

# **BUILDING TALENT AND EXCELLENCE WITHIN FOUNDATIONS**

**A Review of how the European Foundation Centre (EFC) could  
enhance and further develop what it does to build capacity  
within Foundations in Europe**

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## **ACKNOWLEDGEMENTS**

This report explores how the people working within foundations, as staff and as Board members, could be assisted to become more skilled, knowledgeable and confident in what they do – and, as a result, improve the effectiveness and quality of the work of their foundations. The report identifies specific tasks, roles and priorities that the European Foundation Centre (EFC) could adopt and develop in its efforts to help build a comprehensive capacity building infrastructure for foundations working in Europe.

The report draws on consultations with over 100 people - meetings, email exchanges and telephone conversations with individuals and groups across Europe and beyond. Everyone with whom I spoke has been most generous with their time, patient with my questions and positive about the timing, purpose and potential of the report. I am very grateful for all this help. I'm also grateful to have been asked to carry out the work – it has been an intriguing exercise for me and I have learnt much.

The consultations were not based on formal questionnaires or surveys – rather, they took the form of conversations and discussion built round a number of open questions. I built up a picture of needs within foundations and practical possibilities for tackling them. As I did so, I tested the emerging ideas in subsequent discussions and meetings.

I hope the report and its conclusions do justice to the investment of time and effort so many people have made in assisting me. I hope, too, that the report will prove useful to the Capacity Building Committee of the EFC – which commissioned me to undertake the work – and help them to strengthen and enhance the capacity building resources available to the staff and Board members of foundations throughout Europe.

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# **BUILDING TALENT AND EXCELLENCE WITHIN FOUNDATIONS – A Review of how the European Foundation Centre (EFC) could enhance and further develop what it does to build capacity within Foundations in Europe**

## **REPORT SUMMARY**

### **1. PREFACE**

#### **Capacity Building:**

**What is it?** Actions that improve effectiveness – the process of strengthening an organisation (and the people within it) to enhance skills, knowledge and confidence.

**Where can it happen?** Within a work place; between individuals or organisations with similar functions; within communities; within and across sectors.

**What forms can it take?** ‘Peer-to-Peer’ or shared learning; seminars and training programmes; research and evaluation projects; learning materials and guidance; on-line resources and ‘virtual’ activity.

#### **Capacity Building within Foundations:**

Despite high profile of foundation funding for capacity building within the organisations and communities they support, little comprehensive data exists about capacity building needs *within* foundations or about action taken to address them:

- How can a single capacity building agenda apply when foundations are so diverse – in organisation and purpose, background and culture, methods of work?
- There is ambivalence within many foundation Boards about the value of investment in the capacity of own organisation.

This report is based on the conviction that:

“building a knowledgeable, skilful and confident staff and Board are pre-requisites for creating and maintaining a foundation that is able to operate in practice to high standards, that gets the best from its own staff and Board, that provides an excellent service to those organisations and communities with which it works, that reflects on and learns from its own work and those of its partners, and that has good prospects of achieving the changes and outcomes to which it aspires.”

The report aims to show how the EFC can help make that happen.

### **2. INTRODUCTION – THE REVIEW**

#### **EFC Strategic Plan:**

“Benchmarking and Capacity Building” is one of four strategic (and overlapping) objectives.

**EFC Capacity Building Committee:** set up in 2007 to “develop a concrete plan of activities.”

**The Review:** commissioned by the committee:

- to better understand needs, current provision, developments and trends

- to identify and contact other relevant organisations and potential partners in Europe (including members of DAFNE<sup>1</sup>) and elsewhere
- to determine a Europe-wide 'niche' for EFC to fill – complementary to capacity building activities undertaken at a national level
- to define next steps for EFC including addressing:
  - what audiences should be targeted?
  - what type, focus and number of capacity building events should be organised?
  - can academic institutions become more involved?
  - could foundation capacity building activity be separated from the mainstream EFC Secretariat?

**The Review Process:** based on consultations with more than 100 people – individual EFC staff and committee members, foundation staff and Board members, DAFNE members, organisers of relevant university programmes, capacity building experts in Europe and elsewhere, participants in specially convened meetings at EFC Conference in Istanbul in May 2008.

Questions for all:

- Do foundations pay sufficient attention to building the skills, competence and confidence of their staff and Board?
- If not, what are the obstacles to them doing so?
- If foundations are working on this, what has been learnt about what works – and what doesn't?
- What could the EFC do (if anything) to help foundations across Europe enhance the quality of their own know-how and performance – at local, national and trans-national levels?

### **3. LOOKING FORWARD: HEADLINE OUTCOMES OF CONSULTATIONS & KEY 'PRINCIPLES' FOR FUTURE DEVELOPMENT**

#### **Outcomes of consultations**

Seven issues were raised consistently throughout all consultations:

1. Concern that foundations are not investing enough in their 'human capital' – and that this has negative impact on performance quality and reputation.
2. Knowledge about exemplary existing capacity building activity within some foundations is not widely known.
3. The impact of the foundation capacity building work of DAFNE members could be strengthened.
4. Existing EFC capacity building initiatives are appreciated but seen as limited in scale and coverage, uneven in depth and quality, and insufficiently sustained.

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<sup>1</sup> The Donors and Foundations' Networks in Europe (DAFNE) was established in 2006. It is an informal network that aims to link different Donors and Foundations' Networks (DFNs) in Europe that serve charitable foundations and other grantmakers at the national level: <http://www.dafne-online.eu/>

5. This Review and the setting up of the EFC Capacity Building Committee are timely – increased commitment by the EFC would be widely welcomed.
6. ‘Peer to Peer’ learning and knowledge sharing are seen to be effective – but need to be part of long term and sustained programme and to be more rooted in research and guidance on foundation practice. Products from GrantCraft and other specialist US organisations demonstrate that high quality provision is possible – and valued by practitioners.
7. EFC should distinguish between:
  - learning directed at understanding the programme and thematic priorities adopted as a focus of their work by foundations – the ‘what’ of foundation activity and
  - the learning, skills and knowledge staff need to acquire about the ‘how’ and ‘why’ of foundation work – what some described as the ‘craft’ or ‘art’ of philanthropy and
  - the leadership and governance of foundations.

The consultations indicated that the Capacity Building Committee should concentrate on the second and third of these – lead responsibility for the first lying elsewhere within the EFC.

### **EFC Capacity Building – a vision for the future**

Foundation capacity building should be at the heart of the work of the EFC.

Over the next 5-7 years the EFC should aim to:

- nurture, inspire and help develop talent and excellence within the practice of European philanthropy – including the support and appropriate training of experienced practitioners (among foundation staff and Board members) who are committed to helping others to learn
- build networks across Europe of mutual support between people with similar functions within foundations (recognising that many such individuals will be isolated in their work, whether because they work alone or are the only person within their foundation with a particular function)
- create space for leaders of European philanthropy to reflect (this ‘space’ could be virtual as well as physical)
- stimulate and generate momentum for innovative, creative, adventurous practice – excellence in philanthropic practice and governance
- help foundations across Europe by informing, convening and enabling efforts to construct and maintain a Europe wide capacity building infrastructure – always looking to achieve this wherever possible through partnership building and joint ventures with national and Europe wide institutions (including specialist university based centres) and networks (especially DAFNE), sometimes as lead coordinator, sometimes as active participant and promoter
- establish top quality web-based learning and signposting resources (and support specialist social networking) – again, working in partnership with other relevant providers at both national (within and beyond Europe) and global levels
- ensure that the capacity building potential of all EFC activities is recognised and reinforced – checking that the celebration and encouragement of practical capacity building is a prominent component and ‘brand’ across all EFC activities, publications and member services.

### **EFC – Investment in its own Capacity**

One universal point made throughout the consultations was that, if the EFC was going to translate into action these aspirations and the objectives within its own strategic plan, it had to make serious additional investment in building its own capacity.

### **Priorities for the EFC Capacity Building Committee**

The consultations suggest the Committee should concentrate on the following priorities, all of which are consistent with and reinforcing of the 'Desirable Outcomes' of the EFC strategic plan:

- A 5-10 year perspective
- 'Tomorrow's Leaders in European Philanthropy'
- Foundations as specialist and excellent providers both of philanthropic funds and resources
- Shared learning through activities which strengthen partnerships and mutual support between: individual foundations; EFC and the DAFNE membership; philanthropic and other funders; foundations and the organisations they support; foundations and policy/advocacy/research organisations or university based specialist centres
- Learning benefits enhanced by a Europe wide approach
- Sustainability and cost-effectiveness.

## **4. CHALLENGES**

Challenges – together with suggested EFC action – identified during the consultations:

- 1. Ambivalence about the value of capacity building within foundations:** "we invest less in ourselves than we insist the organisations we support invest in their own staff and Board members."

**Action:**

- use all publications and services to celebrate and demonstrate value
- work with DAFNE members to develop capacity building templates that could be adapted and adopted by individual foundations.

- 2. Diversity of Foundations:** The foundation sector contains organisations of immense diversity in ambition and mission, size, origins and source of funds, organisational structure and methods of work. How can EFC generalise about needs or develop universal provision?

**Action:**

- adopt narrow focus
- trans-national provision only when benefits over local or national provision are clear.

- 3. Exclusive to EFC members – or open to all foundations?** Some of the potentially most effective peer to peer linkages may be between member and non-member.

**Action:**

- adopt an inclusive approach wherever possible.

- 4. Why just for foundations?** "Surely foundation staff would gain from being exposed to a wider range of perspectives and experiences?"

**Action:**

- signpost capacity building opportunities and resources beyond foundation sector

- bring non-foundation people into EFC activities when to do so would enrich content.

**5. Cost and time:** reluctance by foundations to invest in capacity building reinforced by doubts about cost effectiveness.

**Action:**

- demonstrate added value of multi-national activity
- sustain 'virtual' networks
- bursaries for smaller foundations.

**6. Paucity of relevant literature and practical guidance:** more needed that is of direct value to practitioners.

**Action:**

- enhanced sign-posting to what is available – globally
- explore distribution within Europe of best US (and other) materials and establishing joint ventures with their providers to produce versions suitable for European market.

**7. Language:** reliance on English can dilute value of guidance materials and some events.

**Action:**

- work with DAFNE membership to develop templates and materials which could then be translated.

## **5. KEY COMPONENTS OF FUTURE EFC CAPACITY BUILDING PROGRAMME**

- The provision of information and guidance materials and a signposting service to other resources and service providers.
- The organisation of series of learning events and of fellowship and exchange opportunities.

The EFC has already undertaken extensive work of this kind. The Review endorses the value of such activities – but proposes that each would benefit from a greater investment in long-term planning, range and focus, integration with other EFC services and activities and a further development and strengthening of partnerships with other organisations (nationally, Europe wide and global) that, in combination, could contribute to an enhanced capacity building infrastructure for foundation staff and Board members across Europe.

### **Materials and Sign-posting**

EFC to:

- become a 'repository' of learning resources – case studies, samples, research, links to other resources
- produce (jointly with DAFNE) Capacity Building Templates – to share current 'state of the art' excellence practice; and coordinate production and circulation of 'Calendar of Events' – learning opportunities across Europe
- celebrate (in *Effect* etc) successful capacity building by individual and groups of foundations
- develop European GrantCraft type materials

- become increasingly proactive in ‘spotting’ new needs, trends and possibilities for capacity building innovations; supporting (and drawing on) ‘alumni networks’ of participants in events; ‘connecting’ to other capacity building networks within and beyond Europe
- nurture and build practitioner trainer capacity
- encourage work placement and ‘shadowing’ opportunities.

### **Learning Events**

EFC to organise a limited (and closely targeted) number of learning events – preferably each being done in partnership with a DAFNE member and/or University – but should aim:

- to plan such events at least 12 months ahead
- with their co-host, to organise the event with a small practitioner planning group
- aim for a participant group which is 50% from within the host country and 50% from elsewhere in Europe.

### **International Fellowships**

EFC to maintain the International Fellowship Programme for Learning and Exchange in Philanthropy (IFP) and also publicise availability of other fellowship and exchange schemes from which foundation practitioners could benefit.

## **6. PRIMARY FOCUS FOR FUTURE EFC CAPACITY BUILDING**

The conclusion of the Review is to propose that the EFC Capacity Building Committee focus on 2 primary aspects of foundation management:

- Foundation practice and practitioners – promoting excellence in funding
- Foundation leadership – now and for the future.

### **Foundation practice and practitioners**

The aim would be to promote excellence in funding through a concentration on the ‘craft’ or ‘art’ of a funder’s work that goes beyond the process of basic grant-making.<sup>2</sup>

The EFC to become the coordinating centre for the creation for (and by) foundation practitioners of learning opportunities and resources that would be enriched by a trans-national approach e.g:

- Strategic planning and theories of change
- Analysis of a foundation’s own learning needs and the development of its human capital
- Use of funds – including going beyond grants; endowment asset management; using foundation funds to generate social and other policy changes
- Use of philanthropic resources – going beyond funding to initiate policy research, advocacy, convening activity
- Negotiating and brokering skills to help foster operational and cross-sector partnerships and generate joint ventures
- Impact and effectiveness
- Building engagement with applicant and funded organisations and partners.

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<sup>2</sup>The Committee may find that the GrantCraft ‘Map of the Craft’ provides a useful agenda on which to build <http://www.grantcraft.org/pdfs/mapofthecraft.pdf>

### **Foundation Leadership**

The aim would be to strengthen the foundation sector throughout Europe by helping to build top quality leadership and governance, targeting four specific groups:

- The 'next generation' – tomorrow's leaders
- Directors of Finance or Chief Investment Officers
- Senior or Chief Executives
- The Chairs of Boards and Foundation Committees

Each of these groups could benefit from shared learning with people with similar roles within foundations from different countries. They are also groups that could form ongoing mutual support and shared learning networks of long term duration, serviced by – but also a resource to – the EFC. Close engagement with DAFNE members on these activities would be essential and productive, as would close linkage between work with these groups and other EFC activities, including networking opportunities within and alongside the EFC Annual General Assembly and Conference.