



Long-term Roles for European Foundations in Addressing Global Issues

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This paper proposes a role for European foundations in addressing global issues. It urges that European foundations realize their full potential as catalysts for change, build on their innate strengths and unique characteristics, and firmly situate their work in the context of a global agenda, with the support and leadership of the membership and secretariat of the European Foundation Centre.

- It argues that the world is facing an unprecedented set of challenges on a range of diverse issues and that the current system of global problem-solving is ill-equipped to deal with them.
- It urges the need for innovative approaches in addressing global issues that engage many voices and that have the necessary weight to bring about change.
- It analyses the capabilities of foundations as a distinct institutional form, and highlights those areas in which foundations, regardless of size and mandate, can create value, particularly in the context of advancing a global agenda.
- The final section proposes the first outline of “global agenda framework” within which individual European foundations can align their work at a number of different levels, and provides examples of different ways in which foundations have sought to exploit their comparative advantage at trans-national and global levels.

EXECUTIVE SUMMARY

It is often said that a particular strength of foundations is their ability to approach problems from a long-term perspective. They are free from the kinds of market pressures faced by other voluntary organizations, and immune to the ebb and flow of election cycles, which tend to force governments to focus on short-term political imperatives. However, the sense of urgency surrounding the most critical global issues challenges conventional notions of perpetuity and may require foundations to revisit how and over what time-frame they best utilize their assets.

The range of threats that the world is currently facing is diverse: climate change and other environmental concerns raise fundamental questions about the future of our planet. At another level, changing demographics and tensions over issues of culture and identity threaten to jeopardise social order and create new conflicts.

The trans-national nature of these global challenges puts them beyond the reach of any single government. At a time when the need for global cooperation is greater than ever, we are witnessing the emergence of a discernible governance gap: existing mechanisms of global governance are proving themselves ill-equipped to produce the kind of bold thinking and actions necessitated by the severity of the situation. At an institutional level, attempts to increase the effectiveness of the United Nations as a global problem solver have had mixed success, while the collapse of the European Union constitutional process and the waning influence of institutions such as NATO in recent years are perhaps evidence of a weakening of faith in the very norms and values of global integration at a political level. Similarly, the contributions made by international treaties and conventions, and gatherings such as the G8 to the wider field of global problem-solving have been limited.

Global problems can inspire panic, and the sense of hopelessness that leads us to retreat to the comfort zone of “business as usual”. And yet global issues are surmountable. They require the right combination of inspiration (or in some cases, anxiety), technical knowledge, participation, resources and influence, and long-term commitment. This combination may well be beyond the grasp of the existing global institutions, which are characterised by often paralysing bureaucracy and hierarchy and limited in their ability to represent and include the views of those outside.

Are there ways that foundations can do more to channel their energies towards this global agenda? Thinking about the future and acting immediately and flexibly are both things that foundations are well placed to do. Although very diverse in their origins and values, part of what *all* foundations represent is the wish of an individual, or individuals, to commit to a cause in consideration of the benefit of future generations - and often in recognition of the fact that the cause would not otherwise be protected. Foundations are also well positioned for problem-solving, frequently having been established by individuals frustrated at the pace of change within big bureaucracies and wanting to target resources directly and today.

Today’s global challenges require new and innovative thinking, both in terms of developing technical solutions and ensuring that such solutions are acted upon in such a way as to bring about real and lasting improvements. With their modest financial resources, flexibility, leveraging powers and the credibility that they bring to the table, foundations can play a central and catalytic role in this process.

BACKGROUND

Globalization and Global Issues

Today's world is both more divided and more inter-connected than ever before. Global income distribution points to huge and increasing inequality and divisions: 40% of the world's population (2.5 billion people) account for 5% of global income, while the richest 10% account for 54%.¹

At the same time, the forces of globalization have been responsible for an ever-growing interdependence and interconnectedness between nations. The movement of capital, people, goods and information across national borders has increased dramatically in recent years, driven by a technological revolution which has brought about changes in every aspect of human life. Globalization has also had a political dimension, characterised by the diffusion of global norms and values, the spread of democracy and the proliferation of global agreements and treaties.

Global integration has also, however, been accompanied by the emergence of various different problems. At one level, such problems pose a threat to the collective security of the international community, with environmental degradation, violent conflict, communicable diseases, and the trafficking of people and illegal drugs all crossing national borders. As population growth continues to increase, these global problems will only continue to grow, their intensity further fuelled by poverty and the misunderstandings brought about by ideological and religious differences.

Within Europe itself, changes in the ethnic and religious make-up of individual nation states are revealing new sets of anxieties around culture, religion and inequality, characterised by an increase in nationalism, xenophobia and protectionism. Global tensions resonate locally, among some sections of young, economically disenfranchised and excluded populations, stirring up questions around citizenship and identity, and testing traditions of tolerance within the liberal democracies of Europe. At the same time, political anxieties rising from the 9/11, the war in Iraq and the Madrid and London bombings appear to have created opportunities for governments to restrict civic freedoms through the introduction of stringent anti-terror legislation.

The range of global issues that the world is currently facing is broad, from how we share and preserve the planet in which we live, to how we respond to the increased movement and integration of peoples and cultures.

EUROPEAN FOUNDATIONS AND A GLOBAL AGENDA

Where do foundations come into a conversation of this scale? Most foundations in Europe operate at a local level on a very specific issue defined by their founder, often many years ago; many do not have staff members; their assets and operating budgets may seem negligible when considered alongside the “small” annual budgets of the United Nations institutions. Among the bigger foundations with international programmes and multi-million annual budgets in place, most are already committed to working on one (if not more) of the global issues outlined at the start of the paper, so what room is there for further expanding or consolidating such work?

If we accept the analysis that the world has entered a dangerous phase in its existence and that current efforts to undo those negative effects are not working, then we must be prepared to look to new and innovative solutions, even if they seem risky and ambitious. If we are looking for an institutional form which can perform the role of providing start-up risk capital, which can create the space necessary for new ideas and effective solutions to emerge, which can leverage resources and influence, and which can act as a convenor in bringing together different voices, then foundations certainly fulfil all criteria.

Foundations as Agents for Change

Foundations may be very diverse in their origins and values, but they all represent the wish of the founder(s) to commit resources to a public cause, whether at a local, national or international level. Foundations possess certain characteristics, which distinguish them from other institutional actors, (the state, business and NGOs) and which make them particularly suited to a change-making role: they are independent; self-governing and self-financing. The combination of these three characteristics allows foundations to adopt a range of strategies in their work.

Foundations can take a *long-term view*. Endowments funds and other fixed income sources afford them a degree of permanence that enables them to make long-term investments in problem-solving and knowledge creation. Unlike governments, foundations are not constrained by the pressures of election cycles, nor are they subject to the market pressures faced by other voluntary organizations.

Whether they are investing in and piloting new and innovative ideas, or supporting marginal, unpopular or unsung causes, foundations are able to entertain higher margins of *risk* both programmatically and in terms of their reputation (particularly because they are also often freer to choose the kind of profile they wish to adopt).

Foundations can also *work at multiple levels* and adopt a variety of strategies; whether they make grants or operate their own programmes, foundations can choose to interact with a variety of actors, at different levels and on different stages. They can intervene in the “problem stream” by supporting or conducting research that highlights particular issues, in the “policy stream” where problems are discussed and workable solutions promoted, or in the “politics stream” by working with or supporting coalitions or networksⁱⁱ.

They can also perform a powerful *convening or brokering role* and build up rich networks: political and financial independence enable foundations to adopt the role of “influential outsider” and bring together a diverse range of players on neutral territory.ⁱⁱⁱ

Finally, foundations can use *leverage* to bring in additional resources and influence. Although the size of individual foundation’s financial assets may not be substantial in terms of the size of the problem they are addressing, foundations can capitalize on

their credibility and their relationships to bring in other players and additional resources and create momentum around an issue.

Foundation Roles in Europe

In Europe there are an estimated 60,000 public benefit foundations. They are a very diverse group – different in size, origins and values, and engaged in a wide range of activities, some making grants, some operating their own programmes and others doing both. Taken as a whole, they represent an enormous range of experiences, perspectives and approaches to philanthropy, drawn from the different cultures and systems that make up Europe. The majority are relatively small in staff and capital, and work at the local or national level.

When it comes to positioning themselves in the context of a global agenda, many European foundations may not instantly identify with such a shift or see themselves as the appropriate instruments for the task, either because they do not - and are unlikely to - work internationally or because they see themselves as service-providers for whom policy-type work might seem inappropriate or inconsistent with their current activities or their mission.^{iv}

However, the interconnectedness of today's world means that it is increasingly difficult to make a distinction between what is "local" or "national" and what is "global". The problems that foundations of all types and sizes are dealing with cannot be addressed in isolation from today's global issues. On the contrary, most global issues tend to manifest themselves locally and nationally and in ways that are susceptible to precisely the kinds of interventions that many foundations working at the local or national level are in a position to make.

Management and boards of foundations should consider taking a step back from the normal day-to-day running of their programmes to discuss how global issues affect their work, as well as the role and influence of their philanthropy within the broader context and the strategic choices that they can make, given their mandate and resources. For small and local foundations that are very engaged in their communities, such an exercise may not result in radical programmatic changes, but it might encourage them to see certain aspects of their work in a new light and to look to ways of increasing impact, sharing knowledge and engaging in new forms of collaboration.

Points of entry

The following section proposes an initial framework for a global agenda within which European foundations can align their work at different levels and, by doing so, play a more effective role in addressing today's critical issues.

Acknowledging the enormous diversity of European foundations in terms of mission, capacity and resources, it seeks to offer different entry points – whether in terms of strategy or programme focus - for different types of foundations:

- ***Taking a global view:*** foundations can engage by considering the impact of globalisation and global issues on the areas where they work, and taking a global view in their existing programmes.
- ***Advocacy and Convening:*** foundations can take a leadership role in defining and influencing policy and mobilising public opinion and action around global issues through supporting think tanks, working with media, convening and alliance building activities within their existing mandate.
- ***Investing in knowledge development, research and innovation:*** foundations can support independent research and analysis of global issues and how they impact on our societies; fund knowledge generation and dissemination; and provide the venture capital for designing new approaches and models to addressing global challenges – close to home, or internationally.
- ***Collaboration:*** foundations can leverage resources and increase their impact by working collaboratively on global issues – by creating new joint initiatives and catalysing new resources, or entering into existing foundation or cross-sectoral collaborative ventures.

IN PRACTICE: EFC MEMBERS ENGAGING IN A GLOBAL AGENDA

The following is a snapshot of initiatives addressing a global agenda which are led or supported by EFC Members. This represents the beginning of a process to map out foundations' approaches and contribution to addressing global issues and use this to inform and encourage other foundations take a global perspective in their work – independently of the where and what areas they fund.

The majority of the examples highlighted here represent collaborative initiatives with a long term objective and are open for others to learn from or take part in.

We encourage you to send us information about your own work.

Taking a global view

Informing policy and practice in the UK through Global Exchange

The Barrow Cadbury Trust has developed a programme – Global Exchange - to identify innovation among organisations working in developing countries that can provide useful lessons for voluntary sector practitioners and policymakers in the UK. One of the aims is to showcase the wealth of innovation that exists in the developing world and in this way challenge some of the preconceptions that can be found in developed countries. Through these programmes the Trust supports organisations in developing countries that have an interest in sharing their experiences.

www.bctrust.org.uk/Global_Exchange.htm

Advocacy and Convening

Advocating for a European strategy on global health

The European Partnership for Global Health (EPGH), an initiative of EFC Members, aims to create a strong European voice and strategy on global health. EPGH commissioned a Policy Glossary “European Perspectives on Global Health” which it has adopted as its framework for actions that aim to mobilise political will to address global health challenges from a European perspective founded on European values, experience and understanding of health as a basic human right for all. The Partnership seeks to become a reliable and innovative broker and catalyst of ideas towards its goals, bringing together European and national-level policy makers, health professionals' networks, non-profit organisations and business.

www.efc.be/projects/health/default.htm

Reforming drug policy

The Senlis Council is a European think-tank founded in 2002, established by the Network of European Foundations (NEF) and supported by NEF's Mercator Fund (created by the Gabriel Foundation). It convenes politicians, academics, experts and NGOs at the highest level, and is generally regarded as one of the strongest international initiatives in reforming drug policy.

www.senliscouncil.net/

Influencing Policy in the Global Fight against Poverty

In 2002 the German Marshall Fund of the United States established The Trade and Poverty Forum as an independent forum to mobilise political will and economic resources in the global fight against poverty. It is composed of highly regarded citizens from six key developing and industrialized democracies: Brazil, India, South Africa, Japan, the European Union, and the United States. At their March 2004 meeting, TPF members agreed a set of recommendations concerning trade reform, unilateral and bilateral aid, and policy reform released as a *Call to Action*. Since then, TPF members have endeavoured to build broad coalitions of businesses, NGOs, labour unions, and legislators in support of these recommendations.

www.gmfus.org/trade/research/forum.cfm

Putting children's issues on the international HIV/AIDS agenda

In April 2004, Bernard van Leer Foundation (Netherlands), Firelight Foundation (US) and International HIV/AIDS Alliance (UK) launched an ad-hoc international coalition of now over 100 organisations – the Coalition on Children Affected by AIDS (CCABA) - with the aim of raising children's issue higher up the international HIV/AIDS agenda in advance of the 2006 International AIDS Conference in Toronto. At the Conference, the Coalition issued a Call to Action which sets out how governments and civil society should respond to the need to protect the rights of affected young children. It is now transforming into a collective of private and public foundations and regrating organisations in the North and South who are working to improve the lives of children infected by and affected by HIV/AIDS.

www.ccaba.org/index.html

Investing in knowledge development, research and innovation

Funding infrastructure for new ideas

The VolkswagenStiftung's funding initiative, "Knowledge for Tomorrow", is aimed at providing a contribution to the self-sustaining process of development in research and higher education in Africa by supporting cooperation between German and African scholars.

www.volkswagenstiftung.de/foerderung/auslandsorientiert/afrika.html?L=1

Funding new ideas at a regional level

In a joint initiative, three European foundations (Compagnia di Sa Paolo, Riksbankens Jubileumsfond and VolkswagenStiftung) initiated a research and training programme in response to what was identified a gap surrounding European foreign and security policies. The programme is aimed at strengthening the European dimension in the next generation of intellectual leaders and security experts.

www.volkswagenstiftung.de/foerderung/gesellschaft-und-kultur/zukunftsfragen.html

Incubating research initiatives to fight malaria

The Gulbenkian Foundation through the Gulbenkian Institute of Science is supporting research for treatment and vaccine development for malaria. In the framework of this transversal initiative, a laboratory was set up in Sao Tome and Principe to start the collection epidemiological data and biological samples. The Institute acts as an incubator and enabler for new institutions and research projects.

www.gulbenkian.pt

Collaboration

Taking a lead on building “ways in” to international funding

In its programme on HIV/AIDS in Central Africa, the King Baudouin Foundation has entered into collaborative funding relationships with other international funding partners and local NGOs in Rwanda, Burundi and the Democratic Republic of Congo. One of its objectives in the programme has been to demonstrate to other European foundations one method of working internationally. In addition, KBF has commissioned research on the HIV/AIDS situation in Central Africa targeted at corporate and individual donors interested in making a contribution to the global fight against the disease.

www.kbs-frb.be/CODE/page.cfm?id_page=125&id=737&lang=EN

Responding to extraordinary circumstances – but going beyond relief

The devastation caused by the Tsunami in Asia in December 2004, prompted a group of largely European foundations, at the initiative of the Van Leer Group Foundation, to come together in a coalition and explore what kind of lasting contribution they could make towards the relief effort. For some, this meant moving beyond their institutional mandates and regular programmes. For others, it meant working internationally for the first time – supported by experienced international funders who could provide guidance.

www.vanleergroupfoundation.nl/

ⁱ Human Development Report 2005, p.4.

ⁱⁱ Diana Leat, Foundations and Policy Involvement: Creating Options, Joseph Rowntree Foundation, 2005, p.15

ⁱⁱⁱ J.M. Ferris and M. Mintrom, “Foundations and public policy making: a conceptual framework”, www.usc.edu/philanthropy, May 2002, p.1

^{iv} The amount of funding for international programmes among European foundations, for example, is relatively small. A recent survey of its 145 members, which represent the largest and most prominent foundations in Europe, revealed that only 35 allocated 1% or more of their expenditure to international work. In some countries, laws restrict foundations from funding overseas; many fund locally or nationally in accordance with their donors' wishes, while others feel financially constrained in from engaging internationally because of the high costs involved.