

Finding the best way to Good Practice

By Triona Keaveney and Wendy Richardson, EFC

Would a sailor set out on a voyage without first double-checking that they had their compass on board? Similarly, how can a foundation enter into the world of grantmaking without a core set of guiding principles? Just as much as a competent sailor needs that compass, philanthropic codes of practice serve to establish values that are central to the work of foundations and provide direction in what can be uncharted waters.



The EFC Principles of Good Practice were the topic of a one-day roundtable meeting, which took place in Brussels on 10 March. More than 30 foundation representatives attended the event, which explored the need for the Principles, and provided the opportunity for participants to share examples of how these Principles have been interpreted and applied to daily work. Drafted in 2007, the Principles champion seven values, namely: compliance, governance, informed policies and procedures, stewardship, disclosure and communication, monitoring and evaluation, and cooperation.

Kicking off the discussion, Rien van Gendt of the Van Leer Group Foundation noted the relevance of revisiting the Principles given the current financial climate: *"Realities have changed. We are in the middle of a credit crisis and we are learning, by looking at not only ourselves but also the financial environment, that effective self-regulation is becoming more and more important."* The current crisis has also raised serious questions about the fiduciary responsibilities of foundation boards, particularly with respect to their investment policies, as well as how foundations spend their money.

There followed a series of case study presentations looking at how different foundations are implementing each of the Principles, taking into account differences between cultures and legal frameworks as well as the inimitable nature of the European foundation landscape. For instance, traditional methods of grantmaking were compared to, and

contrasted with, more contemporary (or as one participant put it "post-modern") approaches. Above all else, the various cases highlighted the diversity of the EFC membership, as participants candidly discussed their vast differences in experience as well as human and financial resources.

Yet despite the obvious disparities, some common threads were apparent throughout the day. Participants agreed on the importance of, and the difficulties involved in, becoming more familiar and engaged with grantees. Clare Thomas of the City Bridge Trust noted the importance of foundations avoiding a merely "spray and pray" approach to grantmaking.

Discussions on the Principle of 'Disclosure and Communication' centred around how to reach out to grantees and other audiences for example by using new media, or trying out different approaches. Participants learned about the Forum created by the Körber Stiftung in Hamburg, which organises debates and panel discussions that are open to the community. It was agreed that such initiatives can help to counteract the public's sense of distrust in philanthropy, which as a result of recent negative news stories is often perceived as self-serving and arrogant.

Participants were also enthusiastic about the trend towards increased collaboration and consortium-building among like-minded funders. As the blending of perspectives is often a delicate matter, it was agreed that cooperation requires trust and confidence in partners, sentiments which can be reinforced through a shared endorsement of the EFC Principles. Considering the impacts of the

From Principle to Practice

Case Studies presented at the Roundtable in Brussels on 10 March 2009.

PRINCIPLE 1: COMPLIANCE

Ana Sastre Campo, Fundación ONCE

PRINCIPLE 2: GOVERNANCE

Louis Verbeke, King Baudouin Foundation

PRINCIPLE 3: INFORMED POLICIES, OPERATIONS & SUPPORT PROGRAMMES

Clare Thomas, The City Bridge Trust

PRINCIPLE 4: STEWARDSHIP, MANAGEMENT & FINANCE

Boudewijn De Blij, Stichting Fonds 1818

PRINCIPLE 5: DISCLOSURE & COMMUNICATION

Dario Bolis and Pier Mario Vello, Fondazione Cariplo
Anette Meister, Körber Stiftung

PRINCIPLE 6: MONITORING & EVALUATION

Elena Konovalova, Victoria Children Foundation

PRINCIPLE 7: COOPERATION

Viera Klementova, Slovak-Czech Women's Fund

→ The presentations can all be downloaded from the EFC website:
www.efc.be/codex/cop_evnts.htm

Share your experiences

When a new member joins the EFC they are required to tick a box on the membership application form, indicating that their organisation adheres to the EFC Principles of Good Practice. But how does a tick on a form translate into action by European foundations?

The EFC is calling on members to share their stories of how they are applying the Principles of Good Practice. These examples, as well as the case studies presented at the Roundtable, will be included in an updated version of "Implementing EFC Principles: Illustrative Practice Options for Foundations", to be published in autumn 2009.

Please send your examples and ideas to the EFC Secretariat: pip@efc.be

global financial crisis, it can be predicted that the trend of increasing collaboration will continue to grow – as foundations are further pushed to maximise their effectiveness and results.

One important issue that emerged from the meeting was that it is important for the EFC to make sure that members are informed about and fully understand the Principles of Good Practice. The EFC membership application form requires foundations to tick a box indicating that they "agree to adhere to the Principles of Good Practice". However, this does not necessarily guarantee that individual staff, executives and board members are all familiar with the Principles. Indeed, one participant in the Roundtable even admitted to not having previously read the Principles!

This honesty was characteristic of the candid discussions which took place throughout the day. The conversation about the 'Governance' principle was particularly frank as participants considered the responsibilities of those who are entrusted with "the keys to the house", as described by Louis Verbeke, a former board member of the King Baudouin Foundation. His presentation highlighted the "grails" of governance and the need to return to basics.

Revealingly, one speaker remarked that some board members of foundations hit hard by the financial downturn have since admitted that they did not really understand the risks they were taking with their investment portfolio. On the topic of effective leadership, the question was posed: What is the best way to drive

change in an organisation, in order to fully integrate the seven Principles. One contributor suggested trying to "make revolution without saying you are doing it."

The final part of the discussion focused on the future of the EFC Principles of Good Practice. Some participants pushed for stronger enforcement of the Principles, questioning the value of "a code without any teeth". Others put forward a softer approach, suggesting that rather than seek out negative stories, those who are implementing the Principles well should be championed. For example - The Netherlands has a national award for the best annual report published by a foundation, which has proven to be successful in encouraging greater transparency and accountability.

A majority of participants accepted that the emergence of watchdog organisations is inevitable; although this should not be seen as the role of the EFC. While the Principles remain fixed, the roundtable proved that the real interest and importance lies in how foundations fill in the gaps between the points on their compass.

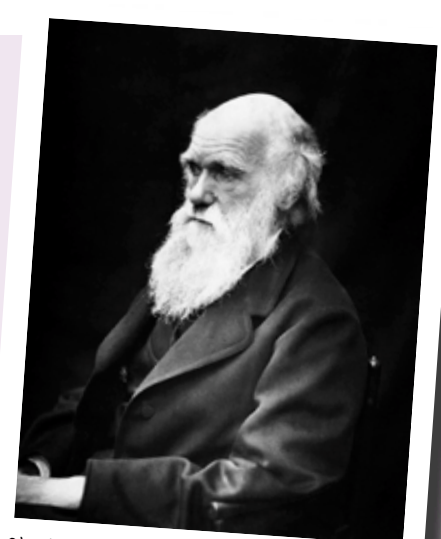
For more information about the EFC Principles of Good Practice
www.efc.be/codex/default.htm

Bringing Evolution to life

By *Triona Keaveney, EFC*

Telling the story of how and why Charles Darwin came to be known as the father of biology is the ambitious goal of an exhibition currently hosted by the Calouste Gulbenkian Foundation in Lisbon. The exhibition, which commemorates 200 years since Darwin's birth and 150 years since the publication of *On the Origin of Species*, takes visitors both young and old through key milestones of Darwin's life that were to shape his theory on evolution and natural selection.

In 1831, after completing his studies at Cambridge University, Darwin had the opportunity to take part in a scientific survey of South America. This turned into a five-year voyage on the ship HMS Beagle that sailed right around the world – stopping at many places of interest including the Galapagos islands and Australia.



Charles Robert Darwin (1809 - 1882)
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