DG
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OPPORTUNITY

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Cultivate and connect imaginative leaders

HANDS-ON

Experience Learning

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DGMT'S APPROACH TO SCALING AND LESSONS ALONG THE WAY

Scaling, the process of expanding impact to reach more people, influence systems, or shift social norms, is not simply about making projects bigger. In complex environments like South Africa, it requires new ways of thinking, strategic partnerships, and a readiness to adapt to changing political and economic conditions. For DGMT, scaling is embedded in its mission: to unlock the "10 opportunities to escape the inequality trap" and to shift national outcomes in early learning, youth employment, and social inclusion.

Over the past 15 years, DGMT has evolved from a philanthropic grant-maker to a "public innovator through strategic investment", reconfiguring its structure, funding approaches, and partnerships to pursue change at scale. This has meant moving beyond isolated projects towards systemic interventions: from shaping national early childhood development (ECD) platforms to securing policy wins like zero-rating the digital content of public benefit organisations (PBOs) and influencing government strategies for children and teenagers.

This learning brief examines DGMT's journey of mainstreaming scaling within its organisational strategy. It outlines the mindsets, mechanisms and partnerships that have enabled scale, and unpacks three practical examples that illustrate different pathways: a focused policy device, an ecosystems approach, and a political approach to national mobilisation for children and teens. The aim is to share lessons that other civil society actors and funders can adapt when moving from promising pilots to population-level impact.

THE EVOLUTION OF DGMT

FROM CHARITY TO NATIONAL MISSION

DGMT's endowment comes from the "old white money" of construction engineer Douglas Murray and his wife Eleanor. Although their company's leadership reflected the era's demographics, the couple insisted profits benefit all South Africans. Their personal trusts (established in 1944 and 1950) merged in 1979 to form the DG Murray Trust, which initially supported projects in "welfare" and "education", with a small grants team assessing applications that arrived by post on a case-by-case basis.

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. Their experience of inequality and public systems shaped the trust's shift from short-term projects to long-term national development outcomes. 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 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.

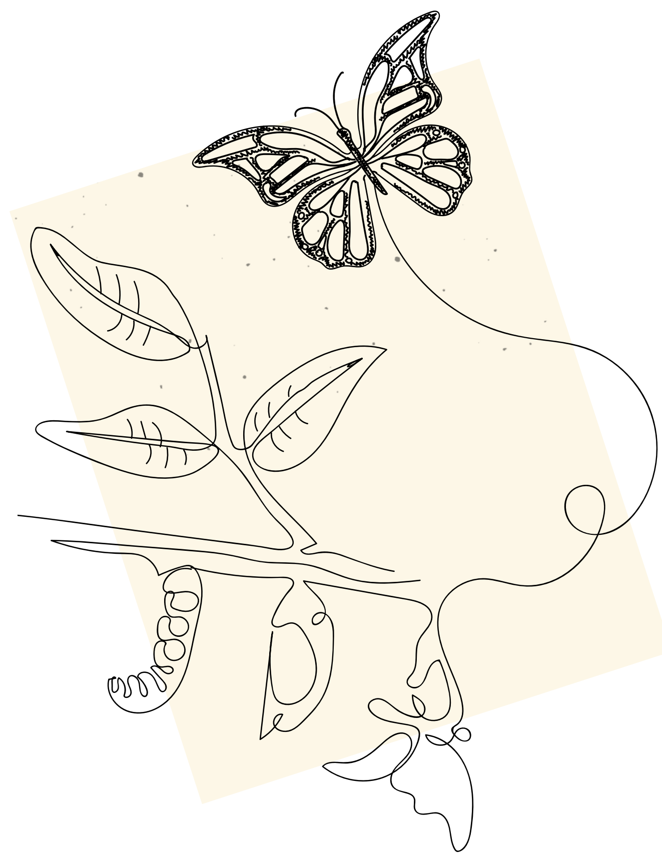
The mainstreaming of scale in the organisation was, therefore, more a consequence of DGMT's ambitious objectives than a separate statement of intent.

NATIONAL DEVELOPMENT OUTCOMES

By 2016, the chosen national development outcomes had been honed as "10 opportunities for South Africa to fly". This wording was later revised to make the goal more practical, becoming "10 opportunities to escape the inequality trap" in 2023.

Strategies and targets are tuned every five years, with each opportunity treated as a long-term objective and supported by high-level strategies and specific outcomes, but these objectives anchor DGMT's funding decisions and define the organisation's current scope of funding while leaving space for new ideas and for "new and unusual" proposals when they surface.

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 options, 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.



10 OPPORTUNITIES TO ESCAPE THE INEQUALITY TRAP

GOAL 1: AN INNOVATIVE AND INCLUSIVE SOCIETY	GOAL 2: ALL CHILDREN ON TRACK BY GRADE 4	GOAL 3: ALL YOUNG PEOPLE ON PATHWAYS TO PRODUCTIVITY
1 Cultivate and connect imaginative leaders	4 Give every child the benefit of early childhood development	8 Accelerate learning for children failed by the system
2 Release the systemic chokes that trap us in inequality	5 Stop nutritional stunting among young children	9 Create new connections to opportunity for young people
3 Build productive synergies between communities and the environment	6 Make sure every child is *ready* to read and do maths by the time they go to school	10 Support young people to keep their grip on opportunity
	7 Build simple, loving connections for every child	

FROM GRANT-MAKER TO STRATEGIC INVESTOR

Rather than acting as a conventional grant-maker, DGMT sees itself as a **public innovator**, with one foot in community programmes and the other in testing pathways through national and provincial policy spaces.

With an endowment of about R4.4 billion – modest by global standards but among the three largest private foundations in South Africa – DGMT disburses around R200 million each year. Private foundations contribute just 15% of non-profit revenue nationally. The corporate sector provides more, largely driven by black economic empowerment requirements, and some corporate foundations are twice the size of DGMT. Individual giving, from both high-net-worth donors and thousands of smaller contributors, is the second-largest source of income for civil society organisations.[1]

What sets DGMT apart is its blend of grant-making, in-house incubation and assertive policy advocacy. Financial independence allows us to back evidence-based but sometimes unpopular policy reforms.

DGMT funds about 200 NGOs a year and incubates 10-15 initiatives internally. Some stay in a research and development portfolio; others gain managers and revenue streams and spin off. Five have become standalone entities in eight years.

The shift to "strategic investor" necessitated a change in the way grants were managed. DGMT has always been sensitive to the power dynamics between funder and grant recipients and sees itself as an investor-partner in projects led by

1 Trialogue Knowledge Hub. 2023. ***Overview of NPO income in South Africa 2023.*** Available at: https://trialogueknowledgehub.co.za/overview-of-npo-income-in-south-africa-2023/

implementing partners. However, DGMT had kept itself at arm's length from governance and management. As DGMT moved towards larger, long-term projects with multiple funders and sometimes multiple implementing partners, the trust 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.

A MINDSET FOR SCALE: FOUR THINGS THAT INFORM DGMT'S THINKING

1 THINK DYNAMICS, NOT STATICS

Political science academic John Kingdon's theory on Policy Windows is a simple and useful way of understanding how change happens. Kingdon argues that change is likeliest when empirical evidence, political interest and public influence reinforce one another. The job of the change-maker is therefore to increase the power of each of these three systemic forces in highly fluid operating environments.

2 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.

DGMT developed a keen interest in knowledge-based networks as vehicles for accelerating change and focused on social franchising as a route to both quality improvement and economies of scale.

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

3 AIM FOR TIPPING POINTS

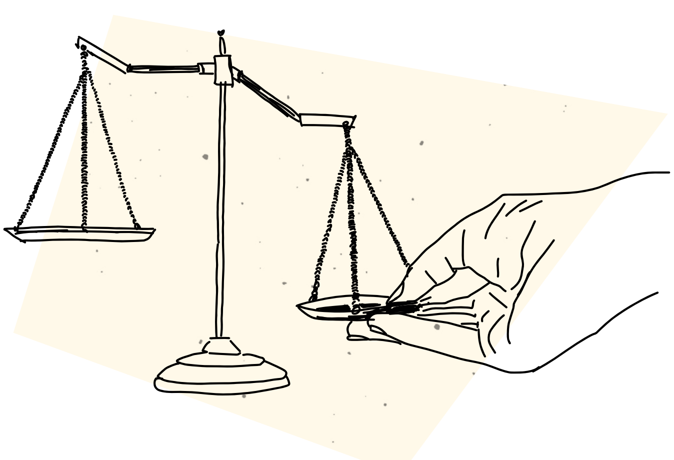
Network analysis has shown that, for many social conventions, the tipping point for large-scale adoption requires a committed minority (typically about a quarter to a third of the population), rather than an absolute majority. This insight is a source of encouragement for DGMT, which does not have the resources for its programmes 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 behaviours. Identifying and focusing on the sector of the population that is amenable to change may precipitate a positive tipping point in social norms, ultimately effecting large-scale change well beyond the intervention group.

4 DON'T RUN FROM RISK, FACTOR IT IN

DGMT has 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 exploration – 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.

Thinking probabilistically also helps to move away from the 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 10 years.



EXAMPLES OF SCALING IN PRACTICE

The following three examples illustrate different strategies DGMT has used in pursuit of the 10 opportunities to escape the inequality trap:

- Focused policy device: Zero-rating mobile data
- An ecosystems approach: Achieving universal ECD
- National agenda-setting strategy: Mobilising for children and teens

1 FOCUSED POLICY DEVICE: ZERO-RATING MOBILE DATA

DGMT's Opportunity 2 is to ***"release the systemic chokes that trap us in inequality."*** A major choke is the digital divide. Although internet access has climbed to 78%, only 14% of South Africans have fixed lines and 1 GB of data costs 2.17% of the average monthly income – above the UN affordability threshold.[2] High unemployment (32%) makes data even less attainable.[3]

DGMT made numerous policy submissions to the Information and Communications Technology (ICT) Policy development process to embed the zero-rating option in foundational policy documents. 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. 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 the commission's final report but was not implemented amid the horse-trading over its other recommendations. By February 2020, the proposal was dead in the water.

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 (PBOs), funding many of them, to strengthen their digital offerings and prime their technology for zero-rating.

2 Alliance for Affordable Internet Access. 2021. ***South African data.*** Available at: https://adi.a4ai.org/affordability-report/data/?_year=2021&indicator=INDEX&country=ZAF

3 Statistics South Africa. 2024. Quarterly labour market survey Q3:2024. Available at: https://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q3%202024.pdf

On 5 May 2020, 39 of the PBOs were included on the official list of websites approved for implementation. When wealthier schools got bumped up the waiting list ahead of PBOs, DGMT contracted a legal firm to serve 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 lifted. 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.

In April 2022, the five network operators all successfully bid for the spectrum licence obliging them to zero-rate the digital content of PBOs. When the communications regulator was slow to implement the policy instrument, DGMT mobilised over 200 PBOs in a petition published as a full-page spread in a national newspaper. The process of registration of PBOs for zero-rating is now underway, facilitated by a registration and vetting app commissioned by DGMT.

DGMT played a pivotal role in identifying both the problem and the solution. It built the capacity of PBOs to implement that solution, actively advocated for it, and participated in national policy review processes to enable it. DGMT also mounted a legal challenge when necessary, seized the openness to change created by the Covid-19 crisis, and linked the solution to something network operators all wanted: access to more radio spectrum. Once the policy was promulgated, DGMT's active mobilisation of PBOs helped keep the pressure on the regulator to ensure its implementation, while its development of a registration and vetting 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.

TIMELINE OF DEVELOPMENTS:

- **2013-18:** DGMT inserted zero-rating proposals into ICT policy drafts and testified at the Competition Commission's Data Services Market Inquiry.
- **March 2020:** Regulators ordered to zero-rate educational and health sites.
- **2021-22:** DGMT pressed the regulator to link zero-rating to the 5G spectrum auction. All five operators won licences with zero-rating attached. This condition was formalised in the licensing framework.
- **2023-24:** A DGMT-commissioned app helped PBOs register to be zero-rated.

2 AN ECOSYSTEMS APPROACH: ACHIEVING UNIVERSAL ECD

DGMT's largest national contribution to scaling has been towards the objective to give every child the benefit of early childhood development.

The World Health Organisation'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.

Yet, in South Africa, more than two thirds of children under the age of 6 live in households that cannot provide for their basic needs.[4] Stunting affects over 1.5 million children or more than a quarter of children under five, and about two-thirds of 3-5-year-olds attend an early learning programme.

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

The poorest children have the lowest attendance rates and experience poor quality programmes.

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 ECD by working with government. Key focus areas include facilitating policy change and regulation, unlocking government financing, building information and data systems, strengthening delivery platforms and public communications about ECD.

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. 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 organisations funded directly by DGMT and others. This ability to embrace emergence and keep adapting was a critical success factor for scaling.

Since 2008, the ecosystem has evolved to include the following organisations:

Ilifa Labantwana
Works with government on policy, financing, and quality assurance.

Innovation Edge
Supported the emergence and development of new ideas for early learning practice. Incubated within DGMT for six years.

SmartStart
Social franchise platform for ECD practitioners. Offers standardised training, assessment, licensing and coaching support.

Grow Great
National anti-stunting campaign with a community health-worker arm and Flourish antenatal franchise. The campaign combines public communication with interpersonal support to shift nutrition behaviour.

THE KEY FEATURES OF THE ECOSYSTEM INCLUDE:

- A long-existing network of individual ECD programmes and resource and training organisations that 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.
- A bottom-up process of experimentation, research and development through Innovation Edge.
- New service delivery platforms that are designed for scale, to address nutrition, early learning and literacy development.
- Mechanisms for evaluation of the impact of programmes.
- Partnerships with the private sector (albeit still limited) that are able to harness their commercial platforms for public communication and distribution of learning and training resource materials.
- A constituency of ECD practitioners who are able to advocate on their own behalf.

NATIONAL AGENDA-SETTING STRATEGY: MOBILISING FOR CHILDREN AND TEENS

Despite gains since 1994, many South African children remain at risk: a quarter face violence;[5 6] 60% live in the poorest 40% of households;[7] 25% are stunted;[8] and half of school-leavers may never work.[9] Covid-19 reversed food security gains[10] and stalled health progress.

5 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. Available at: https://www.saferspaces.org.za/uploads/files/08_cjcp_report_2016_d.pdf (accessed December 2023).

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

7 Department of Social Development. 2023. ***Reducing child poverty: A review of child poverty and the value of the Child Support Grant.*** Cape Town: Children's Institute, University of Cape Town. Available at: https://www.researchgate.net/publication/374618161_Reducing_Child_Poverty_A_review_of_child_poverty_and_the_value_of_the_Child_Support_Grant

8 Statistics South Africa. 2017. ***South Africa demographic and health survey 2016: Key indicator report.*** Report No. 03-00-09. Pretoria: Statistics South Africa. Available at: https://www.statssa.gov.za/publications/Report%2003-00-09/Report%2003-00-092016.pdf

9 Statistics South Africa. 2024. ***Quarterly labour force survey (QLFS), Q1:2024.*** Available at: https://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q1%202024.pdf

10 Hall, K., Proudlock, P. and 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. Available at: https://www.researchgate.net/publication/374618161_Reducing_Child_Poverty_A_review_of_child_poverty_and_the_value_of_the_Child_Support_Grant

In 2023, a DGMT representative seconded to the presidency supported the development of a National Strategy to Accelerate Action for Children (NSAAC). The secondment was agreed with the Office of the President to lead the development of the strategy. The Technical Task Team, led by the Chief Operating Officer in the Presidency, synthesised inputs from every government department and the wider children's sector, with consultations including learner representative councils; a national summit of stakeholders then recommended the strategy to Cabinet. As of September 2025, the NSAAC is pending Cabinet approval.

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 well-being. DGMT has appointed a 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. 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.

THE FUTURE OF SCALING AT DGMT: WORKING WITH INFLUENCE, NOT MORE MONEY

As a relatively small endowed funder, DGMT has nearly reached the upper limit of what it can commit to new large co-funded initiatives. Adding more would either divert resources from the broad civil society network it supports or require exiting some of the very scaling platforms it helped establish. In practical terms, the capacity to spark ideas, gather multiple funders into joint ventures, and de-risk new initiatives through incubation within DGMT will be more constrained.

Consequently, the organisation's potential as a catalyst for large-scale change will rely even more on its position of influence in policy discussions and systems-change processes. That position is partly tenuous as relationships with individuals in executive and legislative branches are never guaranteed, but it is also grounded in DGMT's consistent consultation with dozens of civil society organisations and in its independent, evidence-based public voice across multiple media channels. This legitimacy does not rise and fall with political turnover; rather, it reflects DGMT's role in channelling perspectives "from the ground" into policy spaces.

Reaching the bounds of co-funding capacity can be read as a missed opportunity to keep launching promising ventures, and to some extent it is. Yet as DGMT has become more embedded in policy and systems change, the relative importance of its own money has declined. The organisation's value increasingly lies not in how much it can fund, but in its ability to mobilise coalitions around ambitious goals to escape the inequality trap. Constrained funding also invites consolidation: trimming initiatives that did not take off as expected while ensuring those now entering the exponential part of their growth curves do not lose direction or momentum. That involves securing substantial new foundation support to reach a "mezzanine" level of scale, and continued engagement with government to find and increase revenue streams for programmes that have already reached the first floor.

LESSONS FOR OTHER FOUNDATIONS

This learning brief shows that scale is not the preserve of global giants. Well-positioned local foundations can punch well above their financial weight when they work with partners who know the terrain, speak plainly in public, and pool resources under shared governance. Collective funding reduces the load on implementers and concentrates the expertise needed to move from promising pilots to population-level impact.

1. **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.

2 **Clarity on which strategies for scale are being deployed.** This will keep all role players focused even as contextual dynamics are negotiated.

3 **Systems change needs a driver.** Keep a dedicated "driver" in place to hold the ecosystem pieces together. In DGMT's ECD work that role was played by a bespoke systems facilitator (Ilifa Labantwana).

4 **The demand side is as important as the supply side.** Spend time understanding what motivates parents, caregivers and practitioners. Understanding and responding to human motivation can incentivise the uptake of new technologies or enhanced participation in programmes. These psychological incentives often determine the success or failure of scaling initiatives, especially when they rely on substantial shifts in social convention.

5 **Achieving scale does not always require substantial new resources from government.** Look for a single, enforceable policy lever that can carry public benefit at minimal fiscal cost. In this case, making zero-rating a condition of spectrum licences created a self-funded pathway to national reach. The practical steps were simple but sequenced: embed the obligation in the licensing framework; prepare public benefit organisations so they are "implementation-ready" when the window opens; follow through with targeted legal action only if compliance stalls; and keep visible, collective pressure on the regulator while providing a straightforward way for organisations to register.

WHAT'S NEXT?

Over the coming decades, global philanthropy will continue to shift, sometimes along ideological lines, sometimes through consolidation. For DGMT, the constant is our view of scale: it is a means, not an end, a way to grow public benefit and, in particular, to reduce social and economic inequality within environmental limits.

In a period of disruption that risks eroding the gains of recent years, momentum will come from working together. Stronger coalitions between foundations in the North and South can keep attention on what matters, translate evidence into action, and carry progress from one planning cycle to the next. That is how we will keep scaling in service of people, not power, and help more children and young people realise their potential.

This brief is an adaptation of a longer brief written by David Harrison and Larry Cooley for the Scaling Community of Practice. The brief was edited by Cornè Kritzinger.