EVALUATION OF THE BUILDING RESILIENT ECONOMIES PROGRAMME

Executive Summary

In 2013 Friends Provident Foundation launched the Building Resilient Economies programme, motivated by the failures of the economic system to meet the needs of society and the environment. Resilience was the guiding concept as it was clear that local and national economies were unable to withstand the shocks of the 2007-8 financial crash and austerity years.

In 2018, Friends Provident Foundation engaged NPC to evaluate the Building Resilient Economies programme and its wider activities including investment engagement, convening, collaborating and communicating.

What has changed in the field?

Five years on, the external landscape has changed. The UK's vote to leave the European Union transformed the political terrain and raised questions about how our economy works. The narrative around financial system reform has receded, but no alternative model has emerged to take its place. The same institutions mostly dominate the landscape, although the influence of trade unions is waning, and tech giants are disrupting mainstream business models.

Against this backdrop, new ways of thinking and acting are emerging—and in some cases breaking into the mainstream. People are starting to question the economic system, and many are increasingly concerned about environmental issues. Alternative local economic approaches like the Preston model have found fertile ground.

But the assumption that seismic shifts in society are having a direct impact on the economy still needs testing. Disruptions like the Brexit vote have led to policy vacuums elsewhere, while public dissatisfaction has been channelled into populist movements sweeping across Europe and the United States. There is little evidence that the economy is transforming to meet the needs of society and the environment.

How has the Foundation contributed to that change?

The Foundation, together with its grantees and investees, has made some visible headway in challenging the status quo and supporting alternatives to thrive. We assessed the Foundation's contribution to change against nine priority outcomes that were considered realistic ambitions for the five-year programme:

1. **Grantees and investees develop new economic thinking**	2. **Grantees and investees build new economic institutions**	3. **Grantees and investees test new and alternative practices**
The Foundation's flexibility, openness, and risk appetite has enabled it to fund the development of economic ideas that might have been perceived as too radical to be funded elsewhere. This appears to have contributed to perceptions that the UK is ahead of other countries in alternative economic thinking.	The Foundation has funded projects that are starting to build new institutions or movements and influence the norms in the business and investor communities. Some are already changing the way that parts of the economic system work—from university teaching to incentives in the investment industry.	The Foundation has increasingly invested in projects to develop or test innovative practices. Much of this work is unlikely to have happened without its funding. However, the Foundation could be doing more to fund further implementation of successful pilots or support organisations to get continuation funding elsewhere.

4. Grantees and investees increase their capacity The Foundation's funding has been instrumental, not only in building the capacity of individual organisations but in building the capacity of an entirely nascent field. To build long-term capacity, the Foundation could consider enhancing its capacity building support and working more collaboratively with other funders.	**5. Grantees and investees develop shared knowledge** The Foundation has supported grantees to develop shared knowledge through informal connections, as well as some formal convening and communications. There is appetite for the Foundation to go further. Grantees are looking for more visibility of the grant 'ecosystem' and more opportunities to connect with their peers.	**6. Other funders recognise the need for change** The Foundation is in a powerful position to influence other funders to realise the importance of economic resilience. It is well-regarded in the sector and peer foundations are open to greater collaboration. To date, the Foundation has influenced other funders in an ad hoc way but there is potential to be more proactive.
7. Influencers recognise the need for change The Foundation's funding has supported work that has anecdotally changed the views of a range of influencers, including policymakers, thinktanks, journalists and academics. This type of work takes time and the Foundation would benefit from capturing changes in behaviour beyond the duration of individual grant periods.	**8. Institutional investors invest responsibly** The Foundation's investment engagement is still a relatively nascent activity, but it has already made some impressive headway. The Foundation has used multiple tactics—from grant funding to convening and direct engagement—to influence the investment community on issues from community energy to executive pay.	**9. Communities take action based on evidence and practice** The Foundation has increasingly offered more grants at the local level. It is too early to tell the impact that these newer programmes will have. The Foundation's contribution can already be felt through its open and trusting approach to grant making, which has enabled organisations to adapt to meet community needs.

What lessons can be learned?

Over the last five years, Friends Provident Foundation has played a significant role in developing a nascent field which is contributing to a fairer and more sustainable economy. The success of its funding depends on its high-risk appetite, flexibility, openness, and genuine partnership approach. The Foundation has used its assets in a targeted way to support its mission: convening grantees to share learning, sharing insights with other funders, aligning its mainstream investment strategy with its mission, and engaging directly with investors.

Our evaluation also highlighted opportunities to improve the Building Resilient Economies programme. Grantees wanted greater clarity on their place in the Foundation's 'ecosystem' and more regular updates about what others are doing. The Foundation could provide optional support to grantees to secure future funding and improve their internal operations. As a well-regarded funder, it could do more to influence its peers to recognise the importance of a fairer economic system and spread good grant making practices.

Looking ahead to the next five years, the term 'resilient economies' may no longer capture what the Foundation and its grantees are trying to achieve. The Foundation's focus on 'new' ideas and institutions may also evolve as the field matures and organisations need support to scale and develop models that have already been tested. The Foundation could play a key role in building a coalition of funders as well as sharing learning across the field.