

AI IN PHILANTHROPY: SHAPING A TRANSPARENT, EFFICIENT, AND SUSTAINABLE FUTURE

The Opportunities, Risks and Best Practices of Adopting AI within the Philanthropic Ecosystem

At the Pearl Initiative's event on February 25th, 2025, **Tech-Driven Philanthropy for Lasting Impact**, we explored the potential of artificial intelligence (AI) to transform philanthropy. While AI's application in this sector is still in its early stages, it holds significant promise for improving transparency, efficiency, and sustainability in charitable efforts.

Human oversight, governance, and ethical considerations are crucial to ensuring that AI is used responsibly. Additionally, the lack of comprehensive data in the region (Middle East) presents a unique challenge, limiting AI's effectiveness in addressing local needs.

This Resource provides insights into how AI can be leveraged for greater impact in philanthropy, understand the risks associated with its use, and learn about the best practices and cases that will ensure it is implemented ethically and effectively.

Opportunities

AI in Grant Allocation

One of the biggest use cases for AI in Philanthropy is within grant allocation; making sure that funds reach the right organizations, at the right time, for the greatest impact. Through the use of AI decision makers can streamline the process of analyzing applications, remove unconscious bias and detect fraud, inefficiencies and risks.

In Action: The WFP uses Artificial Intelligence (AI) powered solutions and technologies to mitigate the root causes of food insecurity, malnutrition and for disaster response. In 2023, during the earthquake that struck Türkiye and Syria the WFP team was able to use AI for:

- Machine Learning-based Damage Assessment
- Near Real-time Monitoring and Insights
- Enhanced Situational Awareness
- Collaborative and Public Good

The use of AI helped a team of 5 individuals assess approximately 600,000 buildings with an accuracy of over 81% impacting over 5 million people in Türkiye, the data gathered empowered decision makers with the necessary information to plan and execute relief efforts, ensuring that assistance reached those who needed it most

Available tools for you to try: Use AI-powered tools like **Fluxx** or **Benevity** to automatically screen applications, match funding opportunities, and predict project impact. Organizations can also implement AI for fraud detection (e.g., AI-driven financial audits), real-time fund tracking (blockchain-based AI solutions), and automated impact reporting (Power BI, Tableau).

Where do we need human intervention?

- **Set Parameters & Ethical Guidelines:** Define clear criteria and safeguards to ensure fairness and inclusion in AI-driven grant allocation.
- **Verify AI-Processed Data:** Assess and validate data accuracy to prevent biases and ensure alignment with funding priorities.
- **Ensure Transparency:** Communicate the AI-driven process effectively to stakeholders, maintaining trust and accountability.

AI in Donor Engagement

In today's fast-paced world, donor interactions need to feel more personal to build stronger connections and lasting engagement. With the use of AI, organizations can:

- Analyze donor behavior to understand giving patterns and predict future contributions.
- Automate outreach, creating personalized messages that keep donors engaged and connected to the cause.
- Match donors to causes based on their interests, ensuring their giving aligns with their passions and values.

Ethical Considerations: Ensure AI-driven CRMs follow strict data protection guidelines and openly communicate how donor data is collected, analyzed, and used within the organization

In Action: The Red Cross has developed an AI-powered chatbot named **Clara** for disaster response, designed to provide immediate access to vital information for those in need and those wishing to help.

Clara can assist with:

- Disaster response inquiries, such as finding local shelters or accessing financial aid
- Financial donations, including where to contribute and how to receive help with donations
- Volunteering opportunities, including how to apply or volunteer remotely
- Training services, such as registration for courses
- Services for the armed forces, offering resources for veterans and military members
- International services, providing details on the Red Cross' global relief efforts
- Blood donation, including how to schedule an appointment

Available tools for you to try: Leverage AI-driven CRMs like **Salesforce Nonprofit Cloud** or chatbots like **Intercom** to personalize outreach, predict giving patterns, and improve retention.

Where do we need human intervention?

- **Verify Data Accuracy:** Ensure donor information and AI-generated insights are correct and relevant.
- **Account for Cultural Nuances:** Adapt messaging and engagement strategies to align with cultural sensitivities and preferences.
- **Ensure Data Protection:** Safeguard donor information by implementing strict data security and privacy measures.

AI in Impact Measurement

Measuring impact within philanthropy is critical to capture efficiency of philanthropic capital spent. However, the process of impact measurement is often time-consuming and expensive. AI can analyze historical funding data, regional needs, and social impact metrics to help organizations predict where funds will have the greatest impact. It can also help reduce inefficiencies, ensuring money isn't just going to well-established organizations but also reaching smaller, high-impact initiatives that might otherwise be overlooked.

The use of AI can help organizations:

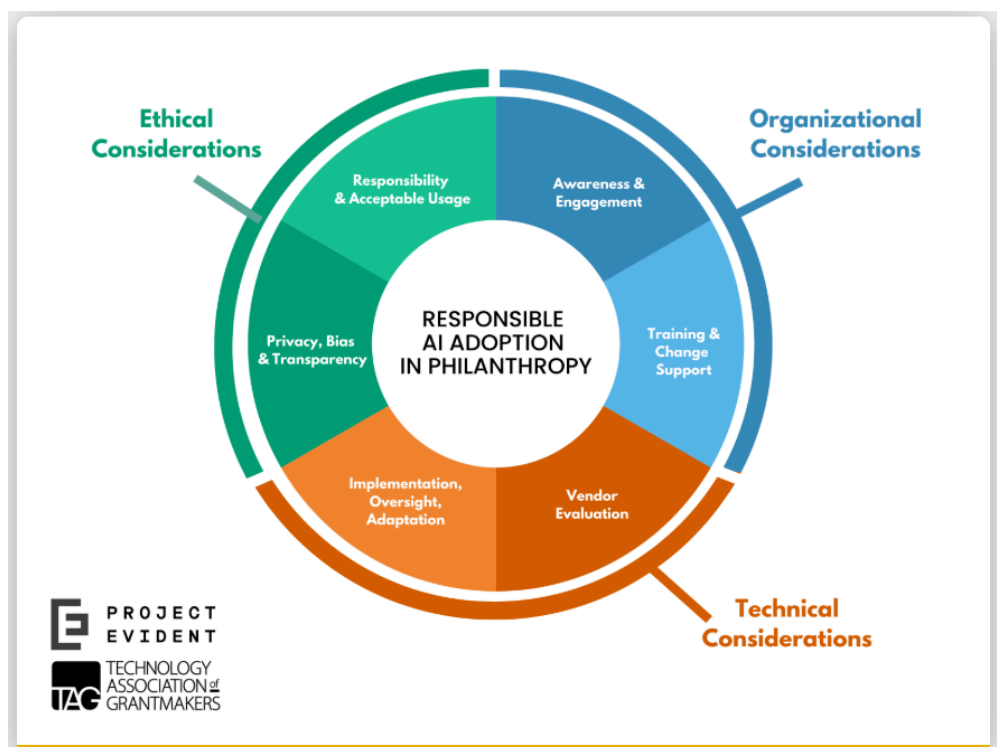
- Analyze real-time data from projects on the ground, tracking progress more efficiently.
- Use satellite imagery and remote sensing to assess environmental and humanitarian interventions in hard-to-reach areas.
- Predict long-term outcomes, helping funders make smarter, data-driven decisions about where to invest next.

In Action: In 2023, the Nature Conservancy (TNC) used AI-powered imagery analysis to detect two seabird species thought to have been locally extinct since World War II. Utilizing the **Rapid Automatic Image Classification (RAIC)** tool, developed by Syntheticaic, TNC and its partners have been working since 2020 on restoring seabird populations at Palmyra Atoll.

Available tools for you to try: Use AI analytics tools like **MonkeyLearn** or **Brandwatch** to analyze social needs, measure program effectiveness, and optimize funding allocation.

Where do we need human intervention?

- **Ensure Transparency in Reporting:** Clearly communicate methodologies, limitations, and findings to stakeholders.
- **Validate Results for Accuracy:** Cross-check AI-generated insights to ensure they reflect real outcomes.
- **Prevent Overstatement of Impact:** Maintain integrity by avoiding exaggerated or misleading conclusions.



Risks



Microsoft 5-Point Blueprint for Governance in AI

1. Implement and build upon new **government-led AI safety frameworks**
2. Require **safety brakes** for AI systems that control critical infrastructure
3. Develop a **broader legal and regulatory framework** based on the technology architecture for AI
4. Promote **transparency** and ensure academic and public access to AI
5. Pursue **new public-private partnerships** to use AI as an effective tool to address inevitable societal challenges that come with new technology

AI's potential to drive meaningful change in philanthropy is immense, however, its successful implementation requires thoughtful governance, ethical practices, and human oversight. The regional lack of data further complicates AI's ability to reach its full potential in driving impact.

We hope this dialogue has sparked new ideas on how AI can be effectively harnessed for positive social outcomes while emphasizing accountability and ethical responsibility. As the technology

evolves, collaboration and transparency will be key to ensuring its benefits are maximized and reach those who need it most.

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