT's management could be more limited.

⁶² Department of Planning, Monitoring and Evaluation of the Republic of South Africa (2013). Diagnostic review of Early Childhood Development.

<https://www.dpme.gov.za/keyfocusareas/evaluationsSite/Evaluations/Diagnostic%20Review%20of%20Early%20Childhood%20Development.pdf>

⁶³ Statistics South Africa (2022). General Household Survey. Statistical Release P0318.

<https://www.statssa.gov.za/publications/P0318/P03182022.pdf>

⁶⁴ www.holdmyhand.org.za



Consequently, its future potential as an agent for large-scale change will need to rely even more on its position of influence in policy discussions and systems-change processes. To some extent, this position is tenuous, dependent on relationships with individuals within the executive and legislative arms of government. On the other hand, DGMT's basic positioning in the national landscape will not necessarily change despite changes in political leadership. It's a position that draws legitimacy through its support for, and consultation with, dozens of civil society organizations. This enables it to channel voices 'from the ground' into policy spaces. Its legitimacy is further enhanced by its systematic synthesis of information and communication through a variety of media channels. Its independent voice has an authoritative and quite prolific media profile.

Having reached the bounds of its co-funding potential could be construed as a missed opportunity to keep spawning new initiatives with great prospects for developing South Africa's potential – and to some extent it is. But as DGMT has become more deeply embedded in systems and policy change within South Africa, the relative importance of its own funding has declined. Arguably, its value is less about the money it brings and more about its ability to mobilise a coalition of stakeholders in support of ambitious goals to help South Africa escape the inequality trap.

Constrained funding is also an opportunity to consolidate, trimming some initiatives that have not taken off as anticipated, while ensuring that some of the existing projects that are reaching the exponential part of their growth curves do not lose direction and momentum. Part of this latter work involves securing substantial new foundation funding to get projects onto the 'mezzanine level of scale' but a lot of the effort remains the engagement with government to find and increase revenue streams for projects that have now reached the first floor.

Lessons learned for other foundations

This case study illustrates that the drive for scale need not only be the purview of large, global foundations. Well-positioned smaller foundations can have influence and disproportionate impact as well. At the same time, the country-specific nature of DGMT may mean that not all its learnings are useful for larger foundations that work across countries. But there is value in hearing more from foundations originating in countries in the South and the following lessons are offered for consideration.

Local funding partners can be valuable anchors in initiatives for scale. Local foundations may have deeper knowledge of local culture and the ways governments work and may (but not always) be less constrained in public critique of current systems and practices. Their input may be critical in adapting international best practice or programs that have been implemented largely in countries of the North. They may even play an incubation role for emerging initiatives in developing countries, which typically face higher start-up risks and transaction costs than in developed ones.

Collectively governed pooled funding is a useful mechanism to concentrate the necessary financial and technical resources to initiate the journey to scale. Competing funder demands can be a considerable distraction for social entrepreneurs who should be applying most of their effort to negotiating the political, systemic and cultural pathways to scale. Pooled funding enables the implementer to focus more on strategy and less on funder management.

Probabilistic thinking should be embedded in the planning and evaluation of initiatives for scale. Funders should keep in mind that outcomes are not guaranteed but are a function of the potential benefit of an intervention weighted by the probability of attaining it within a specific socio-political content. This thinking helps to develop the discipline of factoring in public demand and political interest – among other external variables – in scaling design.

Clarity on which strategies for scale are being deployed will keep all role players focused even as contextual dynamics are negotiated. All role players should be able to answer both questions of "What are we trying to do?" and "How are we trying to do it?". Operating in complex systems



requires a definition of specific levers of change, despite the apparent messiness of the context. Only then will adaptation have sufficient direction.

Facilitating systemic change needs a constant driver. Too often, the underlying system is regarded as ‘background noise’ that must be controlled for in the implementation of large-scale programmes. In DGMT’s experience, sustaining a bespoke systems-change facilitator organisation (Ilifa Labantwana, in the case of ECD) has been as important as the design and development of scalable delivery platforms.

The **demand-side is as important as the supply side.** Understanding and responding to human motivation can incentivize the uptake of new technologies or enhanced participation in programs. These psychological incentives often make the difference between success and failure of scaling initiatives,⁶⁵ especially when they depend on substantial changes in social convention.

Achieving scale does not always require substantial new resources from government. This is illustrated by the example of zero-rating of the digital content of public benefit organisations and government websites, where the cost of zero-rating to the network operators was effectively priced into their bids for spectrum auction. Not only do they bear the cost, but their actual costs are marginal compared to the price that would have been paid if a third-party funder was involved.

An obsession with effect size may lead to a misallocation of resources. There is often a mismatch between the effect sizes that can be attained at experimental level and that achievable at scale. Placing too much emphasis on effect size, especially in the first few years of intervention, may lead to overinvestment in ‘winning programs’ of limited duration and underinvestment in strategies that might bring about slower but more sustained and profound change.⁶⁶

Urgency, not time, is of the essence. The unpredictability of complex systems makes it very difficult to set time-bound targets. There is the risk that funders bail out just before tipping points are reached or policy windows open. This does not imply a laissez-faire approach to funding and implementation. On the contrary, most of the pressing socio-economic issues need swift action now, both to mitigate their immediate impacts and to change the prevailing conditions for the next wave of action.

The purpose of scaling is the public good, not power. As government budgets shrink or are diverted to defence and as global wealth moves almost entirely into private hands, foundations will become increasingly influential. The growing bond between wealth and power in countries like the United States is cause for concern, and while the main aim appears to be domestic influence, the gaze of some ultra-high-net worth individuals is already turning to matters of foreign policy. There is the risk that development funding could become another expression of power, with project size an indicator of influence. The mainstreaming of scale could become less about the fulfilment of mission than the furtherance of the personal ambitions of the benefactor.

Over the next twenty years, there will probably be a realignment of the global philanthropic sector, possibly along ideological lines, perhaps including mergers and acquisitions and a consolidation of funding behind major new social thrusts.

DGMT is predicated on the view that scale must always be a means to an end, where that end is greater public benefit - and specifically less social and economic inequality in a world-order in sync with the environment. The question we must keep asking ourselves is whether DGMT and all other foundations that share this view are best designed to drive large-scale impact.

⁶⁵ Breckenridge JP, Gray N, Toma M, Ashmore S, Glassborow R, Stark C, Renfrew MJ. Motivating Change: a grounded theory of how to achieve large-scale, sustained change, co-created with improvement organisations across the UK. *BMJ Open Qual.* 2019 Jun 14;8(2):e000553. doi: 10.1136/bmjopen-2018-000553.

⁶⁶ Supplee L, Ammerman R, Duggan A, List J, Suskind D (2022). The Role of Open Science Practices in Scaling Evidence-Based Prevention Programs. *Prev Sci.* 2022 Jul;23(5):799-808. doi: 10.1007/s11121-021-01322-8. Epub 2021



Recent disruptions in global development have shaken the world, and we stand to lose many of the gains from investments over the past two decades. Forging stronger coalitions between foundations of the North and South must be one way of seizing back the momentum.

