

CONVERSATIONS ABOUT POSSIBILITIES

THEMES AND REFLECTIONS FROM THE
INTERNATIONAL PHILANTHROPY COLLABORATION



MELBOURNE 19 – 22 NOVEMBER 2007

ROSEMARY ADDIS & CATHERINE BROWN
FEBRUARY 2008

© 2008 Rosemary Addis & Catherine Brown

All rights reserved. No part of this publication may be reproduced without the written permission of the publisher.

Authors: Rosemary Addis and Catherine Brown

Published by: The R. E. Ross Trust
7th Floor, 24 Albert Road
Melbourne, Victoria, Australia 3000
www.rosstrust.org.au
+61 3 9690 6255

On Behalf of: The R. E. Ross Trust

and

The Myer Foundation & Sidney Myer Fund
Level 18, 8 Exhibition Street
Melbourne, Victoria, Australia 3000
+61 3 9207 3040

The Ian Potter Foundation
Level 3, 111 Collins Street
Melbourne, Victoria, Australia 3000
+61 3 9650 3188

Authors' Note

Every effort has been made to ensure this publication is free from errors or omissions and that all of the information is current at the time of publishing. This publication is intended as a guide only. When preparing a prospectus for a particular social enterprise, expert advice should be sought from legal, accounting and other relevant advisors. The material in this publication is made available in good faith, but no responsibility will be taken for any loss or injury caused by reliance on the information provided.

ISBN 978-0-9750605-3-7

CONVERSATIONS ABOUT POSSIBILITIES

THEMES AND REFLECTIONS FROM THE
INTERNATIONAL PHILANTHROPY COLLABORATION

Contents

| | |
|--|----|
| Introduction & Acknowledgements | ii |
| Why have a conversation? | 1 |
| Conversations | 3 |
| Clarity | 3 |
| Relationships | 6 |
| Governance | 8 |
| Inclusion | 10 |
| Possibilities | 14 |
| Impact | 14 |
| Toolbox | 18 |
| Policy | 22 |
| Reflecting on the Conversations | 26 |
| References | 1 |

CONVERSATIONS ABOUT POSSIBILITIES

THEMES AND REFLECTIONS FROM THE INTERNATIONAL PHILANTHROPY COLLABORATION

INTRODUCTION

Philanthropic trusts and foundations are often established by visionaries; people who can see beyond their own lifetime or their own experience to understand or anticipate the needs of others. Philanthropy around the world continues to evolve to reflect changing times and emerging needs. The Boards and CEOs of philanthropic organisations have opportunities to tackle community problems in new ways, to test ideas and increasingly to add value beyond grant making.

Reflecting on what she had learned during an international study tour, Sylvia Geddes, with the support of her Trustees at The R. E. Ross Trust, decided to delve further into the ideas and practice that had inspired her during her tour. The concept of bringing some of the thought leaders from philanthropy in Canada, UK, Europe and New Zealand together with several colleagues in Australia began to take shape - and the International Philanthropy Collaboration was born.

The Collaboration was to be a conversation where ideas, experience and opinions were freely exchanged to encourage learning amongst peers. Topics were chosen to inspire reflection and debate and several participants prepared papers to provide a springboard for discussion. Participants took turns in facilitating the conversation: sometimes people told stories to explain their ideas and sometimes participants used diagrams to expand on their approaches.

The participation of different types of foundations¹ from different countries and cultures, histories and ways of operating made the conversation rich. The participation of those with different roles within foundations, particularly senior executives and trustees also enriched the conversation and highlighted the potential for extending the dialogue in future.

ACKNOWLEDGMENTS

The International Philanthropy Collaboration was an initiative of *The R. E. Ross Trust* in collaboration with *The Myer Foundation* and *The Ian Potter Foundation* and was jointly funded by these organisations and supported by their executives and trustees. Much of the collaboration was made possible by the hard work behind the scenes of the executive and staff of these foundations over many months.

Fiona Ellis, Director of *The Northern Rock Foundation*, developed a number of informative and thoughtful papers for discussion, but was regrettably unable to attend due to market circumstances affecting that foundation. Many other international philanthropists expressed strong interest in the Collaboration but were unable to attend.

¹ A range of organisations from Community Trusts, to trusts endowed through an estate, to family foundations of various sizes were represented among the participants. All of the participants were philanthropic foundations in the sense that, however legally constituted, they are organisations with a corpus of funds or other assets which generate income which is primarily distributed to others.

Facilities

The venue of Queens Hall at the State Library of Victoria was graciously provided for use for the Collaboration by the *State Library of Victoria*.

Participating Foundations

ASB Community Trust New Zealand
Walter and Duncan Gordon Foundation Canada
Helen Macpherson Smith Trust Australia
The Ian Potter Foundation Australia
JR McKenzie Trust New Zealand
King Baudouin Foundation Belgium
The Myer Foundation & Sidney Myer Fund Australia
Nuffield Foundation United Kingdom
The R. E. Ross Trust Australia
Tindall Foundation New Zealand

Other Participants

The proceedings were enriched by the contribution of guests, many of whom represented community organisations.

Bush Heritage Australia
Centre for Community Child Health
Education Foundation Australia
Australian Environmental Grantmakers Network
Gambina Koori Economic Employment & Training Agency
Koorie Business Network
Philanthropy Australia
State Library of Victoria
Victorian Association for the Care and Resettlement of Offenders (VACRO)

Professor John Armstrong, Knowledge Transfer Fellow, The University of Melbourne presented *The Quality of Relationships: An Ethical Perspective* which provided a focus for reflection and inspiration

Further material

Beyond the material in this paper, a number of papers and case studies were prepared by the participants and others as background to the conversations.² Some of that material is incorporated here with thanks and acknowledgement to the authors, as footnoted. Some of those materials and other references will be made available on the websites of participating foundations. The host foundations also plan to make a set of those materials together with links to further references available on their web sites in early 2008.³

² See "References" at p 1

³ See foundation website references in "References" at p 2

Names of Participants

Foundation Chief Executives:

Christine Edwards, Chief Executive Officer, The Myer Foundation and the Sidney Myer Fund, Melbourne, Australia.

Sylvia Geddes, Chief Executive Officer, The R E Ross Trust, Melbourne, Australia.

Jennifer Gill, Chief Executive Officer, ASB Community Trust, Auckland, New Zealand.

Trevor Gray, Manager, The Tindall Foundation, Takapuna, North Shore City, New Zealand

Iain Hines, Executive Director, JR McKenzie Trust, Wellington, New Zealand

Jan Hirst, Chief Executive Officer, The Ian Potter Foundation, Melbourne, Australia

Patrick Johnston, President and Chief Executive Officer, Walter and Duncan Gordon Foundation, Toronto, Canada

Luc Tayart de Borms, Managing Director, King Boudewijn Foundation, Brussels, Belgium

Anthony Tomei, Director, The Nuffield Foundation, London, England

Recorders of the Collaboration:

Catherine Brown, Catherine Brown and Associates

Rosemary Addis, Langford Addis

Foundation Board members who attended some or all of the Collaboration:

Fran Awcock, Trustee, Helen McPherson Smith Trust, Melbourne, Australia

Professor Geoffrey Blainey, Governor, The Ian Potter Foundation

Bruce Bonyhady, President, Philanthropy Australia

Alix Bradfield, Trustee, The R E Ross Trust

Pania Ellison, Trustee, JR McKenzie Trust

Carillo Gantner, President, The Myer Foundation

John Gough, Governor, The Ian Potter Foundation

Dr Tom Hurley, Governor, The Ian Potter Foundation

Darvell Hutchinson, Chairman, Helen McPherson Smith Trust

Brian Lythe, Chair, Grants Committee, ASB Community Trust

John McInnes, Trustee, The R E Ross Trust

Ian Renard, Chairman, The R E Ross Trust

Eda Ritchie, Trustee, The R E Ross Trust

Anna Spraggett, Director, The Myer Foundation

Ian Vaughan, Trustee, The R E Ross Trust



CONVERSATIONS ABOUT POSSIBILITIES

THEMES AND REFLECTIONS FROM THE INTERNATIONAL PHILANTHROPY COLLABORATION

WHY HAVE A CONVERSATION?⁴

The Collaboration was a series of conversations about the role of philanthropy within society and the possibilities for making a difference in a fast changing world. Participants took on the challenge of considering the fundamental questions which surround their work, including: *what is the role of philanthropy in a civil society?*

This central question was further framed by two other significant themes of the conversations.

- Strategically ‘punching above one’s weight’. This requires passion, intelligence and great empathy with the people whose lives are touched by philanthropy. Realistically, most foundations are small within the broader scheme of things⁵ and so making clear choices and setting priorities for where and how and on what they will act is critical.
- The quality of relationships, determinants of quality and their relationship to notions of civilisation⁶. *Civilisation* can be thought of as encompassing the way in which society holds and nurtures quality relationships, yet a great deal of passion and seriousness gets lost in the process of our attempts to communicate with one another; we fail to *touch the souls* of others. How can foundations work within an imperfect society and with the realities of the human condition to hold the focus of what is important and exhibit the diplomacy, tactfulness and patience necessary to *do important things in a crooked world*.

Ultimately, *philanthropy is about humanity – other people’s and ours*.⁷

Humanity is more essential to the people than water and fire. I have seen men lose their lives by surrendering themselves to water or fire; I never saw anyone lose his life by surrendering himself to humanity. (Confucius, The Analects, Chapter 15:35)

A conversation and not a conference was a clear brief for the four days. This was an important frame as it set the tone for participation, openness, sharing and questioning.

By its nature this approach raises more questions than answers and is reflective. It also allows for creativity and a meeting of ideas in a space outside or beyond individual organisations. Participants also hoped it may generate opportunities, including opportunities to work differently and to work together.

⁴ Another facet of this question is “How to have a conversation”. That is not a focus of this paper, but an important consideration for future collaborations or for others aspiring to conversations or to work together.

⁵ Consider that all New Zealand trusts and foundations have combined assets of approximately NZ\$12.5 billion which equates to about 12 days of government funded community service provision.

⁶ *The Quality of Relationships: An Ethical Perspective* was the subject of a talk delivered to the Collaboration by Professor John Armstrong, Knowledge Transfer Fellow, University of Melbourne. This presentation so engaged participants that they specifically requested its themes be reflected not only in the substance but also the tone of this paper. The themes set out here are extracted from notes of Professor Armstrong’s presentation, with thanks.

⁷ **Responsible Philanthropy and Partnering**, Christine Edwards, CEO Myer Foundation, Community Foundation Forum, August 2006.

Conversations have at least two sides; talking and listening. Hearing from others was an important theme, a theme that extended beyond the conversations of the Collaboration to how broader conversations may take place. How can foundations reach and hear from those who are marginalised or who live remote from their base. How can communities have a voice for their views? How do we listen and give voice to the generations which will live and form the future. How do we engage with others of different ideologies and points of view to enrich the conversation and to create real change?

Listening is the beginning of understanding.... Wisdom is the reward for a lifetime of listening. Let the wise listen and add to their learning and let the discerning get guidance. (Proverbs 1:5)

This paper is a good faith attempt to capture the learning and reflections from our listening over the four days of the collaboration.

Language of the Collaboration

The participants emphasised the opportunity to share ideas, views and experience through conversation. We have included "Language of the Collaboration" at the commencement of each section of this report which plays back key words used by the participants themselves during the four days of conversations. We hope this provides a reflection and reminder of the conversations for those who participated. We also hope it gives other readers a sense of the themes within the conversations.

For example, with respect to the material in the introduction.

civilisation: substance, seriousness, meaning, history, culture, community, passion.

conversation: exchange, communication, honesty, learning, beyond, benchmarking.



CONVERSATIONS



Clarity

Language of the Collaboration

clarity: communication, priorities, choices, accountability, context, process, purpose, governance

Clarity was an important thread through a number of conversations and was central to considerations of *what* role foundations play, *why* they do it, *where* they operate and *with whom* they work. Being clear about these things is the opportunity for foundations to position themselves in terms that say: *This is who we are, this is what we care about and this is how we work to make a difference.*

Choices

With that comes some challenges; brought into relief by the relative size and scale of foundations. Even the much larger European Foundations are small relative to other actors⁸. Yet, many espouse objectives or aspirations of social change. Therefore, making choices and setting priorities is not only a necessary reality but a defining process. This theme was reflected through the conversations in a number of ways:

- Foundations do not and cannot be all things to all people.
- Where should philanthropy set its gaze?
- Foundations cannot fill all the gaps in services.
- Any money granted or put to a purpose or refused represents a choice.
- How can foundations better understand the context in which they operate?
- How can foundations add value in context?
- Is what we can do today less valuable than what we will do tomorrow?
- How can we be clearer about the root causes of a range of social issues?
- Is grant making a good process for achieving or influencing change?
- What does success look like for a foundation's work?

A number of foundations reflected that their planning processes, whether from a program, organisational or strategic perspective, helped to clarify these choices and communicate them to others.⁹ However, it is important to distinguish clarity of purpose from having all the answers. Indeed, clarity of purpose can help to provide greater flexibility about how things are done and the capacity to be responsive to others¹⁰.

Positioning

Foundations put much store in their independence; it is a significant asset. However, the value of that asset can be eroded by lack of clarity about what a foundation stands for and why. This does not mean trumpeting from the mountains, but it is about positioning. It does not mean being purist or naive about the complexities of the social context, but it may entail foundations being clear about what they value as well as what they seek to change.

⁸ Consider that all New Zealand trusts and foundations have combined assets of approximately NZ\$12.5 billion which equates to about 12 days of government funded community service provision.

⁹ Planning can have a role in the collective search for meaning about the direction of an organisation. See Boardworks: Good Governance, Issues 53 – 55 2007

¹⁰ See "Impact" at p15 and "Toolbox" at p 18

Social Context

Foundations act in the context in which they find themselves, be it the stage of development of the society within which they act, defined geographic area, regulatory landscape, political environment, sector(s) in which they operate, issues of focus, or day to day influence of founders and other interests. Developing an understanding of that context and what it means for a foundation's strategy, operational strengths and weaknesses is an important aspect of clarity. This understanding of the landscape can be built over time. Some foundations include building their knowledge base about the landscape and its actors as an element (more or less defined) of knowledge management.

Accountability

Participants were open about the (generally) relative freedom of foundations to make choices about what they support and how they operate. Greater clarity about what they do and why may entail more transparency about what activity is circumscribed by the foundation's objects, legal and tax status and what is discretionary.

Saying what you do and why and how you do it – out loud and publicly – is a catalyst for different conversations, not all of which are comfortable, but many of which are important.

It can provide opportunities for insight, reflection and feedback. However, transparency also has its challenges. It requires honesty and discipline and a willingness to listen to different views.

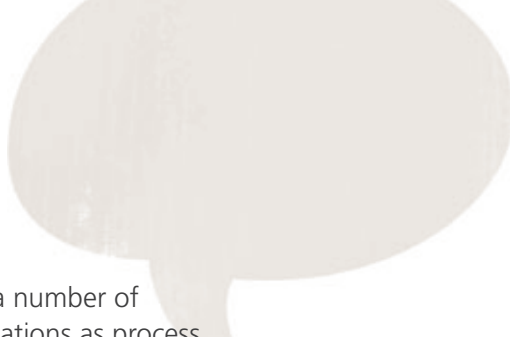
Clarity about what foundations do also brings clarity about what they do not do. It helps foundations to say no and stay focused. That is also helpful to those seeking to engage; it helps them know who to deal with and what is required of them.

Better guidance attracts better applications.¹¹ For reasons ranging from guarding independence, to cost, fear of liability or avoiding hard conversations, some foundations shy away from transparency about their decision making process and why some grants are made and others rejected. The Heritage Lottery Fund (UK) found that a clear and transparent process went beyond its goal to be publicly accessible and accountable. An application pack consisting of clear application guidelines together with policies to guide applicants through grey areas almost single handedly changed the way the traditional heritage sector developed projects.

Governance & Process

One aspect of clarity and accountability is governance. This entails clarity of roles and responsibilities, and accountability, for planning, decision making, action and engagement. Directors and trustees of foundations have legal and ethical obligations. They also have discretion, which comes back to making choices. Leaders in foundations are also instrumental in setting the culture. This extends from governance to congruence between words and action and to an openness to learn, which requires honest reflection about what has worked and what has not.

¹¹ ***Heritage Lottery Fund (UK) Does Funder Accountability Lead to Better Outcomes for Applicants and Grantees?*** Caitriona Fay, The Ian Potter Foundation, November 2007



Clarity as an important aspect of process was also a theme through a number of conversations. One aspect of this is the significant potential of foundations as process agents.¹² Some useful examples of how clarity about process can enable foundations to make greater impact were shared, including the following:

- Commissioning reports and research to be provided to the foundation rather than producing reports in its own name. This subtle distinction can position the foundation to act more as a facilitator than an advocate for the findings of the report.
- Engaging stakeholders as individuals and not as representatives of other organisations, but with an awareness of their views and networks.
- The power of reputation and the “pull power” of funding for bringing stakeholders to the table.
- The role for foundations to act as “honest brokers” and the value of providing “safe spaces” or neutral ground for dialogue.
- The importance of engagement of stakeholders, community, substantive experts and critics.

CASE STUDY 1

ASB Community Trust Maori & Pasifika Education Initiative¹³

In 2006 the ABS Community Trust established as one of its strategic focus areas improving the educational outcomes for Maori, Pasifika and other low income communities within the trust’s geographic area. The Trust is clear about its aims and focused on measurable outcomes. However, it has undertaken a journey through uncharted ground to get there.

The Trust issued an invitation to community and educational leaders to *join us in a discussion regarding what our future role may be* in supporting better educational outcomes for these groups. From that invitation through a process of consultation and relationship and trust building, projects are being developed by the communities’ representatives for their communities.

The Maori reference group has adopted a clear statement - *Ma tatou ano tatou e korero* (We speak for ourselves) and a clear mission: to build a culture of Maori educational achievement. Within that framework terms of reference have been agreed which will provide the basis for the Trust to issue a call for expressions of interest from which between five and ten projects will be selected.

The Trust has allocated funding from its reserves to establish a substantial capital fund, capital and income of which will support the projects over a five to ten year period.

¹² See “Toolbox” at p 18 and “Policy” at p 22

¹³ Case study based on **ASB Community Trust: Maori and Pasifika Education Initiative** Jennifer Gill, ASB Community Trust, November 2007

CONVERSATIONS

Relationships

Language of the Collaboration

relationships: respect, complex, trust, expectations, access, power, difference, leaders

Philanthropic trusts and foundations are often virtual hubs sitting within a network of relationships that relate in some way to their work. Relationships with grant recipients are so varied that it can be hard to tidy them into neat boxes. Around the grant recipients sit the community, both the particular community of need, including Indigenous communities, but also the general public and other NGOs, particularly those interested in improving social and environmental conditions. The public is linked through policy to governments; trusts and foundations that want to make an impact on public policy also create formal and informal relationships with politicians and the bureaucracy. Between trusts and foundations are slung many bridges: some are formed simply to share ideas or co-fund charitable projects, others are built to support long-term formal collaborations on issues of mutual concern. So what did the Conversations about Possibilities uncover about Relationships?

Collaboration

The underlying shared view of the group was that *collaboration* should not be an end in itself. It should not be undertaken because of professional peer pressure to be seen to be a 'team player'. Collaboration takes effort, time and often money. It requires attention and priority. Transaction costs can be very high. A collaboration should reduce risk or increase return. This means that collaboration should be used carefully, to advance a project or issue that is of mutual interest to the collaborating trusts or foundations.

Working together takes many forms depending on the nature of the project or issue. It can be informal or formal. It can be short term or long term. It can involve two parties – or many parties. The critical starting point is to know what it is that you are hoping to achieve through collaboration and how you see this happening. Clarity in the planning stages is important. Collaboration makes sense when it provides a platform for achieving an outcome that one trust or foundation would be unlikely to achieve on its own or when several trusts or foundations want to commit to a united strategy to achieve their objective.

Trust

Beneath an effective collaboration lies trust, preferably built on some personal connections of some depth. Collaboration is not the naturally instinctive way for all people to work, whether they are Board Members, CEOs or staff. Sometimes people need to be encouraged to develop relationships with others in order to build the base for future collaboration. Clear and open communication was highlighted as an important basis for building trust over time.



Intermediaries

Building relationships to encourage collaboration is the core purpose of the Network of European Foundations. The Network works on projects across borders in a pragmatic way. It operates as a platform to develop projects between foundations and other philanthropic partners. It aims to achieve greater impact through collaborative work and participants know that this will not always be easy. Each project has a nominated leader who engenders an action-oriented approach, who is in a sense a social joint venture entrepreneur.

In some contexts, intermediary organisations are not as likely to succeed. This may be because foundations do not share the same aspirations or because there is not sufficient financial support within the local country or region to create such a platform without a clear end in sight.

Government

A neutral platform or intermediary organisation can also assist through creating a politically neutral entity when foundations engage in public policy related projects. Philanthropic trusts and foundations form relationships with government usually within the context of seeking to inform or influence public policy. In Australia at least, changing the law is not a charitable activity per se and work in the public policy arena should link with other core work of the particular trust or foundation.

Collaboration can add value to public policy work where a key social or environmental issue has emerged that requires expert input. It is possible for philanthropy to identify emerging issues early and do some of the thinking before an issue leads to a mainstream political debate. A foundation or group of foundations can reach into the philanthropic toolbox and use think tanks and research to try to form an informed view.


To some extent, philanthropy's relationship with government is a reflection. Philanthropy defines its role in the shadow of what government chooses to do. Philanthropy often funds what government won't do, can't do, or shouldn't do.

Grant Recipients

The relationship between a foundation and a grantee is more than a transaction. The quality of the relationship matters and should be based on respect. Foundations should be explicit about what they are looking to fund and why.

There are times when a trust or foundation moves beyond the traditional grant making relationship with an organisation to which it has made a philanthropic grant. This relationship often emerges because a foundation can see an area of need but can't make the difference it wants by taking a reactive approach, for example, in response to an application for a grant. The foundation may even have to create the grant recipient organisation.

During the International Philanthropy Collaboration conversations, many participants expressed concern about the power imbalance characterised in the description 'grant seeker'. While philanthropic trusts and foundations have financial capacity, not for profit organisations have knowledge, networks and often enormous latent or actual organisational capacity. Both parties have things that the other needs. The days of the paternalistic, charitable handout are passing. In fact, philanthropic partners have the ability to help build the organisational capacity of NGOs in order to demonstrate possible solutions to vexed social or environmental issues.



Marginalised Communities

Philanthropic relationships with marginalised communities require careful thought and a willingness to understand and tackle the underlying causes of disadvantage and social exclusion. This is particularly so when working with Indigenous communities. The complexity surrounding Inclusion as a concept is the theme of the next chapter.

Corporate Partners

Philanthropy has varied relationships with business. Business can be a partner in achieving social change or in improving environmental outcomes. Business can be a partner in debating public policy, such as about Reconciliation with Indigenous communities.

Business is also a service provider to foundations, particularly in relation to funds management. Here there are opportunities for foundations to act responsibly through introducing positive or negative screening across investment portfolios.

Governance

Setting the strategic direction and monitoring performance is a key role of the Board of a trust or foundation. The relationships between the Board and CEO and the Board and external stakeholders are critical to a foundation's effectiveness. Some foundations embrace an entrepreneurial style in their CEO, especially when they want to tread new ground. Some foundation CEOs are more entrepreneurial in style, often reflecting the personal style of the relevant Founder. On reflection, some Foundation CEO and Board Members began to wonder if their own Founders, who were visionaries in their own times, would have wanted them to become even more innovative in their approach to philanthropy.

Strategic planning is a core Board role and all trusts and foundations had a strategic approach to their work, either through a formal strategic planning process, or through a more organic but no less focused approach to establishing priorities and focus areas. Board diversity can assist a broad view when developing strategy. Some foundations commit time and resources to gaining insights from grant recipients, experts and the wider community. This can lift minds above the day to day to understand the issues which the foundation is trying to impact upon. Whichever approach to planning is taken, the daily challenge is to turn excellent strategic thinking into action.

Failing to Connect

Like any relationship, relationships amongst philanthropic foundations and their stakeholders can fail. This can happen when "someone has a good idea but fails to connect or 'touch the soul' of others"¹⁴. The failure to connect can occur when we do not remain true to our initial passion for an idea or project, or when we lose focus on the real needs of the audience. We then begin to fail to communicate deeply, without substance and seriousness.

To connect at a deeper level, leading to a stronger, more trusting relationship, we must use the virtues of diplomacy, tactfulness and patience. If the equilibrium of our colleague is disturbed, the chances of clear communication will be much less. We must try to focus on the underlying purpose we are trying to achieve through philanthropy.

¹⁴ *The Quality of Relationships: an Ethical Perspective*, Presentation by Prof John Armstrong, Nov 2007



CASE STUDY 2

Tindall Foundation

Building Community Foundations in New Zealand

The Tindall Foundation is a major private foundation, which assists communities to help themselves and to heal problems rather than manage them. The vision for The Tindall Foundation is that it should play a supportive role in the philanthropic sector in New Zealand. It collaborates with other organisations and consultants working in the field, as well as drawing on the embedded knowledge, professionalism and expertise of the not-for-profit sector in the allocation of its donations.

One of its key community strengthening initiatives has been the funding of seven community foundations across New Zealand. These community foundations meet milestones in order to receive ongoing seed funding. They also act as grantmaking partners in the regional areas.

CASE STUDY 3

King Baudouin Foundation

Network of European Foundations

The Network of European Foundations provides an operational platform to develop projects between foundations on matters where the foundations share a common goal. Collaborative initiatives focus on systemic social change in areas such as migration, European citizenship, European integration, youth empowerment, and global European projects. Current projects include the European Programme for Integration and Migration; European Fund for the Balkans; European Citizenship; and/or Tackling the war on drugs. See www.nefic.org



CONVERSATIONS

Inclusion

Language of the Collaboration

indigenous: reconciliation, citizenship, dispossession, root causes, alienation, confiscation, colonisation, journey, culture, marginalised

Amidst all the conversations about relationships and possibilities, a theme emerged again and again: the need to hear and respond to the voice of those who are socially excluded, particularly because of race or geography.

Race relations remain a controversial and uncomfortable issue in most parts of the world. Philanthropy must be part of improving social inclusion, especially of Indigenous peoples.

Isolated communities

Isolated communities can be marginalised because they encounter barriers to accessing services and in participating in social and political processes. Sometimes, this is simply due to distance. Philanthropy can play a role but the isolation itself can also be a challenge for engaging with these communities. Philanthropy can use intermediaries in local areas to help them work in culturally sensitive ways and to bridge the barriers of distance. Some participants work with and through others local to these isolated communities to extend their reach.

Intergenerational conversations

Philanthropy can play a role facilitating respectful conversations between younger and older generations to find new ways to tackle the unacceptable status quo.

Holistic world view

Many Indigenous peoples hold a holistic view of the world, which understands the connections between all parts of life, including the natural world. The causes of disadvantage are also connected. One cannot tackle education without understanding the reasons children do not regularly attend school. One cannot tackle family violence without understanding the reasons people abuse alcohol. People must regain their dignity in all aspects of their lives. Philanthropy which tackles one aspect of disadvantage, without at least acknowledging the complex connections which surround it, will not make a lasting difference. Foundations may have to work across or above their usual program areas.

Understanding the root causes of disadvantage

There are large gaps in knowledge and information which make it difficult to find common ground to address Indigenous disadvantage. There are often gaps in the cultural context and understanding between Indigenous peoples and other cultures, including the predominant culture of a society. Displaced and dispossessed Indigenous people have sometimes lost their connections with their place or their culture. They need to retrace their steps and may need to regain their culture and language. Philanthropy can help build an evidence base as a starting point for overcoming disadvantage.

Unless one understands the root causes of social exclusion, there is a serious risk that the funder's gaze is not in the right place. It could be focused on fixing up what's outside, rather than working internally to make a difference.



Establishing connection

Philanthropy must listen to the Indigenous people that it wants to support. Sometimes marginalised people are distressed by the waste of their children's potential. Working with Indigenous peoples is not just about funding programs but about reconciliation of painful histories.

Trusts and foundations working in this area need to think in long time frames. Their work should be about healing and it may be a long journey. There may never be a moment when one can declare victory, there may only be small successes along the way. Success usually comes from a bottom up approach, sometimes in partnership with Indigenous leaders with whom the trust or foundation can build a trusting relationship over time.

Reputational capacity of foundations

Grants are only one tool that foundations can use to make a difference. Foundations have the capacity to change people's understanding and to bring various groups together. Foundations can focus their efforts on the issues where their skills, resources and networks are likely to have the most impact. They can play the honest broker role, especially about Reconciliation.

CASE STUDY 4

Walter and Duncan Gordon Foundation – Inuit Forum: Northern Advisory Circle

The Walter and Duncan Gordon Foundation supports research and education projects that increase the Northern Indigenous people's ability to participate and help shape public policy, especially as it touches their own lives. Projects funded support participation in the development of modern treaties, developing sustainable communities and developing leadership potential. The Northern region includes Nunavut, Yukon and the Northwest Territories, and at times Northern Quebec (Nunavik) and Northern Labrador (Nunatsiavut)

The Foundation supports a Northern Advisory Circle, which straddles the three Northern territories. It organises a bi-annual Northern Public Policy Forum, held in a small isolated community, which provides a mechanism for Indigenous peoples to be part of negotiating a fair allocation of resources and benefits from commercial interests for the communities. The Gordon Foundation chartered three planes to fly people in to the Forum. The Foundation is committed to giving these peoples a voice in public policy decisions.

CASE STUDY 5

JR McKenzie Trust

Te Kāwai Toro – Improving our Connections and Relevance

Four years ago the J R McKenzie Trust undertook a major strategic review. As part of this, the consultants were asked to consider the Trust's contribution to addressing Māori social need, and how it could be improved. The Board allocated an amount – about \$1 million over five years – and appointed a committee to steer the programme. The committee found a name for the project: Te Kāwai Toro – part of a saying referring to someone reaching out to establish a distant relationship, or to rediscover his or her own roots. In a summary that does not do justice to the complexity of its work, the Committee has focused on three areas: *Grantmaking for Māori development*; *Raising our game*; and *Sharing what we learn*. Māori communities strongly favour building relationships face-to-face, and value formal processes of welcome as a way to make lasting connections. They are also more comfortable receiving gifts from people they know, and in the context of a reciprocal exchange, whether reciprocity takes place in the present or the future. Because of this, the committee visited the short-listed candidates as a group, supported by an expert who could show the hosts respect by his ability to lead our party with a high level of oratory and customary knowledge. They offered funding support to five groups, and four are now well embarked on their projects. One of these is a mentoring project in which young people are matched with more senior members of the community – and are turning up at the marae in ever larger numbers.



CASE STUDY 6

The Ian Potter Foundation Nganampa Health Council (SA)

The commitment of \$620,000 was made by The Ian Potter Foundation between 1996 and 2004 for maternal and child health care in health clinics on the Anangu Pitjantjatjara Lands in the north west of South Australia, with a particular interest in caring for babies that failed to thrive. The project underwent two major shifts in focus. One shift related to supporting the cost of transport to and accommodation in Alice Springs for babies/ young children and their mothers. The next shift was introducing a regular Child Health Screening initiative at nine community health clinics for children less than fifteen years of age. The Ian Potter Foundation was the sole funder of the failure to thrive project and a contributor with the Commonwealth Government to the further stages of the project.

The project recognised that antenatal care and early childhood health were critical for the child's later development. It was innovative in that it demonstrated the value of "vertical" or comprehensive health care rather than a selective health care model. During antenatal and postnatal support, the health care workers were able to deal with immunisation, creating long term relationships between mothers and health services, providing information about nutrition and food preparation, and assisting with feeding problems, all leading to better health for the child and the mother.

As noted, there were many variations throughout the project and The Ian Potter Foundation's flexibility was critical to the projects success.



POSSIBILITIES

Impact

Language of the Collaboration

impact: potential, change, innovation, actors, objectives, choices, planning, measurement, risk, saying no, regulation, investing, long term

A challenge came early in the conversations: could participants “switch around” some of the preoccupations which arise in the cycle of grant making and focus on impact and the potential for foundations to add value?¹⁵ This was central to conversations over the course of the collaboration about *what* foundations do and *why* they do it.¹⁶

Potential

These conversations about impact were, in essence, conversations about potential: potential for foundations to be more and act differently than the proverbial *large body of money completely surrounded by people who want some*.¹⁷ This theme was reflected through the conversations in a number of ways:

- How can foundations translate the language of social change into ways of working?
- How clear objectives can be helpful where there is pressure to “get the money out” and “keep administration costs low”¹⁸.
- When, why and how do foundations say no to opportunities?
- How can learning be captured and shared?
- How can and should foundations measure their success?
- How can foundations, relatively small in size, influence structural issues or problems with structural causes?

Context

The broader context of the evolving practice of philanthropy to reflect changing social needs, more complex systems and new ways of working formed an important backdrop to these conversations. Foundations from different parts of the world are at different stages of a process of change and operate in different social contexts. For most of the foundations participating in the collaboration, their context has in common refining their role in relatively sophisticated democracies.

Part of this backdrop of change is a shift from being reactive to both issues and applications to being more strategic and proactive. Another dimension reflects a more general shift in tackling social issues from symptom relief to working on root causes.

Rather than a move away from compassion and assistance for those in need, this represents additional opportunities to work differently with community and social sector organisations and to be part of social change.

¹⁵ Impact: *every change in the area of knowledge, policy, opinions, or actions by relevant actors in the social debate on an issue* **Foundations: Creating Impact in a Globalised World**, Luc Tayart de Borms, Mercator Fund 2005

¹⁶ See also Clarity for what and why as well as where and with whom, Toolbox for how.

¹⁷ As Dwight Macdonald described the Ford Foundation

¹⁸ Some of this is entrenched in regulatory requirements, for example, the current requirements under Australian law for trustee companies, which collectively manage 2/3 of charitable trusts by number, to keep “administration” within statutory caps.

No problem can be solved from the same consciousness that created it. We must learn to see the world anew. (Albert Einstein)

A strategic review by Australia's peak body for foundations, Philanthropy Australia, in 2007 proposed the following, expanded, definition of philanthropy, which has since been adopted by its members.

The planned and structured giving of money, time, information, goods and services, voice and influence to improve the wellbeing of humanity and the community¹⁹.

What is Impact?

Impact is a dependent concept – dependent on factors including the type of foundation, its objects, regulatory frameworks, cultural context and the appetites and skills of the staff and trustees. Some participants expressed their view that the very existence of foundations is or should be directed to creating public benefit by bringing about real social change.²⁰ For those foundations, impact implies a range of options for working, depending upon the particular context and objectives.²¹

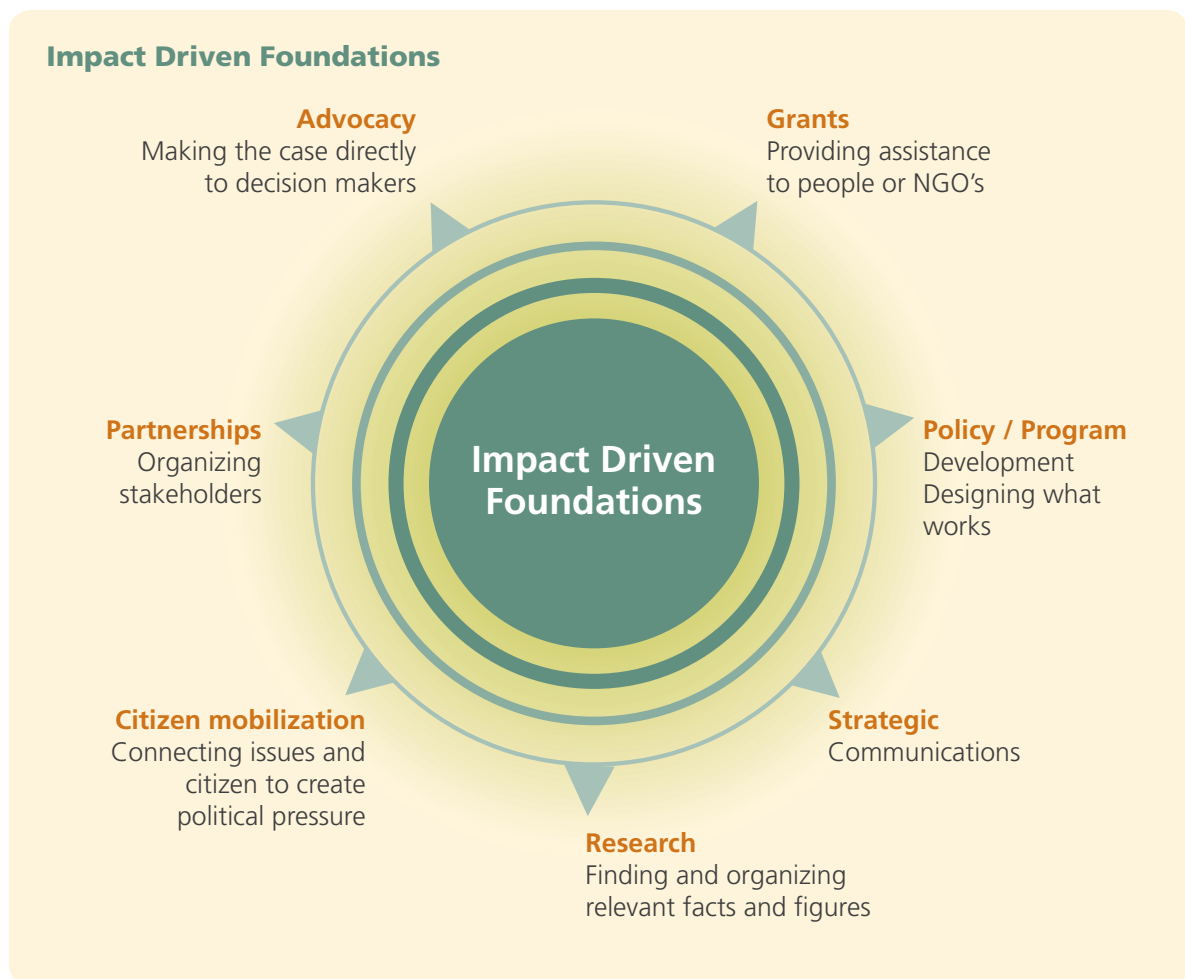



Figure 4.1 Foundations: Creating Impact in a Globalised World ²²

¹⁹ www.philanthropy.org.au

²⁰ Supporting Civil Society a Dogma for Our Time, Luc Tayart de Borms Alliance

²¹ Further examined in "Toolbox" at p 18

²² Luc Tayart de Borms, Mercator Fund 2005 at p 76



Others expressed the view that potential for impact is more circumscribed by trust instruments, regulation and the expectations of different groups of stakeholders, within and external to the foundations.

A common theme, irrespective of how individual foundations operate was that having an impact requires focus and making choices. Those choices need to accord with the foundation's objects and capacity to act. The choices are also the source of opportunities for impact.

Focus on Objectives

An impact focus can provide a new touchstone for foundations. "How will this help achieve our objectives?" then becomes the central question. This can be applied at every level from top line strategic planning to program planning and dealing with operational issues as they arise.

Different options will likely have different risk and return. Being clear about what and why enables the focus to move to how²³.

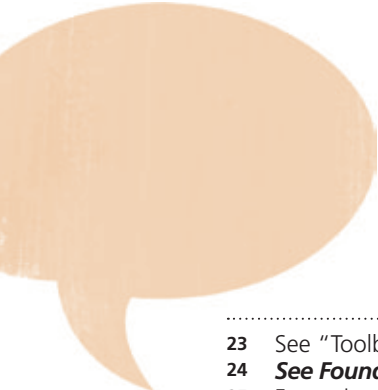
Embedded in this thinking is the opportunity to shift our language and focus toward investment in capacity necessary to reach goals and objectives, for foundations and for those in whom they invest. A number of foundations told of the power of impact focused planning in helping them make decisions and communicate what they do and why they do it.

An important component of defining areas of impact is knowing what is *not* included. A number of foundations reflected that their strategic planning is as significant for deciding what they will not do and explaining why as for what they will do. This can also require courage to abandon projects and paradigms which are not working.²⁴

Planning

The conversations about impact included conversations about planning, not only from the perspective about strategic focus but for the investment of foundation wealth to maximise income. Income is a means for impact. A number of participants reflected on the opportunities many foundations had to grow both corpus and income over this past decade of exceptional growth.

An impact focus may also challenge ways in which investment is managed. First, income is an enabler of impact and provides a budget for or within which choices and priorities are made. However, does trying to anticipate and provide for distribution in future assume that what we will do later is more valuable than what we can achieve today? How might we look at investing differently if impact is the filter? Secondly, an emerging theme was *mission investing*. That is, some foundations are looking increasingly for opportunities to enhance their impact by using the funds of the foundation to create market based solutions to what are market problems.²⁵



²³ See "Toolbox" at p 18

²⁴ *See Foundations: Creating Impact in a Globalised World*, Luc Tayart de Borms, Mercator Fund 2005 at 124

²⁵ For an introduction to mission investing see *The Power of Strategic Mission Investing*, Mark Kramer & Sarah Cooch, *Stanford Social Innovation Review Fall 2007* available for download from www.fsg-impact.org

Outcomes

The conversations turned to how to think about impact in the sense of outcomes and measurement. How do we know if what we do is making an impact? This is, by necessity an ongoing conversation. Communities and society, particularly in developed countries involve complex systems and change is a constant. The challenge for the future is to develop new approaches to explaining and evaluating the work of foundations. One theme emerged from the conversations clearly: success should not be measured by whether a foundation controls or brands a project or gets credit for it. In the context of a sophisticated society where there is a range of factors operating to create complex social issues, no one actor is likely to achieve real and lasting change on its own. Rather, different actors will make different contributions, influence systems and processes in their own way and sometimes work together to contribute different skills toward shared objectives.

It is change, continuing change, inevitable change, that is the dominant factor in society today. No sensible decision can be made any longer without taking into account not only the world as it is, but the world as it will be. (Isaac Asimov)

CASE STUDY 7

Oliver Bird Rheumatism Programme ²⁶

One of the Nuffield Foundation's main priorities is the support of young scientists. In 2000 - 2001 the trustees decided to review their process of making small research grants on a competitive basis from the Oliver Bird fund managed by the Foundation. They sought to align the work of that fund explicitly and exclusively with that priority of the Nuffield Foundation.

The result was a more straightforward, yet more ambitious, program to develop a cohort of outstanding young scientists whose research will make a contribution to understanding the causes and processes of rheumatic disease. Not only has the programme been successful in delivering excellent training for students, but the model has broken new ground and is influencing others, including attracting additional studentships and providing the basis for a network of alumni students and institutions.

The detail of the programme was complex, but having a single clear strategic goal enabled us to resolve many problems. When we had a problem we asked, in essence, how will this help us achieve our goal and acted on the answer. This was useful not only in resolving internal questions but also in explaining what we were doing to others...Grant holders selected through a rigorous process are then allowed considerable flexibility. They know what our objectives are...we leave it to the centres to decide how to achieve the goals.

²⁶ Case study based on **Planning – a Case Study: The Nuffield Foundation Oliver Bird Rheumatism Programme** Anthony Tomei, Nuffield Foundation, October 2007

POSSIBILITIES

Toolbox

Language of the Collaboration

toolbox: *enabling, grants, context, convenor, catalyst, spectrum. influence, choices, reputation, networks, resources, impact*

The conversations encouraged all participants to think creatively about other philanthropic tools, in addition to making project grants. The possible tools available to achieve a trust or foundation's charitable purpose are almost endless. Philanthropy of this century could be characterised as moving 'beyond grantmaking'.

Grantmaking

While making small and large grants for short and long term social and environmental projects will continue to be an important part of a philanthropic trust or foundation's activities, there are many other tools that can be used to achieve a charitable purpose. Some overseas foundations spend more than half of their annual income on tools other than grant making. It may be time for all foundations to consider using additional strategies to maximise the impact of their grants.

Which other tools?

The key questions in selecting the best set of philanthropic tools to use are:

1. What charitable purpose do we want to achieve?
2. How could we achieve this?

While the type of foundation, for example, a private family foundation, a charitable trust established under a will, or a community trust, impacts on the foundation or trust's areas of interest and priorities, there is no reason why any foundation can not carry out its purposes using a range of tools. Using these tools in a collaboration with other foundations and stakeholders can also lead to a more powerful response in the right circumstances

For example, in addition to grant making, the King Baudouin Foundation spends 40% of its income on non financial tools including: policy development, research, strategic communications, advocacy, partnership development and convening. As a foundation committed to positive social change, the Foundation believes that change will not be achieved simply by funding NGOs: a balanced strategy which includes research, communications and stakeholder engagement is required.

Grants may even be seen as a relatively inefficient method of achieving social change. In the nineteenth century, many charitable trusts and foundations did not make grants but were directly engaged in running hospitals and homes for the poor. Some commentators argue that trusts and foundations should only enjoy tax concessions if they can actually address charitable needs more effectively than government could do. In this context, it makes sense for trusts and foundations to bring some of their non financial assets to bear in achieving their charitable purposes.





Research

Some Foundations place research and advancing knowledge at the core of what they do. The Nuffield Foundation has a strong commitment to science, particularly science education. In addition to the grants it makes for research projects and for scholarships, the Foundation has two in house research teams.

Research also includes desk top research, funding University based research, identifying an area to research and requesting applications to carry out this work.

Having identified water as a key issue to support in Canada, the Gordon Foundation spent time investigating the best methodology to achieve this. After careful research, it facilitated a collaborative research project between a number of NGOs working in the area. It commissioned research that supported the project – the Foundation drove the project, it did not wait for grant applications to arrive in the mail!

Communication

Communication encompasses informal networks and formal mechanisms such as publishing articles and reports, media releases, information on the web, convening meetings and holding discussions. Trusts and foundations can choose to use one or more communication channels or tools to add value to their work. Failure to disseminate new ideas or knowledge which emerge from funded projects could be seen as a consequence of taking a too narrow view of a foundation's role.

Influence

Informal networks with NGOs, government Ministers and departments, academics, businesses and other foundations can all be used strategically to ensure that a foundation's grantmaking or its own research work has a wider and longer lasting impact.

Another way of describing these informal networks is as a sphere of influence. A trust or foundation should consider whether its influence can or should be brought to bear to advance social or environmental policy in a certain area. New models of service and new research can be made available to policy makers at different levels of government, NGOs in the relevant sector, and even to the community at large via the media. Engaging in public policy development and discussion which is in line with a trust or foundation's areas of interest is a key tool – which has its own section in this report.

Advocacy

Linked with influence is advocacy, which has a slightly different meaning in different countries. Advocacy in line with a charitable purpose is entirely acceptable in most parts of the world. In Australia, due to charity tax law, advocacy must not be focused on changing the current law. It is wise for advocacy to be a secondary not primary activity of an Australian charitable trust or foundation. In Canada there has been extensive work done in this area and guidelines are available to assist philanthropy practitioners.



Knowledge Management

Over time, trusts and foundations become repositories of knowledge, not only about philanthropy, but about the project areas that they have funded and researched. Particularly for larger project grants and for in house research and public policy work, it is critical that projects are evaluated effectively and that new findings are disseminated. Formal and informal collaborations between trusts and foundations can assist this process; in some cases, jointly funding projects may allow for more of the grant to be spent on evaluation and dissemination.

Philanthropy should ensure that great ideas are not lost in archive boxes.


Honest Broker

Bringing different players to the table to exchange ideas and find new ways forward is another role for philanthropic trusts and foundations. Well regarded trusts and foundations have credibility and integrity and can be seen as honest brokers on many difficult issues. This role is often called the convening role and is well recognised by international community trusts and foundations as a valuable tool. All participants in the conversations had used this tool strategically from time to time.

Accountability

With an increasing range of tools and growing profile and impact, trusts and foundations may need to consider whether increased public accountability is required. In Australia, foundations that are constituted as private trusts do not have to submit annual reports to an external regulator - unlike foundations that are public companies, which have to meet corporate reporting requirements. Given the income tax exempt status of these entities, some argue for greater public accountability and some private charitable trusts are leading the way by producing professional and comprehensive annual reports detailing their grantmaking and other activities.

During the conversations, it was noted that these philanthropic tools are not usually characterised as administration. Administration was generally regarded as the administrative support and financial services required to manage a grant program.



CASE STUDY 8

Sidney Myer Fund with Deputy Prime Minister John Anderson MP Creating the Foundation for Rural and Regional Renewal

The Sidney Myer Fund has a long interest in supporting regional Australia, particularly through tough times, and over many years has supported the grassroots of rural people in shaping their communities and society. In 1999, the Chairman of the Sidney Myer Fund, Baillieu Myer AC shared his vision of creating a national foundation that would support rural communities across Australia with the then Deputy Prime Minister John Anderson MP. Through their shared vision, the two men embarked on a process that used a variety of philanthropic strategies. A planning meeting held at Parliament House acted as a catalyst for engagement with rural leaders and provided opportunities to impact upon public policy on regional development. The Sidney Myer Fund provided seed funding of \$1 million to flesh out the concept, develop an Implementation Plan and establish the Foundation for Rural and Regional Renewal, based upon a partnership model which married philanthropy with rural and regional development. The Deputy Prime Minister used his influence to gain the interest and support of the Federal Government, leading to a special listing under the Income Tax Assessment Act and significant partnership funding of \$14.5 million, including a \$10 million corpus. Both initial partner organisations continue to hold seats on the Board of FRRR. FRRR continues to make an important philanthropic contribution to rural and regional Australia.

CASE STUDY 9

The R.E.Ross Trust, Early Years Collaboration

The Early Years Collaboration has been a special seven year collaborative relationship between the Ross Trust and the Centre for Community Child Health. The collaboration included Good Beginnings Australia for its first four years (phases one and two) and now includes (phase three) the Social Policy Research Centre at the University of New South Wales as part of the current six year project being conducted under the Collaboration.

The Collaboration began in 2001 with a multi faceted project to make the most recent scientific and social research evidence on the importance of the early childhood years available to early years practitioners, professionals and organisations. Research indicates that the level of emotional, social and intellectual development of children before they reach school has lifelong implications for their future learning and development of life skills.

The current project is designed to link schools and early years services. It tackles the important task of ensuring that all children make a successful transition into school. The project is bringing to the same table representatives of the wide range of interests and perspectives affected. The Ross Trust has dug deep into the philanthropy tool box during the Collaboration and has made grants and committed grant funding for future years to investigate the issues (scoping studies), to develop project development plans (project specifications) and then to carry out the projects. In addition, the Trust has funded a series of quarterly professional development workshops over five years, convened meetings, facilitated dissemination of project outcomes, funded evaluation, supported organisational capacity building, mentored project partners and participated in policy discussions with Government representatives.

POSSIBILITIES

Policy

Language of the Collaboration

policy: change, context, influence, reputation, relationships, longer term, not partisan, dialogue, change

Conversations on the first day brought up the view that impact and added value have to be considered in context, in particular the sophistication and relative capacity of the society in which a foundation operates. In a mature western society, some of the greatest potential for added value is in the arena of social policy.

Social Change

For the foundations which operate on that basis, they reflected their perspective that: where the priority is change, foundations need to look at who has the capacity to make change at a structural level, and that will often be policy makers. Approaches which involve being clear about what needs to change but open about how, were put forward as consistent with a focus on impact and objectives.

Conversations about policy featured a number of themes:

- Do we have the facts? Do we know what needs to change?
- Once the information is available, “so what”? “what can we do?”
- Should foundations have any position other than the status quo is not acceptable?
- How can foundations use their reputational capital, in particular independence?
- Can foundations be political without being partisan?
- How can the important messages be communicated?
- The importance of engaging a range of stakeholders.
- How much change can be achieved working with those with similar views?
- How can foundations identify and engage non-traditional allies?
- What assets can foundations use to make action easier for others, such as co-funding and ensuring recommendations are concrete and measurable?
- How can we create additional opportunities, such as dissemination of the learning or process?

Tools for the Policy Arena

In the policy context, conversations about how foundations can work focussed on tools in the toolbox and relationships.²⁷ Conversations reflected a spectrum of options from responsive or reactive to proactive.

Policy Toolbox ²⁸

| Reactive | Agenda Setting | Stakeholder Engagement | Influence |
|-----------------|--|---|------------------|
| reports | concrete policy with communications strategy | bringing together in public process facilitated | under the radar |

²⁷ See “Toolbox” p 18 and “Relationships” p 6

²⁸ Adapted from Foundations: Creating Impact in a Globalised World Luc Tayart de Borms, King Baudouin Foundation Mercator Fund 2005

Relationships & Communication

Two consistent themes about relationships in the policy context emerged. First, building strong relationships with policy makers takes commitment and work and needs development at different levels of government. Secondly, foundations have a tendency to engage with the converted. Challenging this by actively seeking out non-traditional allies and people with different views opens up potential for engaging champions, achieve greater change and bringing into foundations a broader spectrum of views.

Government

Another dimension of the policy conversations was when. When government will not, cannot, should not or does not have the capacity to act, can be the time for foundations to take action.

Foundations are also able to take a longer term view, and “hold” a space or an issue. This contrasts with the position of policy makers who have more capacity to act in the here and now but less time for consultation and reflection. Participants also highlighted potential for foundations to bide their time till the agenda is ripe for change, as sometimes happens when there is regime change or an issue reaches a “tipping point”.

Most of the important things in the world have been accomplished by people who have kept on trying when there seemed to be no hope at all. (Dale Carnegie)

Engaging Stakeholders

Participants shared learning about the role foundations can play in bridging the gap between different groups with a role to play in shaping policy or a voice to be heard on relevant issues. Foundations are sometimes the common point of contact for different stakeholder groups or at least have the reputational capital to bring stakeholders together; stakeholders who may not know or trust one another. They may also bridge the gaps between policy makers and practitioners. Importantly, foundations can take a longer term view and “hold” issues over time.

Organisational Policy

While the main focus of the conversations was policy in the broad social context above, participants also reflected on the role of policy at an organisational level. These conversations ranged from the relatively obvious, for example, grant guidelines and related policy as a tool for communicating planning and strategy, to the following broader areas.

- Translation of strategy into a mix of grant making and other tools from the toolbox and corresponding budget allocations, to guide the work plans of the foundation.
- Policy as a tool for establishing the organisational culture of foundations, in particular governance policies, approach to measurement and accountability, and policies concerning institutional learning which are powerful in setting the tone for an organisation's approach to developing capacity, for honesty and for reflection about what is working well and what is not.



CASE STUDY 10

Creating a blueprint for change: the Gordon Water Group²⁹

The Gordon Water Group, is a self styled group of “concerned scientists and citizens”, who have come together based on a common *deep concern for Canada’s escalating water crisis*. The participants are linked through their connections to the Walter and Duncan Gordon Foundation.

As a foundation which has *supported innovation and leadership in public policy* since its inception in 1965, the Walter and Duncan Gordon Foundation responded to a request from these actors, led by the Sierra Club of Canada, to combine their expertise and message about the *need for strong federal action to help strengthen our national capacity and respond to the challenges that face us* under the auspices of and with funding assistance from the Foundation.

The resulting “Changing the Flow: A Blueprint for Federal Action on Freshwater” espousing collective principles of a *conservation ethic, a citizen-centred vision and thinking like a watershed* was published in 2007.

²⁹ Case study based on ***Changing the Flow: A Blueprint for Federal Action on Freshwater*** Gordon Water Group of Concerned Scientists and Citizens, T.J Morris, D.R. Boyd, O.M. Brandes, J.P. Bruce, M. Hudson, B. Lucas, T. Maas, L. Nowlan, R. Pentalnd and M. Phare, 2007.

CASE STUDY 11

The Training of Imams³⁰

This initiative of the King Baudouin Foundation *illustrates the unique ability of foundations, standing outside and above the fray, to do what no government, single non-profit organisation could or would do.* In this initiative, the role of the foundation was primarily one of *convenor and knowledge entrepreneur around a controversial and sensitive issue.*

The aim of the programme was to enhance knowledge and ways of living together among various groups within Belgian society, particularly bridging the gaps in knowledge and understanding between Muslim Belgians and other groups. From that aim, the Board looked at options for having greatest impact and decided to address issues including health, schools, dialogue and the needs of imams as leaders in the Muslim community. Despite perceptions of radicalism no-one actually understood where imams were coming from, what skills they had or what their real roles were. There were divisions in the Muslim community on relevant issues and the community had no meaningful dialogue with government or educational institutions.

The foundation took an active facilitating role with a number of features: commissioning work on the facts about the training of imams in Belgium and other countries and as compared with other religious leaders, engaging key stakeholders across the Muslim community, other community groups, government and education; clarifying issues and options. Key features of the initiative included getting the facts, involving government, engaging other stakeholders, being flexible about how the objectives could be achieved, helping to frame the options to be clear, succinct and feasible, communicating key findings and outcomes to carefully targeted audiences.

...Those involved see the overall aim as yet to be fully achieved. The foundation brought people together, corrected misperceptions and created practical options for the future. But the case illustrates again that change is often slow, requires a favourable external environment, and often depends on the actions of others over whom the foundation has no control.



³⁰ Case study based on *The Training of Imams* Luc Tayart de Borms, King Baudouin Foundation, November 2007

REFLECTING ON THE CONVERSATIONS — CONCLUSION



Language of the Collaboration

opportunities: *focus, impact, change, communication, expertise, working together, learning, beyond, third corner, leadership*

The International Philanthropy Collaboration allowed a special space for deeper conversations about philanthropy and the possibilities for increasing philanthropy's impact.


Ideas about philanthropy's role were thoroughly examined and participants were able to question accepted practice. While there were some outstanding examples of collaborative philanthropy provided by participants, our thinking on many issues was challenged. In particular, we were encouraged to use a wider range of philanthropic tools for even greater impact. The key questions to ask were: What are we trying to achieve? How can we do that most effectively? What have we learned from the process?

The concept of a *Philanthropy Toolbox* is a liberating one. Suddenly one can lift one's eyes from a focus on grantmaking and gaze more broadly at other methods of achieving a trust or foundation's charitable purposes. These tools can include acting as a catalyst to advance a project or idea by convening players to meet around difficult or emerging social or environmental issues, or commissioning internal or external research. The tools can also be influential, especially in the public policy arena, or in community education in its myriad forms: used to ensure that important project findings are not lost in archive boxes. And then there are the tools of advocacy, project management and grantmaking.

There is not a hierarchy of tools or a morally better tool or set of tools. Rather, the pertinent question is what tools are best suited to achieving the objective within the particular context and within available resources? Engaging in changing public policy may be the right tool in one circumstance but a grant supported by additional research and evaluation may be the perfect fit in another. A trust or foundation, whether it sees itself as progressive or more conservative, can choose to use many different combinations of tools. It is critical to make wise choices, within the legal capabilities and constraints of each trust or foundation's founding documents.

While it is essential to consider the full range of philanthropic tools, the initial questions around objectives and strategy must be given proper attention. A foundation must be clear about what it wants to do and what it wants to achieve. This focus on purpose can enable better choices about the combination of activities and strategies most likely to be effective in achieving the desired objective. A number of foundations spoke of the usefulness of a conscious and deliberative process in making these choices. The nature, structure and formality of the process will depend on the organisational style of the foundation. A judicious use of tools can even help a smaller foundation "punch above its weight". The key is that considered decisions are taken by Foundations as to why, what and how a particular impact can be given the best chance of success. Through this process, the foundation acts as a *thinking* organisation.

Philanthropy can choose to make more of a difference through managing knowledge strategically. In fact, some held the view that this should not be a choice but an obligation. The effective management of knowledge can be regarded as another tool in the philanthropy toolbox. The knowledge can build capacity and contribute to change within and beyond the foundation. In addition, building an organisational "bank" of experience, which also becomes a tool for the organisation and its work, helps foundations become *learning*



organisations. Effective knowledge management can be part of a trust or foundation's gift back to the community. It is through contributing to the advancement of knowledge that philanthropy can sometimes make a lasting difference. It is the ability to fund or carry out demonstration projects or to support evidence based research that enables policy makers and non government organisations to take the next steps in their quest for a more equitable or sustainable world. Allocating resources to ensure that new knowledge reaches the people with the ability to effect change, values the initial philanthropic investment.


Philanthropic trusts and foundations can work together to combine their knowledge management. They can also work with local academic, non-government and community foundation leaders to gain local knowledge. They can consult with communities of interest and experts to inform their work more deeply, evaluate their work and, as already mentioned, provide resources for dissemination. All of these actions deepen the knowledge upon which philanthropic work is based. This type of discipline recognises the accountability of foundations as trusted and effective intermediaries in civil society.

And so, to collaboration itself. The complexity and fragility of collaborative relationships are well understood. Most participants had experiences where a project rode along on a tide of empathy and good feeling, almost as if its time had indeed come. Others spoke of difficulties and the time and effort required to sort out misunderstandings and rebuild communication bridges between partners. Successful collaboration depends on tact and patience.

All participants were united in the view that collaboration should not be an end in itself. Rather it is a tool. Through collaboration something greater should be achieved – the whole should be more than the sum of its parts. There were in fact many instances where a foundation could have a major impact on an issue through a straightforward grant relationship or through producing a key piece of research.

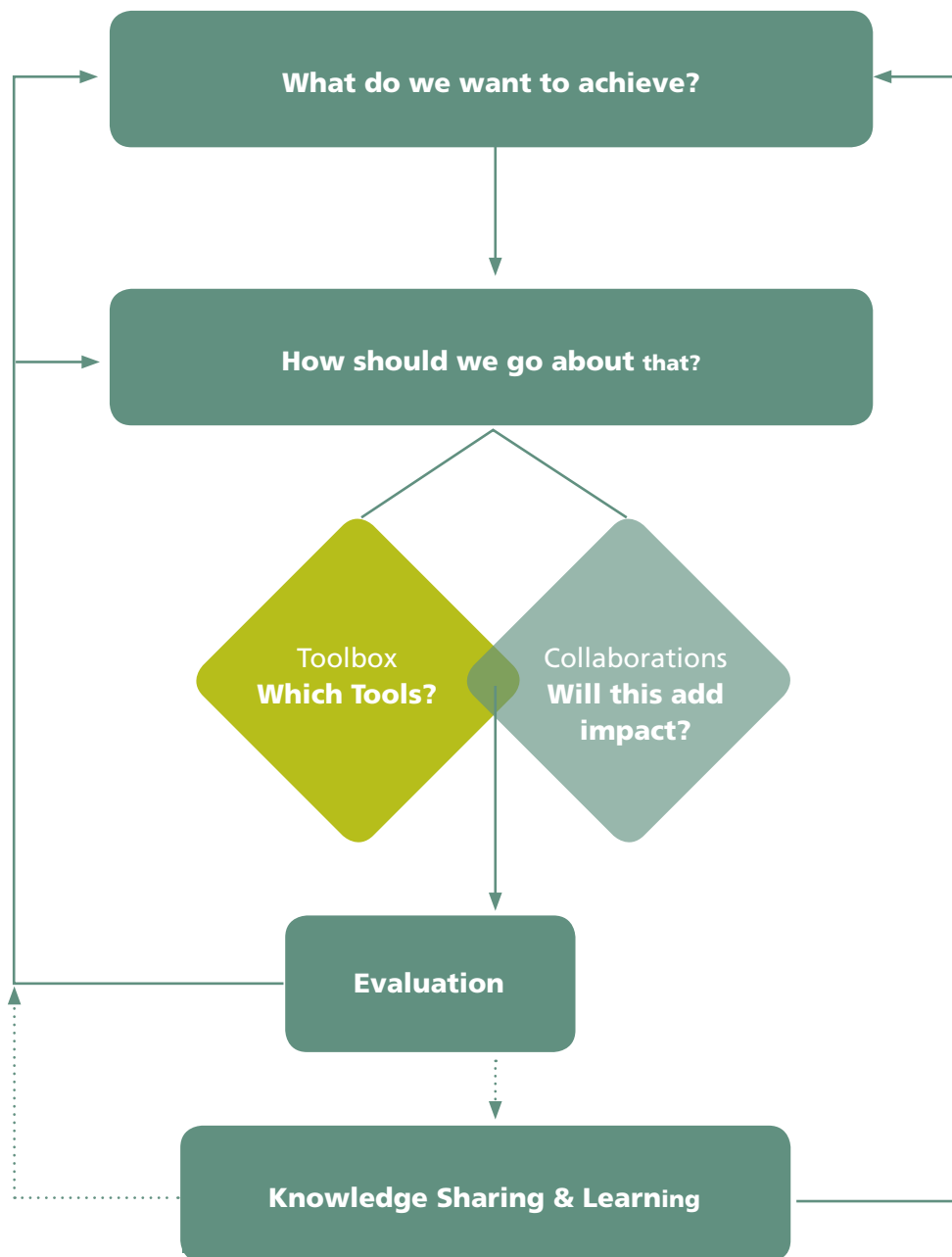
The most powerful collaborations were around specific issues, where philanthropic and other players came together because of a deep-seated commitment to address a certain issue and through sharing resources, knowledge and networks, they made great things happen. The case studies in this report attest to this.

In summary, the impact driven thinking trust or foundation embarks routinely on a process³¹ during which these questions are carefully addressed:

- What exactly do we want to achieve?
 - Which items in the philanthropy toolbox should we use to make the most impact?
 - Will it add value to work with others on this?
 - How will we know that we have made an impact?
 - How will we ensure that the knowledge we fund or catalyse reaches the policy makers or leaders who can apply this knowledge in a wider context?
- 

³¹ A diagram setting out the process is included in Appendix 1.

APPENDIX



REFERENCES

Conference Papers

- Community Trusts: Aotearoa/New Zealand's Unique Philanthropic Sector* Jennifer Gill, ASB Community Foundation, November 2007
- Corporate governance in Philanthropic Foundations* Mary Benson, The Ian Potter Foundation, November 2007
- Relationships with your grant-holders, partners, critics and friends* Fiona Ellis, Northern Rock Foundation, November 2007
- Some Thoughts on Collaboration* Anthony Tomei, Nuffield Foundation, November 2007
- Te Kawai Toro – Improving our Connections and Relevance* Iain Hines, JR McKenzie Trust, November 2007
- The Role of Philanthropic Foundations in Strengthening the Community and Social Sectors* Sylvia J Geddes, The R. E. Ross Trust, November 2007
- Working in Defined Geographies* Fiona Ellis, Northern Rock Foundation, November 2007

Case Studies

- ASB Community Trust: Maori and Pasifika Education Initiative* Jennifer Gill, ASB Community Trust, November 2007
- Asian Aucklanders and the Arts: An example of a unique partnership between central government, local government and a philanthropic trust* Jennifer Gill, ASB Community Foundation, November 2007
- Asian Aucklanders and the Arts: Attitudes, attendance and participation 2006* Creative New Zealand, Auckland City Council, ASB Community Trust
- Asylum Seekers' Resource Centre: A Case Study on the Role of Philanthropic Foundations in Strengthening the Community and Social Sectors*, Rebekah Lautman and Sylvia Geddes, The R. E. Ross Trust, November 2007
- Changing the Flow: A Blueprint for Federal Action on Freshwater* Gordon Water Group of Concerned Scientists and Citizens, T.J Morris, D.R. Boyd, O.M. Brandes, J.P. Bruce, M. Hudson, B. Lucas, T. Maas, L. Nowlan, R. Pentland and M. Phare, 2007
- Freedom to Choose: Natural Resource Revenues and the Future of Northern Communities* Report of the 2007 Northern Policy Forum: Power, Revenue and Benefits – Ensuring Fairness Now and Across Generations, convened by the Walter and Duncan Gordon Foundation, R Anthony Hodge, James Stauch, Ingrid Taggart, 2007
- Heritage Lottery Fund (UK) Does Funder Accountability Lead to Better Outcomes for Applicants and Grantees?* Caitriona Fay, The Ian Potter Foundation, November 2007
- Marie Stopes Australia: A Case Study on the Role of Philanthropic Foundations in Strengthening the Community and Social Sectors*, Rebekah Lautman and Sylvia Geddes, The R. E. Ross Trust, November 2007
- Planning – a Case Study: The Nuffield Foundation Oliver Bird Rheumatism Programme* Anthony Tomei, Nuffield Foundation, October 2007
- The Nuffield Commonwealth Programme* Anthony Tomei, Nuffield Foundation, October 2007
- The Training of Imams* Luc Tayart de Borms, King Baudouin Foundation, November 2007
- The Victorian Association for the Care and Resettlement of Offenders (VACRO): VACRO Women's Mentoring Program – A Case Study on the Role of Philanthropic Foundations in Strengthening the Community and Social Sectors*, Rebekah Lautman and Sylvia Geddes, The R. E. Ross Trust, November 2007

Foundation Websites

ASB Community Trust New Zealand www.asbcommunitytrust.org.nz
Walter and Duncan Gordon Foundation Canada www.gordonfn.org
Helen Macpherson Smith Trust Australia www.hmstrust.org.au
Ian Potter Foundation Australia www.ianpotter.org.au
JR McKenzie Trust New Zealand www.jrmckenzie.org.nz
King Baudouin Foundation Belgium www.kingbaudouinfoundation.org
Myer Foundation Australia www.myerfoundation.org.au
Northern Rock Foundation United Kingdom www.nr-foundation.org.uk
Nuffield Foundation United Kingdom www.nuffieldfoundation.org
The R. E. Ross Trust Australia www.rosstrust.org.au
Tindall Foundation New Zealand www.TindallFoundation.org.nz

Other Websites

Alliance Magazine www.alliancemagazine.org
Canadian Centre for Philanthropy www.ccp.ca
European Foundation Centre www.efc.be
FSG Social Impact Advisors www.fsg-impact.org
Leader to Leader Institute: To Strengthen the Leadership of the Social Sector
www.leadertoleader.org
Media Team Australia www.mediateam.com.au
Network of European Foundations www.nefic.org
Nonprofit Finance Fund www.nonprofitfinancefund.org
Philanthropic Foundations Canada www.pfc.ca
Philanthropy Australia www.philanthropy.org.au
Philanthropy New Zealand www.philanthropy.org.nz

Further Reading

In addition to this guide you may also find the following useful. The authors have drawn from these both as general background and reference points for specific content (as acknowledged).

- *Achieving Measurable Performance Improvement in a Changing World: The Search for New Insights* 2001 KPMG USA Assurance and Advisory Centre
- *Assessing Foundation Performance: Current Practices, Future Possibilities, Lessons Learned from a Gathering of Foundation Leaders*, Center for Effective Philanthropy, sponsored by The Boston Foundation, November 2002
- *Big on Opinions and Tight on Core Funding?* Sylvia Boren, Alliance, Volume 11, Number 4, December 2006
- *Communications and Social Change: Forging Strategies for the Twenty-first Century*, A Report on the Rockerfeller Bellagio Conference April 1997
- *Creative Philanthropy: Towards a New Philanthropy for the Twenty-first Century*, H K Anheier and D Leat, 2006, Routledge
- *Don't Think of an Elephant: Know Your Values and Frame the Debate*, Lakoff, G, Scribe Publications Ltd, 2004
- *Experienced Grantmakers at Work: When Creativity Comes into Play*, R Tebbets for The Foundation Brousseau Centre, January 2004
- *Foundations: Creating Impact in a Globalised World* Luc Tayart de Borms, King Baudouin Foundation Mercator Fund 2005

- *From Charity to Creativity: Philanthropic Foundations in the Twenty-first Century* HK Anheier and D leat, 2002, Comedia in association with the Joseph Rowntree Reform Trust
- *Funding Success: NPC's Approach to Analysing Charities*, Tris Lumley, Cathy Langerman, Martin Brookes, New Philanthropy Capital, December 2005
- *Giving Australia: Research on Philanthropy in Australia*, Commonwealth Department of Family and Community Services, 2005
- *Going from Worthy to Worthwhile in Six Steps*, Media Team Australia www.mediateam.com.au
- *Good to Great and the Social Sectors: Why Business Thinking is not the Answer*, Jim Collins, 2006, Random House Business Books
- *Hidden in Plain Sight: Understanding Nonprofit Capital Structure*, Clara Miller, The Nonprofit Quarterly Spring 2003; *Gift Horse or Trojan Horse? A Thorough Physical is Critical*, Clara Miller, The Nonprofit Quarterly, Spring 2004, and other articles by Clara Miller available at www.nonprofitfinancefund.org
- *Leaders we Deserve* Alistair Mant, Blackwell, 1985
- *Leading Boldly: Foundations can move past traditional approaches to create social change through imaginative – even controversial – leadership* Ronald A Heifetz, John V Kana and Mark R Kramer, Stanford Innovation Review, Winter 2004
- *Measuring What Matters in Nonprofits*, Sawhill J and Williamson D, McKinsey Quarterly 2001 Number 2
- *Philanthropy's New Agenda: Creating Value* Michael E Porter and Mark R Kramer, Harvard Business Review, November – December 1999
- *Presence: Exploring Profound Change in People, Organisations and Society*, Senge P, Scharmer, C Otto, Jawarski, J, Flowers B.S., Nicholas Brealey publishing 2005
- *Profits with Principles: Seven Strategies for Delivering Value with Values* Jackson I and Nelson J; Doubleday 2004
- *Raising the Value of Philanthropy: A synthesis of Informal Interviews with Foundation Executives and Observers of Philanthropy*, Denis J Prager for Jewish Healthcare Foundation, Forbes Fund and Grantmakers in Health, February 1999
- *Results Accountability Decision Making and Budgeting*, M Friedman, Fiscal Policy Studies Institute, Santa Fe, New Mexico, www.resultsaccountability.com; www.raguide.com
- *Social Return Toolset*, Social Ventures Australia www.socialventures.com.au/resources.htm
- *Supporting Civil Society a Dogma for Our Time?* Luc Tayart de Borms, Alliance, Volume 12 Number 2, June 2007
- *The Grantmaking Tango: Issues for Funders*, Julia Unwin, 2004, The Baring Foundation, www.baringfoundation.org.uk
- *Trying Hard is not Good Enough: How to Produce Measurable Improvements for Customers and Communities*, M Friedman, 2005, Trafford Publishing
- *Venture Capital and Philanthropy: A Bad Fit*, M Kramer, Chronicle of Philanthropy, 22 April 1999

