Who's funding AI & Society work in Europe? A landscape review by the European AI & Society Fund

June 2023

The current intense debate surrounding the future development of Artificial Intelligence underlines why it's critical to have a strong and resilient civil society ecosystem that can speak up for the needs of people and society. Since the establishment of the European AI & Society Fund in 2020, we've been glad to see the field both widen and deepen with more organisations engaged and with greater capability to fight for the public interest at this time of technological change.

This work needs money to sustain it. Philanthropic funding allows organisations to engage in policy and advocacy work with the freedom to pursue their missions independent of corporate interests. The European AI & Society Fund pools contributions from 14 philanthropic foundations to offer funding and capacity building and is currently supporting 30 organisations. We have seen however that the field remains under-resourced given the scale of the challenges it aims to address and there is far greater appetite in civil society to take on this work than we are able to meet.
To understand how to engage more philanthropic organisations in supporting the field we have surveyed our grantees to understand their needs[1], undertaken research into the current funding landscape[2] and interviewed a number of foundations[3] that are not yet EAI&SF partner to understand the opportunities and barriers to growing philanthropic engagement around AI. This research builds on the Fund's previous mapping conducted in 2021[4].

We then offer conclusions about the opportunities for the European AI & Society Fund to act on these insights.

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[1] Our survey was voluntary and conducted on a confidential basis with the assurance we would not share information beyond the Fund team, including with our partners. Grantees are anxious about discussing their fundraising situations openly in the fear it will adversely affect their ability to secure grants. To reduce the burden on grantees we did not specify a format for sharing this information, however this means the data is not easily comparable. Although this is a useful snapshot, we recognise that there is a far larger group of civil society organisations keen to work on these issues that are not current grantees of the Fund and this survey does not capture their needs.
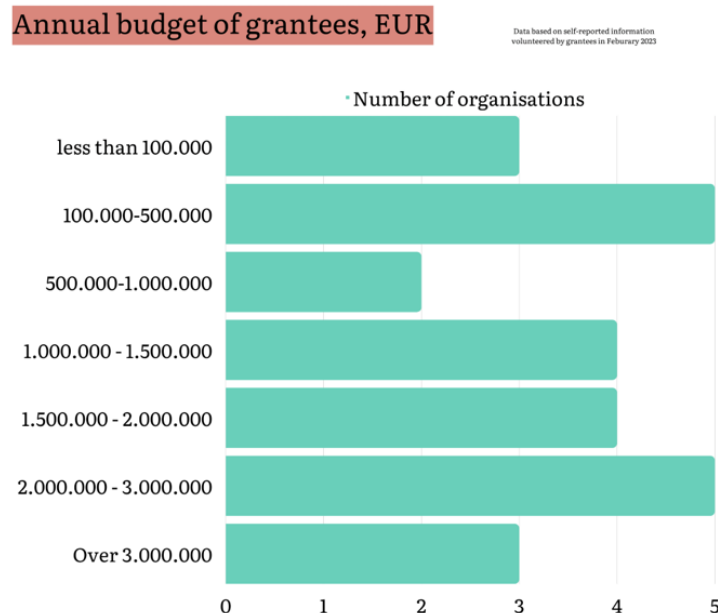[2] Desk research by EAISF team
[3] Research conducted by Julia Reinhardt
[4] How to fund public interest work around AI in Europe https://europeanaifund.org/wp-content/uploads/2021/12/How-to-fund-public-interest-work-around-AI-in-Europe-updated.pdf

Our grantees' funding needs

Overall the community of civil society organisations active on AI and related issues remains small and financially precarious. Although some organisations are now increasingly mature - EDRi held its 20th anniversary recently, AlgorithmWatch celebrated its fifth birthday last year - even such anchor organisations operate on relatively small budgets. Significantly, some of the organisations that are established in other areas such as environment, health or migration but are new to this field come with much greater financial stability. They are able to draw on a wider pool of philanthropic funding as well as access to various European Union funding mechanisms. However, this does not necessarily mean they could sustain their focus on AI and related issues beyond the terms of our grant. Across the grantees many indicate they will need to significantly downscale or stop this workstream entirely without follow on funding.

Annual budget of grantees, EUR

Data based on self-reported information volunteered by grantees in Feburary 2023

Number of organisations

Budget range	Number of organisations
less than 100.000	3
100.000-500.000	5
500.000-1.000.000	2
1.000.000 - 1.500.000	4
1.500.000 - 2.000.000	4
2.000.000 - 3.000.000	5
Over 3.000.000	3

Data based on self-reported information volunteered by grantees in Feburary 2023

In addition to our funding, grantees draw heavily on our partner foundations to support this work, with two-thirds of our grantees receiving funding from at least one of our partners. Additionally, Sigrid Rausing Trust and Alfred Landecker Foundation each support a number of our grantees and there are five grantees also supported by our sister fund Civitates. In particular there is a heavy reliance on OSF, Bosch and Luminate, especially in regard to core funding. This leaves the landscape vulnerable to any change of priorities from those funders and several grantees raised the current strategic discussions in some of these foundations as a cause of concern.
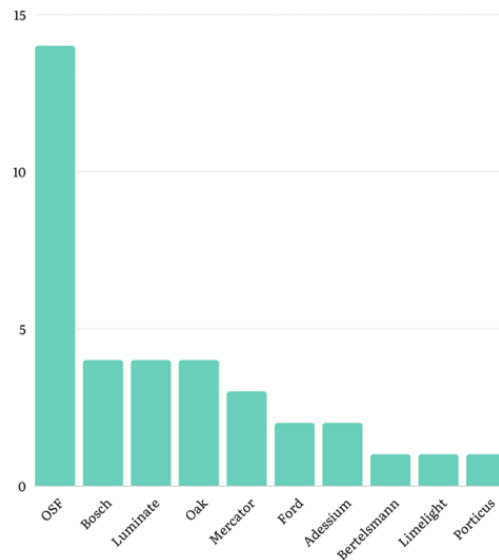
Number of EAI&SF grantees supported per funding partner

Data based on self-reported information volunteered by grantees in Feburary 2023

Data based on self-reported information volunteered by grantees in Feburary 2023

Grantees identify 41 different philanthropic funders they already receive funding from. We have researched these and 17 additional foundations where we believe there is potential for our grantees to receive funding to help them identify new opportunities. Few of them explicitly address the work our grantees are doing head on – the main entry point is around questions of democracy, human rights and social justice.

Some geographies – e.g., Germany – are much better served than others while grantees doing work in Spain and Poland highlighted challenges in accessing funding from foundations due to their geographic focus and the difficulty of building up recognition when the majority of their outputs are published in their local languages.

Beyond grants from philanthropic foundations, most grantees attempt to draw on other funding sources through individual donations, memberships or funding from the EU programmes or national governments. Although a number conduct paid consultancy, only one grantee reported accepting corporate donations.

The main funding priority for our grantees is multi-annual core funding. Unless project funding is matched with core funding, organisations struggle to ensure sustainable operations. In some cases, they report having to offer short-term, borderline precarious contracts to their staff.

The barrier for many is getting introductions to invitation-only funders. The European AI & Society Fund can play a useful role connecting funders and grantees. We have begun to highlight organisations where there is potential alignment with foundation priorities when our partners are looking for new grantees.

The philanthropy landscape

While demands on philanthropy are always great, the situation is particularly acute due to the need to respond to the Ukraine conflict and the climate emergency against a background of high inflation and economic volatility. This means available funding is squeezed and we have to fight to get a 'new' issue like Artificial Intelligence on the agenda.

In our 2020 research How to fund public interest work on AI in Europe we gained insight into the appetite among European philanthropic organisations to work in this field. We reprised these questions in interviews with 11 foundations based in Europe[5] about their funding strategies and recent developments and analysed their responses, as well as researching publicly available information about a further 32 organisations[6]. We were also interested in understanding how the landscape in the United States has evolved, especially given that our topic has been a focal point for US philanthropy for much longer and interviewed an expert programme manager at MacArthur Foundation on this aspect. We drew five insights from these conversations.

1. **Awareness for AI and society topics is increasing, but philanthropic organisations take time to adjust their funding**

As we found in 2021, few funders use "Artificial Intelligence" explicitly in their programmes or strategy. Some use adjacent terms like "technology" (MacArthur Foundation), "digital transformation" (Mercator Foundation Switzerland, Heinz und Heide Duerr Foundation), "digital change and its impact on society, politics, culture, and economy" (Zeit Foundation/Bucerius Lab), or "innovation" (Erste Foundation).

Most describe the focus of their work as "democracy". It is clear to them that meaningfully supporting "independent, critical journalism and a strong, just constitutional democracy" (Democracy and Media Foundation), "raising critical awareness and to building a vibrant democracy and diverse society" (Schoepflin Foundation), or going further, "Defending Civic Space" and "Strengthening the Human Rights Field" (Rausing Trust) these days includes work on technology's impact on democracy. However, although this seems clear to most of our interviewees, and they have begun to adapt their funding accordingly, the huge potential for this process of adaptation, or re-interpretation, of the way democracy can be, and needs to be, supported has by no means been fully realised yet in European philanthropy. Due to the experience of Nazism, World War II, and the subsequent rebirth of European democracy, the commitment to human rights, independent media, protection of minorities, and related issues, the number of European philanthropic funds dedicating their giving to "democracy" is significant. The awareness that these are all in some way connected to "AI and Society" takes time to grow, and most foundations are slow movers. This pace is due to institutional or legal reasons, because of risk-averse positioning, or because of a perceived lack of expertise for technology-related issues in their staff or board of trustees (or for all these reasons).

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[5] Allianz Foundation, Democracy and Media Foundation, Heinz und Heide Duerr Foundation, Erste Foundation, Fondation de France, Kühne Foundation, Stiftung Mercator Switzerland, Sigrid Rausing Trust, Schöpflin Foundation, Schwarzkopf Foundation, and Zeit-Stiftung Ebelin und Gerd Bucerius

[6] Alfred Landecker Foundation, Arcadia Fund, Barrow Cadbury, Botnar Foundation, Climate Finance Fund, Digital Freedom Fund, European Climate Foundation, European Cultural Foundation, Fritt Ord, Joint European Disruptive Initiative, Generation Foundation, Gieskes Strijbes Fonds, Gulbenkian Foundation, Internews, Joffe Trust, Minderoo, Murmur, Olin, Patrick J. McGovern Foundation, Porticus, Reset Tech, Rowan Trust, Rudolf Augstein Foundation, Shuttleworth Foundation, Stefan Batory Foundation, Unbound Philanthropy, Viiv, Wallace Global Fund, Wellspring Philanthropic Fund, and Wikimedia Foundation.

2. **It takes champions to pivot funding strategies, either at the top or in middle management**

What makes a foundation move into the technology and society space for the first time? Our interviews indicate that it takes a champion. The champion can either be found at the top of a foundation, especially a funder or trustee, or in the management of a foundation, as a programme manager who understands the connection of their portfolio to AI and technology and adapts funding accordingly. Several examples:

- o A programme manager with a professional background in computer science brings their expertise to a portfolio around societal impact and pushes internally for a broader understanding of technology's impact on the fields the foundation cares for. Outreach from the European AI & Society Fund creates concrete opportunities to forge these connections.
- o A programme manager working on culture issues has a professional background in digital civil society work and has therefore internally pushed for an additional focus on digital art and the impact of technology on art and society. This wins the attention of the leadership, and interest in extending work in our field, where it clearly relates to the stated goals of the foundation. However, this requires advancing slowly so as not to stretch the limits of the portfolio as defined by the leadership.
- o A programme manager is sensitive to the risks of disinformation and extremism caused by AI among immigrant youth and related minorities. They have approached the foundation leadership to extend work into this field, which would be very aligned with the European AI & Society Fund's intentions. However, they don't expect to persuade the leadership, which takes a narrower, more conservative interpretation of the portfolio.
- o A trustee has developed an interest in AI and its societal impact and has directed some funding towards the budget of two relevant conferences. However, the lack of specific expertise in the fund's team means it's unlikely they will expand their funding beyond that. The field is seen as "too complicated", "too technical" and "too far away from their expertise" to develop it further.
- o In another instance, however, a programme manager confidently stated that they lacked the specific expertise in AI but would draw on external contractors for this purpose.

The European AI & Society Fund can help support these individuals by including them in informational meetings, newsletters, and on a case-by-case basis also offering one-on-one conversations to acknowledge their role and encourage them in their awareness-building journey. And above all, by connecting them.

In the US, our interview partner at the MacArthur Foundation referred to institutional 'champions' that pivoted to technology and society funding and could be mimicked by others in the philanthropic field. Fortunately these also exist in Europe and most are already members of the European AI & Society Fund.

To advocate for the issue of AI and society with a wider community of funders requires arenas to do so. Outside of the EAI&SF, foundations are connected informally and through forums like the Network of European Foundations (NEF), Philanthropy Europe Association (Philea), Ariadne (European Funders for Social Change and Human Rights). These however don't play a significant role in raising the profile of tech and society in funding. Philea has no staff membethe 2023

conference. The Digital Rights Funders Network has been dormant in recent years, although there are attempts to revive it, with Ariadne commissioning Aspiration Tech to scope this process.

There is work to be done to overcome the perception that technology is a "complicated" issue, and the reluctance among staff and leadership to engage with it. They do not recognise that we do not need computer scientists to understand the impact of technology on society. We need social sciences and humanities to lean in, and philanthropies are well positioned to do so, by making the connection, provide societal analysis and develop tools that are proper to them and well in their realm of expertise. As one interviewee observed, technical expertise, if necessary at all, can be added by outsourcing it to consultants.

3. **Foundations at the "fringes" tiptoe towards including technology in their programming, and recent AI advances "help"**

We have tried to identify funders whose main area of expertise is different but related to tech and society. There are many - and many more imaginable. The case of migrant youth and counter-extremism work described above is just one, but it is a particularly interesting one since it feels so far away from tech if looked at from a 20th Century perspective. Our interviewee, on the contrary, reported multiple touch points and added that their expertise in Muslim youth could easily be transferred to other counter-radicalisation work, but that the tech factor was always present. Significantly however the foundation's leadership is hesitant to extend the programming to include tech and society work particularly because it does not want to "dilute" its work or "get side-tracked". However it could simply be reframed as adapting its core work to include 21st Century context. This could be true for many foundations at the "fringes" of tech and society issues. It might be the reason why so many of them did not respond to our outreach. Putting "AI & society" on the agenda of a funder working on disabled rights, environmental issues, women's empowerment, just to name a few examples, is hard. Inclusion of this important aspect only advances on tiptoe.

The release of ChatGPT in November 2022 and the ensuing – still growing – media frenzy about AI, has been helping this cause considerably. More and more funders realise the connections, maybe even see first-hand the impact of AI on their field in terms of harm and could become champions needed to adopt these questions in their organisational strategies.

While this is a slow and incremental process in most cases, we encountered a more transformative approach in the case of Fondation de France. This umbrella organisation of more than 900 foundations, plans a new focus on digital transformation, having named it as one of three big challenges to be tackled in their 5-year strategy. In this context, the foundation has already identified, in its membership, around 23 organisations (including donor-advised funds, of very divergent size and scope) that already work in this sector or could be relevant to this theme. The foundation is currently scaling up its efforts to push this work as umbrella organisation and gather members to increase their activities in this sector.

This is an unusual top-down approach, but it is nevertheless worth mentioning because a trickle-down process, very typical to France, accompanied by an encouragement to grassroots activities already active in this field, might be able to move more in a shorter time than the incremental process we see in other European countries. Nonetheless it takes time to build this strategy due to the difficulty in finding available qualified staff to take on the work. Our interviewee confirmed, however, that the

current media frenzy about generative AI, including its impact on education, the labour market, research, and media, helps make their case to funders immensely.

4. The Fund must offer concrete added value to attract new members

In regard to the value that the European AI & Society Fund could add to the philanthropic landscape, two words were always mentioned: information and exchange. Pooled funds are not for every funder. Participation within a pooled fund must offer value to individual programming, and usually does not replace it. However, even those organisations that are hesitant towards pooled fund expressed interest in several assets the Fund offers:

- additional expertise in the Fund's management team, so that participating (or collaborating) foundations can benefit from learning beyond their concrete own projects,
- better access to countries or projects that would otherwise be beyond their reach and expertise,
- international/European networking opportunities for their grantees, ideally offering combined grants to support collaboration among grantees, and potentially even a landing place for further funding.

For many of the interviewees, a step-by-step approach seems to work best: They hesitate to commit to even gauging their trustees' interest in joining a pooled fund. But they are interested in the "non-binding" added value the European AI & Society Fund's expertise could bring to them on working level, and potentially also for their leadership. The "Funders Learning Lunch" series seems to be a great tool, and other channels of exchange should be looked at. All while keeping the bar low, and therefore growing awareness and interest incrementally.

5. Growth in the AI and society field is not a given

Our interview with MacArthur Foundation underlined how US foundations have been funding civil society work around AI for longer and more substantially than funders in Europe. However, the landscape has not moved tremendously in the past couple of years. Several philanthropic funds in the US have set up programmes around AI, or more broadly, the intersection of technology and society. The big push happened around 2017, though some of the first moves were made earlier that decade. Another push happened through the renewed racial justice movement in 2020, when the Trump Administration's stance and several cases of killings of African Americans by police mobilised public opinion. Several foundations at the time made the connection between AI's role in scaling bias alongside scaling its societal harms and started funding grantees specifically in this field. However, there has not been much movement since, and hardly any new actors have appeared on scene.

At the time of our last strategic interviews in 2021, we anticipated the trend of funding anti-bias work in the US was likely to increase in the coming years and recommended that European funders looked at parallels given AI's impact on biases of any sort, be it based on race, ethnicity, religion, gender, sexual orientation or other factors. However, according to our interviewee, the trend in the US is already receding.

Other developments in funding

Public funding

Recently relevant new funding streams through the European Union have become available, particularly, though the Citizens, Equality, Rights and Values Programme (CERV).
The latest open call had several priorities, including protecting fundamental rights in the digital age which specifically focuses on strengthening accountability for the use of automation where rights are at stake. It's a broad area that includes addressing bias and discrimination in these systems among other critical issues. The overall call budget is €16m (to be divided between 5 different priorities), and the minimum grant is €75,000. We have offered support to our grantees that have expressed interest by providing external grant-writing support. However, some grantees have pointed out how administratively demanding and heavy the Commission funding is, and for some, this is a reason for not applying for these grants.

Secondly, In October 2023, the European Commission will launching a relevant call under the Horizon Europe programme titled "Beyond the horizon: A human-friendly deployment of artificial intelligence and related technologies". The call description particularly mentions issues such as rights, bias and societal impact, that all could be relevant to our community of organisations Unfortunately, as our research into EU investments in AI showed, Horizon Europe funding is not easily accessible to CSOs, and traditionally it's research institutions who secure this funding. This call seems to be no exception – among different bodies and stakeholder groups that are encouraged to apply, CSOs are not mentioned once.

New philanthropy

The wealth accrued by tech entrepreneurs is now being directed into philanthropy. While much of this is directed into traditional philanthropic projects such as education, health and global development, some tech founders such as Craigslist's Craig Newmark and Google's Eric Schmidt have established funds focused on issues around technology. There has also been a flood of Silicon Valley money into effective altruism, with its associated long termism worldview, which has helped drive the AI existential risk narrative in recent debates.

With notable exceptions, for instance Omidyar Network / Luminate and Limelight Foundation, there has been little interaction between newly established foundations drawing on tech wealth and the more established European philanthropic foundations. The approach to funding differs from traditional funding, tending to have greater direction from the founder and fewer governance mechanisms.

The recent open letter coordinated by the Future of Life Institute illustrates some of the issues this tech-funded philanthropy can create. The Future of Life Institute presents itself as a civil society organisation and engages in many of the similar forums as our grantees in the European policymaking scene. However, it is largely funded by Elon Musk's foundation and the signatories to this letter are largely people and organisations whose views are already well represented in policy via industry or influential academic voices. Many policymakers however will not make this distinction and will understand the well-publicised Future of Life positioning as the 'civil society view' rather than the positioning of our grantees who address fundamental rights, social justice and affected communities.

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Conclusions

Although the organisations we support have established credibility in the field of AI and society and are starting to have a tangible impact on policy in the field, their financial position remains precarious and their ability to sustain this work beyond the terms of our grant is not secure. We can support their immediate needs in some of the following ways:

- o Practical support for fundraising – accessible information about relevant funders, support for grant writing
- o Matchmaking grantees with our partner foundations, particularly those that don't accept unsolicited applications

While our research focused only on the financial requirements of our current grantees, we know from the response to our recent open call for applications that the wider appetite among civil society organisations to engage in shaping policy around AI is high. We see a growing interest in AI and society among philanthropic organisations but it is not translating into funding streams sufficiently quickly to meet the needs of civil society.

The insights from our interviews with philanthropic foundations indicate there is clearly a challenge to reframe our issue to increase its salience for funders, overcome the perception that funding AI and society is a zero-sum game that 'takes away' from existing strategic priorities and combat the belief that it's 'too complicated' and requires technical expertise beyond the skills of existing staff.
The public interest around ChatGPT creates an opportunity to galvanise philanthropy to engage in our issues. Our interviews identify that the Fund's value-add to the landscape lies in access to information and opportunities for exchange.

The European AI & Society Fund has started to do more active outreach within philanthropy, hosting funders' learning lunches in collaboration with Ariadne, attending the Ariadne and Philea conferences and co-hosting a session with Mercator at RightsCon and with communications work, including an opinion piece in Alliance magazine and speaking engagements at the BePhilanthropy conference as well as an Alliance-hosted panel. We can develop this further in some of the following ways:

- o Continue our funders' learning lunches which are well-received and have a low barrier to entry for those wishing to understand some of the issues we work on and be introduced to our grantees and partners
- o Continue to engage in the existing philanthropic forums and support the renewal of the Digital Rights Funders' Network
- o Create a network for the individual 'champions' we have identified to support them as they socialise these issues in their institutions
- o Create a 'capacity building' offer for funders to address some of the perceived challenges (along the lines of this practice lab hosted by Philea around transformative funding in transitions)
- o Open up our grantee/funder convenings to a wider community (this needs to be done carefully so as not to jeopardise our emerging network and to be respectful of people's time)
- o Build a more targeted communications strategy for the philanthropic audience to identify further media opportunities and events.

Shifting this landscape will require enlisting further individual and institutional champions across philanthropy, and we welcome the support of our existing partners to act as advocates and allies in this work. However, we should also heed the US experience and be prepared to find that philanthropic engagement in these questions has a limit. If that is the case, we may need to reconsider our ecosystem approach to supporting civil society.