



# How can we do better?

Peter Laugharn

The world is facing urgent and complex problems which are global in their nature and thus beyond the capability of national governments to solve alone. How can foundations contribute to solving these problems? In both the US and Europe, a handful of foundations are responsible for over half of international funding. More foundations need to be involved, and more effectively. This article looks at the current state of international funding and makes a number of proposals aimed at helping foundations make a more significant contribution.

In his book, *High Noon: 20 global problems, 20 years to solve them*, J F Rischard lays out a troubling call to action. He paints a comprehensive picture of 20 or so 'inherently global issues' – crises of huge importance, playing out across borders and continents, and only solvable through multi-country or global collaboration. These include climate change, biodiversity and natural resource depletion; the fight against poverty; education and health for all; and the regulation of global systems such as finance and migration. The problem analysis is lucid and provides a clear framework for seeing the interrelatedness of these issues.

Rischard also suggests a response – 'global issues networks' that synthesize the knowledge currently available (in most cases, according to Rischard, adequate to solve the problems) – and advocates strongly for its adoption by political leaders.

In 2006, the European Foundation Centre (EFC) invited Rischard to help internationally oriented

foundations start thinking through how they could best contribute to the resolution of these global issues. In a general sense, the participating foundations found the analysis compelling, a wake-up call prompting them to ask whether they are investing their resources and efforts where they are needed most. They have, however, been less enamoured of the proposed response, which many felt to be overly technocratic and of questionable political legitimacy.

## The beginnings of a game plan

The thinking resulting from these 2006 meetings can be found in the EFC's policy paper on *Long-term roles for European foundations in addressing complex global issues* ([www.efc.be/4574](http://www.efc.be/4574)). The paper acknowledges that the world is facing an unprecedented set of challenges on a range of issues and that the current system of global problem-solving is ill equipped to deal with them. It underlines the need for innovative approaches that engage many voices and have the necessary weight to bring about change. It analyses the capabilities of foundations as a distinct institutional form, and highlights those areas in which foundations, regardless of size and mandate, can contribute effectively, particularly in the context of advancing a global agenda. A final section proposes the first outline of a 'global agenda framework' within which individual European foundations can align their work at a number of different levels, and provides examples of different ways in which they have sought to exploit their comparative advantage at transnational and global levels

Thus, on paper, there is the beginning of a 'game plan', but what will be the challenges of carrying it out? Because of their scale, complexity and urgency, these inherently global issues represent a challenge for all organizations working for the common good.

### Guest editors for the special Alliance feature, The new challenges of global philanthropy



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## The state of funding for development

The bulk of foundation giving on both sides of the Atlantic is done within national borders. According to 2006 figures from the US-based Council on Foundations, about 15 per cent of American foundations' giving is international, and data currently being analysed by the EFC seems to indicate that international giving by European foundations is at a similar level. In both cases, 10 to 15 foundations account for the large majority of the giving.<sup>1</sup>

Not all is focused on the sorts of ‘global public goods’ covered in this article, and of the funding that is focused on these issues, the majority probably goes to addressing the present-day symptoms of the problems rather than to keeping ahead of them and eventually resolving them. These figures indicate, therefore, that there is considerable leeway for foundations to use their resources to greater effect.

### Three levels of engagement

Among the European foundations that give internationally, there are broadly three ‘levels of engagement’:

- ▶ There are those that are highly engaged in international funding: cross-border giving is either in their mandate or is central to their way of doing business, and their staffing, systems and partner choice are geared to working internationally. These foundations tend to be well networked.
- ▶ For those with a medium level of engagement (profiled elsewhere in this issue, see p39), international work does not predominate, but there is a steady interest and a consistent flow of grantmaking.

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- ▶ Among those with a low level of engagement, funding tends to be sporadic and crisis-driven (witness foundation contributions after the 2004 Asian tsunami), without the staffing, systems and networks that could make it efficient or of greater leverage.

There are perhaps 20 European foundations engaged at a high level, but they are active and visible. They are often what other development actors (multilaterals, bilaterals and development banks) think of when they consider foundations. Those at the medium level of engagement are more numerous but less well known and often less aware of wider frameworks and collaborations. This is the most promising ‘growth sector’ for international funding among European foundations.

Foundations with low levels of engagement, which don’t want to move up to the medium level, can often be best served by reliable intermediaries working on international issues, for example international NGOs based in their countries, community foundations, or other philanthropic intermediaries. The EFC has a role in helping foundations at all of these levels to think through how best to use their resources.

### Role played by newer foundations

One very important influence has been the role played by newer foundations, especially the Gates Foundation. The resources available to the Gates Foundation make it a larger development actor than many bilateral aid agencies, and tend to raise interest in foundations among other actors. But the profile of Gates is not only due to its financial dimensions. It is also due to its businesslike and results-oriented approach, its desire to tackle problems that are complex but plausibly solvable (for example, the AIDS vaccine), and its willingness to engage publicly in service of its goals. These are characteristics that also apply to the Clinton Foundation in its work on the pricing and availability of medicines for AIDS treatment. These, and a number of other recently established foundations, are approaching the ‘inherently global issues’ with resources, energy and determination, and are influential in forming the public image of the dynamic foundation.

### So what should European foundations do?

Given this picture of foundation aspirations and current realities, what should European foundations do to live up to the aspirations formulated in the policy paper? Here are six proposals. ▶

#### Kumi Naidoo

#### Elevator speech to Bill Gates

To make a real and sustained difference, one must address the underlying causes of poverty and not only its symptoms. Service delivery alleviates only some of the effects of poverty. The root causes of poverty are ineffective states and weak or even repressive policies that restrict people’s access to security, services and opportunities. To address them, one must create an enabling environment, promote participatory democracy, and support citizens in holding decision-makers to account. By investing in advocacy and encouraging policy changes that uphold citizens’ rights, you will be tackling the causes of poverty, not just the effects, defending human rights and building stronger societies for the future.

#### Venkat Krishnan

#### Elevator speech to a funder with €500,000 a year

€500,000 is too small an amount to agonize over. Your best shot is to put all the money in one basket – pick one single organization in one country. It doesn’t matter what you support – build a school or a small dam, or fund an advocacy campaign – any problem in any developing country needs a lot more than you have. So pick an idea or a cause that excites you, find the one organization that you feel excited about, give them all the money as an upfront, untied donation, and focus the rest of your energies on the rest of your money. If it works, it will change a country. If it doesn’t, it’s the cost of one day’s paper usage in the UN system.

### **Study foundations' historical successes (and failures) and learn from them**

Foundation involvement in global issues started at the beginning of the twentieth century, and there are many examples to analyse. In the first half of the century the Rockefeller Foundation in particular was a powerhouse, working on infectious disease control, the green revolution, and population activities in ways whose influence is still felt today. An excellent resource for the study of successful philanthropic initiatives – though most of them admittedly not global in scope – is Joel Fleishman's recent book *The Foundation* and especially its companion *Casebook*, which presents 100 cases of foundation contributions, covering background, strategy and impact.

A second resource that is useful for placing philanthropic activity in the wider context of development assistance is the OECD's *Philanthropic foundations and development cooperation*. Both foundations themselves and those who would like to involve them in development partnerships would benefit from a more detailed knowledge of what foundations have historically delivered.

### **Understand more profoundly the contexts of inherently global issues**

Foundations working internationally can become quite comfortable in smaller, well-understood, well-

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performing project relationships with NGOs. In such 'closed loops' the crucial thing is the quality of the relationship between the donor and the funded partner organization; the recently formulated Principles of Accountability for International Philanthropy (see p49) are an example of this.

But foundations can also thereby lose the larger picture. The more foundations start to consider their contribution to inherently global issues, the more they need to move out of this comfort zone and seek to understand the overall picture and their niche within it. Typically, this means becoming more familiar both with institutional donors and with public policy in key countries; it may also mean tackling scientific and technological issues. Foundations are well placed to do this, but must go about it intentionally, making the necessary commitments of resources, time and focus. The bigger picture is likely to sweep away traditional distinctions between industrialized and developing countries, since the issues are by definition global.

Once the overall picture is well understood, foundations are in a good position to seek leverage, using their resources, experience and reputation to attract attention and funding to promising approaches. This has been done successfully in the past on issues such as disarmament.

### **Use foundation advantages more consciously**

One of the key comparative advantages of foundations is their long-term perspective. Foundation vision is not limited by short-term electoral or business cycles or market swings. Unless it has decided to spend down its capital faster, any endowed foundation ought to expect to be in business 25 or 100 years from now.

Since foundations are designed to exist in perpetuity, it is natural that they consider future generations as seriously as present ones. It is thus more reasonable for foundations than for others to undertake initiatives that will take 20 years to complete, or whose payoffs are 30 years down the line. Thinking along these lines, foundations could for example:

- ▶ develop more capacity in scenario thinking and other long-term predictive work;
- ▶ think beyond the near- and medium-term milestones others are focused on (such as 2015 and the Millennium Development Goals);
- ▶ make explicit long-term commitments to difficult goals;

#### **Andrés Thompson Elevator speech to Bill Gates**

To make better use of your funds internationally, have you ever thought of convening different voices from the developing world and listening to what they have to say, what their concerns are, what their vision is, and what they think needs to be done to make another world possible? Please give some thought to this simple but powerful idea. This is my floor. I hope we bump into each other again.

#### **Rory Tolentino Elevator speech to a funder with €500,000 a year**

If you are passionate about a particular issue, talk to a few people from the countries you are interested in helping about how the various sectors are dealing with that issue and find out how you can help, either by supporting efforts to solve the problem or by identifying a different means of solving it. That way, your funds are used to address an issue more strategically. You will be working with organizations and people who have been dealing with this longer, and in the process strengthening both their efforts and yours.

- ▶ commit to 'keeping the lights on' in large initiatives in which larger bilateral and multilateral funders' commitment may be unstable.

This could be a key foundation contribution in the area of inherently global issues.

On the other hand – and this is a second potential advantage of foundations, when well run – they can be quite nimble and dynamic. They tend to be smaller and less bureaucratic than institutional donors or national agencies, providing catalytic grants or quick convenings on important topics. Foundations often combine a successful entrepreneurial founder with a highly professional staff.

If these two tendencies can be kept in good balance, they can lead to sustained generative contributions in a field. A single foundation or group of foundations, for example, could endow a fund to provide quick resources for groups working on complex global issues.

A third comparative advantage, autonomy of judgement, is in truth a two-edged sword. It gives

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### ***Consider accountability for solutions more important than accountability to partners***

Many foundations have a different discourse on accountability from institutional donors, whether bilateral or multilateral. The latter tend to focus on accountability towards national governments, while many (probably most) foundations see their accountability instead as being towards civil society organizations, if not to the individual beneficiaries of their actions. This is largely due to somewhat fixed ideas on both sides about who their rightful partners are.

I would argue that foundations will do a greater service to the solution of inherently global issues if they focus on accountability *for* solutions more than on accountability *to* partner organizations. It is the resolute focus on solutions that will lead more clearly to long-term and dynamic efforts. This is all the more important when one considers that trying to resolve global issues nation by nation is a serious problem in the current system; foundations have the freedom to think outside this box, and that freedom can be valuable to all the other actors.

That being said, internationally operating foundations will have to address the question of harmonization of their efforts with those of others. This is the focus of the 'Paris Declaration' of the OECD, which commits institutional funders to respecting the sovereignty and responsibility of national governments, harmonization of priorities, alignment of approaches, results orientation, and mutual accountability. Many foundations are not focused on these questions, since their interlocutors have been civil society organizations rather than governments. However, as the interview with Agnès Binagwaho and Peter Piot in this issue shows (see p34), it is an expectation of governments that funders at least situate their efforts within national plans, and the Gates and Clinton Foundations have been careful to work closely with national governments.

### ***Choose a focus and stay with it***

Small and medium-sized foundations are often worried that their contributions will be insignificant compared to the magnitude of the problems, or compared to other actors. The way to deal with the 'problem magnitude' issue is to address a part of it that is in proportion to the foundation's resources,

#### **Atallah Kuttab Elevator speech to Bill Gates**

Enormous problems need funds but, more important, they need motivated people. Before making any investment, make sure the people affected define the problem for themselves. If they do, they'll be involved and engaged in finding the solution. The same goes for defining the results. Solutions and results are subjective and you can't assume agreement on what they are, so you need consensus here, too, among the people affected by the problem. Another thing: results need to be defined in stages so that each stage produces its own success. This builds the momentum for tackling the problem and achieving the end results. So the key message is, important as money is, the engagement of people affected by the problems we are trying to solve is still more so.

#### **Fernando Rossetti Elevator speech to a funder with €500,000 a year**

Invest in the production and dissemination of information on one central issue, such as violence or unemployment, for a long period of time. First, establish partnerships with one or more local organizations. Identify the issue, the country and the partners through a project selection process. A grantmaker support organization can help in publicizing this process and checking who are the best recipients. In developing countries, good information is rare, but conveyed through events, publications and training programmes, it's crucial for sustainable social transformation.

while still keeping the whole picture in mind. There is a temptation to take on a wide range of pressing issues, but this usually leads to either shallow or very geographically focused approaches, neither of which are optimal when considering global issues.

Regarding comparisons with other larger actors, foundations should remember that again time is on their side: if they choose and stick with an emphasis for 10 or 20 years – which is certainly not unusual – the resources contributed, and networks and experience developed, will be significant. My own foundation, the Bernard van Leer Foundation, made the choice of focusing on early childhood development 40 years ago,

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and we have stayed with it, both contributing to and adapting to new approaches and trends in the field. This has given us a standing and an influence beyond what our relatively modest resources would otherwise merit.

#### **Improve the ability to demonstrate impact**

Since foundations do not need to fundraise, and in many cases do not have to rigorously show results, they can be deficient when it comes to demonstrating impact. This may not be a problem if a foundation is making grants in a field it understands well, or does not have aspirations for leverage or dissemination. But for those foundations that are seeking to convince others to follow their lead, value their findings, or replicate their programmes, there must be a solid evidence base. Many foundations are currently working on enhancing their ability to generate evidence and demonstrate impact; this will be a key competence and source of credibility for those foundations wishing to engage in work on complex global issues.

It is a robust hypothesis, given the impressive successes of foundations, that they will make important contributions to global efforts on global issues. But this hypothesis will be made much more solid if systematic attention is paid to combining long-term commitment and vision with short-term dynamism, and ensuring that foundations occupy the right place within the large efforts already under way. @

#### **Akwasi Aidoo Elevator speech to Bill Gates**

Africa's problems require two approaches that donors do not pursue often enough. The first is disseminating policy successes across Africa. True, South Africa is not Senegal, but there is a lesson, for example, that Senegal can offer South Africa on HIV/AIDS. With a strong policy commitment, Senegal has maintained a less than 1 per cent rate of HIV/AIDS. That's where donors come in – helping to disseminate successes like this. The second approach is strengthening civil society. Senegal shows that an effective civil society is vital for stimulating government to tackle problems. So, whether you work on HIV/AIDS or malaria, you should prioritize strengthening civil society advocacy.

#### **Jorge Villalobos Elevator speech to a funder with €500,000 a year**

If you're trying to tackle the problems faced by developing countries with limited resources, you need to do five things: fund projects which deal with the cause of a specific problem – not its effects – and look for those that have the largest social impact; allocate some of the funds to an analysis of the needs and assets of the community, taking into consideration the perspective of that community; give people the tools to solve their own problems and establish measurable results; choose projects that are financially sustainable, and that can be replicated by donors and civil society organizations; promote cross-sector strategic alliances so that the resources you put in might attract matching funds.

#### **Marcos Kisil Elevator speech to Bill Gates**

First, think about whether the problem you want to address is a cause or an effect. Is it a result of lack of knowledge or lack of action? Is it a cultural, economic, political or scientific problem or a mix? Next, identify and value the existing assets of the people affected: their knowledge, past experiences, resources, etc, then look at what's being done to address similar problems elsewhere. Bring together those who have the knowledge and resources to solve the problem with those who are its victims in a jointly owned process to tackle it.

#### **Further reading**

J F Rischard (2002) *High Noon: 20 global problems, 20 years to solve them* New York: Basic Books.

Joel Fleishman (2007) *The Foundation: A great American secret* New York: Public Affairs.

OECD (2004) *Philanthropic Foundations and Development Cooperation*. [www.oecd.org/dataoecd/23/4/22272860.pdf](http://www.oecd.org/dataoecd/23/4/22272860.pdf)

1 More than 50 per cent of international funding by US foundations comes from just 12 foundations, according to a recent study by Benoît Chervalier – see

[www.gmfus.org/publications](http://www.gmfus.org/publications). In the UK, a new study shows that 12 foundations provide 70 per cent of international funding (see p38).