



INFORMATION NOTE

EFC Research Task Force

Research Priorities: Research Agenda: Part II

A key objective of the EFC European Union Research Task Force is to promote better knowledge and visibility of foundations and their activities in Europe. The Task Force has drawn up a “Research Agenda”, which aims to serve as a road map to identify a series of research topics that should be addressed and key data to collect on the foundation community.

Part two of the Research Agenda aims to document Foundations’ Frameworks & Impact by developing some Information Notes. The objective is to provide some generic answers on a selected number of priority areas of information for which qualitative data (rather than hard data) would be compiled, identifying trends and patterns, where possible.

Three information notes are currently available on the EFC website about foundations’ investment and income, cooperation among foundations, and cooperation with corporations – see ‘foundations’ practices and operating frameworks’: <http://www.efc.be/projects/eu/research/default.htm>

The issue of foundations’ cooperation with public authorities was raised amongst Research Task Force members at the meeting of March 2005, as an area on which further information should be gathered. It was agreed that the compilation of such information would start with the identification of resources available in the field (networks, studies, projects etc.) and selected publications.

Do European foundations and public authorities cooperate? - How/why do they collaborate?

This draft information note aims to compile available data on foundations’ cooperation with public authorities, looking at cooperation dynamics with examples provided from the European and international perspectives, and selected documentary resources. It pinpoints different types of institutional and working partnerships.

1. Linking resources, expertise and needs

Foundations depend on enabling legislation from their national governments, and on tax provisions, which allows donors to create endowments. Government policies can range from outright disregard to regulation to ensure that foundation rights and responsibilities are not abused.

Co-operation between foundations and public authorities (local, regional, national and supranational authorities and institutions) has a long tradition in history both as alternate donors and beneficiaries. Some of the old medieval foundations were set up or administered by what we would in today’s terms qualify as the public authorities or executive bodies.

In recent years, foundations have received increased attention from policy-makers and have taken up a central role in discussions on the future of economic, social and other policies. Public authorities have strengthened their links with the foundation sector and search for co-operation in many different ways. At a time when governments are reviewing cooperation with the non-profit sector as well as their spending for new socio-economic programmes, research and community development, one may look at how public needs can be addressed through initiatives launched and funded with and within the sector.

Cooperation between foundations and public authorities takes various forms ranging from institutional links to policy-work. It can be developed as

- **collaborative funding and project-based partnerships**
- **implementation and regranting schemes**
- **follow-up of successful foundation initiatives:** whereas the foundation can support innovation, the public authorities can mainstream.

Partnering and co-funding with foundations can represent an attractive option for five principal reasons:

- They can help to **build partnerships across sectors** by bringing together different actors of our society, from multi-national agencies, central governments, local authorities, to the private and charity sectors to jointly address and devise effective responses to social, environmental, educational, scientific and economic challenges. Their financial independence and flexibility allow foundations to play a catalyst role and pool resources, expertise, and know-how to tackle critical needs. Partnership is at the core of the work of many foundations, including those foundations working at a local level.
- They are able to **experiment and take risks**. Foundations have the ability to **work in a long-term perspective** unlike elected governments, for-profit companies and fundraising organisations faced by shorter-term considerations and needs. In doing so they are in a position to provide flexible social capital for citizens, operating their own programme and or supporting other non-profit entities to develop useful models for long-term public action.
- They can **complement** governments or help to leverage public funding.
- They can **add resources** where public authorities are unable to operate due to legal restrictions or other constraints.
- They **give a "human dimension"** to public actions. Foundations place the individual at the centre of their work and concerns. Their action revolves around increasing citizen participation by strengthening civil society. In other words they focus on the rule of law and civil society, socio economic development and integration of citizens, respect for minority rights, freedom of the media, tolerance and pluralism, and can reach parts of society that government cannot reach.

In 2001 the Centre for Civil Society –London Schools of Economics undertook an analysis of the current and future role of foundations in Europe. This analysis to be released in 2005¹ includes a mapping and appraisal of foundation visions, policies and strategies in their respective environments, and how they perceive their current and future relationships with public authorities.

2. A private tool to promote public work

Public authorities can be (co) founders, act as (co) funders or administrators of foundations. Governmentally linked foundations can be found in most EU countries ranging from under 4% of the foundation sector in Italy and Germany, 6% in France up to 16-19% in Sweden and Belgium respectively in 2001².

Public authorities set up foundations, which are governed by public law or private law. These foundations of public origin are often run independently once the foundation is set up.

However, in some cases, the public authority keeps influence either through funding schemes or as part of the foundation's governance structure. Local, regional, national or supranational governmental bodies provide the initial capital or make grants to the foundation on a periodic, usually annual, basis. Once created, these foundations may obtain additional funds from non-governmental sources; however others will rely primarily on public funds. National examples can be found with the Freidrich Naumann³ Foundation, a German political foundation.

Another example of a public-origin fund is the setting up of the Big Lottery Fund⁴ by the British Government in 2003/04 as the new Lottery distributor, bringing together the Community Fund and the New Opportunities Fund.

Public authorities can act as (co) funders or (co) founders of private foundations in a range of different fields, environment, culture, education, research and science.

- The German Bundesstiftung Umwelt⁵ was established in 1990 by a legal act from the German Parliament, through which the amount of € 1.3 billion from the privatisation of the former state owned steel group Salzgitter AG was used to set up an environmental foundation.

- The Swedish public Wage-Earner funds/löntagarfonderna were transformed in the 1990s' into private foundations to support research. Recently the French government has been looking at creating research foundations in France in cooperation with private companies, a dozen foundations. These initiatives stem

¹ http://www.lse.ac.uk/collections/CCS/projects/Visions_and_Roles/visions_default.htm

² EFC Research Task Force Survey the Dimensions of the Foundations Sector in the EU", 2003/2004
<http://www.efc.be/projects/eu/research/eumap.htm>

³ <http://www.fnst.de/>

⁴ <http://www.biglotteryfund.org.uk/>

⁵ <http://www.dbu.de>

from a 2003 law aimed at reinforcing the links between public and private research, and the government's strategy to increase research investments up to 3% of GDP by 2010.

At the local level, throughout the European Union, a series of community foundations have been set up with the support of public authorities either as co-founders or co-funders. The Community Foundation for Ireland was setup with an initial government grant of 300.000 Irish Pounds. In 1994 the Healthy City Foundation of Banská Bystrica⁶ in Slovakia received an initial donation of 30.000 USD from the City Council of Banská Bystrica.

In certain cases, foundations were created by **inter-governmental agreements**, such as the Anglo-German Foundation⁷ and the Fondation Entente Franco-Allemande⁸.

Supranational examples include the setting up of the Anna Lindh Euro-Mediterranean Foundation for the Dialogue between Cultures⁹. The "Euromed Foundation was set up in 2004 with a start-up grant from the European Commission within the framework of the Euro-Mediterranean Partnership/Barcelona Process. In its initial stage of development it will function as a network of national networks among which a series of foundations based in the EU and the partnership countries, e.g. the European Cultural Foundation, the King Baudouin Foundation, the Hellenic foundation for Culture, The Istanbul Foundation for Culture and Arts.

3. Reaching out – working with foundations

Public authorities are among the many partners and donors of foundations. Some foundations can act as an intermediary to manage public schemes/services and redistribute public funds reaching out to the grassroots.

The Local Network Fund for Children and Young People¹⁰ in the UK is an example of a seven-year social regeneration programme for children and young people that public authorities have "handed out" to a network of community foundations and local organisations.

In Hungary non-profit organisations including foundations have been increasingly involved in the promotion of public services in the field of education, social welfare and health care. The law on public benefit organisations introduced a special category of non-profit organisations that undertake state or local government responsibilities, and are contracted by a state organ to provide them.

This intermediary function can also be found in re-granting European Union funds and managing EU programmes.

The Community Foundation for Wiltshire & Swindon's Progress Fund initiative was made possible due to the foundation's successful application to the European Social Fund (ESF) and enabled the Community Foundation to grant more than 550.000 euros to 57 different local groups and projects to help those in long-term unemployment, elderly people and families in crisis, among others over the period 2002 – 2004¹¹.

The Fundación ONCE manages the "Programa Acción" 12- a programme for the integration of people with disability through employment in Spain as an integral part of the multi-regional Operational Programme on "Fight against Discrimination", one of the action of the European Social Fund (2000-2006).

As part of its training activities the Fundación Luis Vives¹³ is also working as an intermediary body, managing an ESF global grant in the context of the Operational Programme on "Fight against Discrimination" 2000-2006. During this period, it will manage 13 million euros targeted at Spanish NGOs working on the labour insertion of groups at risk of exclusion in Spain.

The European Cultural Foundation¹⁴ was one of the first foundations to run EU schemes, The Foundation was closely involved with some major European educational programmes: ERASMUS and EURYDICE on

⁶ <http://www.knzm.sk/>

⁷ <http://www.agf.org.uk/>

⁸ <http://www.fefa.fr/>

⁹ http://europa.eu.int/comm/external_relations/euromed/euromed_foundation/index.htm

¹⁰ <http://www.everychildmatters.gov.uk/strategy/localnetworkfund/>

¹¹ <http://www.wscf.org.uk/texthtml/index.htm>

¹² http://www.fundaciononce.es/WFO/Castellano/Ambitos_Actuacion/Formacion_Empleo/Programa_operativo/default.htm

¹³ <http://www.fundacionluisvives.org/>

¹⁴ <http://www.eurocult.org/>

behalf of the European Commission and closely cooperated with the Commission on the TEMPUS programme.

Prior to EU enlargement, the Open Estonia Foundation¹⁵ managed an EU support programme for civil society in Estonia. (Details to come)

However co-funding partnerships for the long term bring a series of challenges. Currently foundations have faced barriers -mainly due to public administrative and financial regulations restrictions- when they wish to maximise co-funding partnerships with the EU to set up joint endowments or funds to secure sustainable action. The issue has come up at several occasions over the last years where proposals were made to set up special funds for regional action e.g. special initiative for Africa; the Northern Ireland peace initiative. Using joint financial resources to endow intermediary grantmakers would be a way of ensuring long-term continuity of funding for structural changes.

4. Co-operating partners – joint schemes and projects

Foundations have an important role to play as partners of public authorities. Private public partnerships are sought to create financial and operational synergies, and to maximise impact. Cooperation between governments and foundations has to be seen as a possible way to advance public policies meeting citizens' needs and strengthening civil society by sharing resources and directing their different but complementary roles towards a common objective.

Foundations play an important role as financial retailers and venture capital banks for civil society, but, above all, they are bodies of knowledge and expertise in a variety of fields, e.g. culture, science, social matters and environment. In the following some public/private joint projects and initiative are highlighted:

- **Transnational youth exchange**

The Foundation for German Russian Youth Exchange¹⁶. The initiative originates from the Agreement on German – Russian Political Cooperation in Youth Issues, providing the legal framework for the creation of the German Russian Youth Exchange Foundation. This cooperative initiative of the German Ministry for Family Affairs, the Committee on Eastern European Economic Relations, and the Robert Bosch Foundation facilitates youth exchange and aims at removing bureaucratic obstacles. The Robert Bosch Stiftung expects that its support will invigorate school exchange, which cannot be financed with federal money.

- **Malaria prevention – cooperation with the World Health Organisation**

This project,¹⁷ developed by the Hospital Clínic of Barcelona in the Manhica Health Research Centre in Mozambique, and supported by Fundación BBVA, follows a successful study carried out in Tanzania. It aims to assess prophylactic use of an intermittent preventive treatment (IPT) with sulphadoxine-pyrimethamine –an affordable drug currently used and available for the treatment of malaria in Africa. The intermittent treatment is being administered to 2,000 Mozambican children during their first year of life through the WHO Expanded Programme of Immunization. Findings from these studies could lead to a recommendation from international health agencies to the governments of endemic countries to include the IPT as part of the measures taken for malaria prevention.

- **Children health¹⁸** - working with the World Bank

The Aga Khan Trust and the van Leer Foundation have joined with the World Bank to support a maternal and child health programme in Kenya

- **Community development** – the Community Foundation Initiative¹⁹

The Community Foundation Initiative (CFI) was jointly launched in March 2003 by the World Bank and foundations. CFI explores how community foundations (CFs) could contribute to long-term sustainability of community projects. Two basic goals of the CFI are to educate World Bank staff about the concept and potential contribution of CFs to development, and to identify and develop several World Bank pilot projects in various regions of the world that would demonstrate modalities of integrating CFs in relevant World Bank operations.

- **The Roma Education Fund²⁰**

¹⁵ <http://www.oef.org.ee/en/>

¹⁶ http://www.bosch-stiftung.de/download/01060000_Bericht_Englisch_04.pdf

¹⁷ <http://www.europeintheworld.info/projects/projects.asp?Organisation=Fundaci%C3%B3n+BBVA>

¹⁸ <http://www.worldbank.org/html/fpd/technet/wb-found.htm>

¹⁹ <http://lnweb18.worldbank.org/ESSD/sdvext.nsf/09ByDocName/CommunityFoundations>

²⁰ <http://www.worldbank.org/roma>

The Roma Education Fund is a new grant-making foundation, launched at the beginning of 2005. It aims to support programmes and projects to improve Roma education outcomes, beginning in eight central and southern European countries namely, Bulgaria, Croatia, Czech Republic, Hungary, Macedonia, Romania, Serbia and Montenegro, and Slovakia. It is a combined initiative of the World Bank, the European Commission and foundations. The EFC Minorities interest group sits on the Board of the Fund. The Council of Europe Development Bank provides office space in Paris; a programme office is located in Budapest.

5. “Cooperation frameworks”: Dialogue and policy developments:

In recent years, foundations and the third sector in general have stepped up their efforts to develop a more structured dialogue with public authorities at the local, regional, national, European and multilaterals on regulatory issues and policy developments.

Some national governments have set up special departments or councils that serve as an advisory and opinion-forming body to the government in matters that are of concern to non-profit organisations. In some European countries cooperation agreements or compacts at local and/or national level exist with the aim to improve and in some cases formalise the interaction between public authorities and the non-profit sector as a whole.

- **The British compact**

In 1997 the British Government set up a written agreement (“Compact”) aimed at developing a new concept of relationship between public institutions and the third sector. In 1998 separate Compacts for Scotland, England, Wales and Northern Ireland were established

- **Civil dialogue in Estonia**

In 1999, Estonian non-profits recognised that a partnership agreement between the public sector and the non-profit sector to improve their relationship would benefit both parties. After a process of 15 months, involving numerous roundtables, negotiations, seminars and awareness work, a document called the Estonian Civil Society Development Concept (EKAK) was born. The general aim of the document is to examine the different roles of the public sector and the nonprofit sector, which supplement each other, and the co-operation principles in developing and implementing public policies and building up the civic society. The Estonian Parliament adopted EKAK in 2002 and the Estonian Government approved the first implementation plan of 2004-2006 of EKAK in April 2004.

- **Polish Public Benefit Council**

Another example can be found in Poland, where a “Council on Public Benefit Activities” was created by law on 2003. The Council’s tasks include: issuing opinions on the implementation of the law on non-profit organisations and on governmental draft laws concerning public benefit and volunteer work, as well as on the process of commissioning public tasks to be performed by NGOs; assisting in case of any dispute between the public administration and public benefit organisations; participating in audit procedures concerning public benefit organisations; and creating mechanisms for communicating standards for carrying out public benefit work.

- **Italian regional framework**

Italian foundations of banking origin are required by law to pursue activities for regional and local development. The Tuscany region has drawn up a “Regional Programme of Development for the period 2003-2005”, which includes the cooperation between the Region and foundations of banking origin for the reinforcement of cooperation in sectors of common interest for local development.

➤ **Multilaterals**

Multilaterals have started to review partnerships as well.

- **Organisation for Economic Co-operation and Development (OECD)**

The OECD has released a publication of foundation development and cooperation to inform bilateral aid agencies about the origin, nature and work of foundations active in the development field (see bibliography).

- **United Nations (UN)**

Over the past five years, regular meetings and consultations between foundations and representatives from different organisations of the UN system have taken place with the aim to increase mutual understanding; exchange information about key issues in the field of global development and approaches to address these; provide input to policy documents; and identify opportunities for cooperation. Areas of Cooperation focused, in particular, on increasing European funding for HIV/AIDS. At the EFC's Annual General Assembly (AGA) and Conference held in June 2003 in Lisbon, the Centre adopted a statement in support of the UN Millennium Development Goals (MDGs), and committed to establishing a special programme – *Europe in the World* www.europeintheworld.org to mobilise foundation leadership and resources for global issues and in support of the MDGs. For more information please check: <http://www.efc.be/projects/ic/UnitedNations.htm>

- **World Bank**

The World Bank engages with the foundation sector and in the European Foundation Centre (EFC) in a range of areas including country dialogues, which bring together governments, Bank officials and local foundations and civil society representatives in the countries concerned; the Roma Education Fund; and community philanthropy issues. The World Bank has a dedicated contact person for foundations. It also set up a website to enable the foundation community and the World Bank to interact, share information and knowledge in pursuit of poverty reduction and sustainable development
<http://wbln0018.worldbank.org/essd/extfoundations.nsf>

For more information, please check the EFC website at <http://www.efc.be/projects/ic/WorldBank.htm>

Specific World Bank Group initiatives have also reviewed partnership issues. The CEERD programme works to promote civic engagement, empowerment and respect for diversity in the following fields: voice through Media; Legal empowerment; respect through diversity through Education; traditional knowledge and empowerment; and value-based participatory planning. CEERD programme *Principles for Coalition* examines the complementarities and advantages to partner with foundations both to support pilots technically and financially and to take stock of existing bodies of knowledge, e.g., through existing networks.

- **EU bodies**

Few formal policy and consultation fora are actually devoted to non-profit organisations and foundations as such at EU level.

A number of foundations are represented on the European Economic and Social Committee, which is the Commission consultative assembly of the various economic and social components of organised civil society. For more information, please check the Committee's website at www.esc.eu.int

At the level of the European Commission, foundations participate in expert groups or fora on selected issues according to their area of expertise, culture, education etc. Recent initiatives include the European Commission experts group on research foundations set up in 2004 to recommend concrete policy measures to promote the role of foundations in boosting Research and Technological Development (R&D) investment both at European and Member State levels. The report is to be published in October 2005

Policy work is also developed through the all-party groups of the Members of European Parliament (MEPs) with special interest in specific issues e.g. people with disability, social economy organisations.

Since 1995 the EFC has developed "Eurobriefing" information-exchange and action oriented meetings between EFC Members and Commission representatives on issues/regions of common interest. They take place on an annual basis. More information can be obtained at <http://www.efc.be/projects/eu/EB/eurobrief.asp>

6. Selected bibliography

- **Partnering with the United Nations: The Value Proposition for European Foundations**, A. Dossal Executive Director of the United Nations Fund for International Partnerships, **2005** – 6p.
http://www.efc.be/ftp/public/Europe_in_the_World/UNFIP_EuropeanFoundationsArticle.pdf

- **Les fondations françaises et la tutelle de l'Etat** / Yannick Blanc, **2004**. - **8 p.**

Abstract: Document written by the 'Sous-directeur des affaires politiques et de la vie associative au ministère de l'intérieur' in the framework of the conference 'Légitimité et fonctions des fondations en Europe et aux Etats-Unis.' This conference was organised in 2004 in Paris by the Fondation Mattei Dogan, the Social Science Research Council, and the Russell Sage Foundation, under the patronage of M. J.P. Raffarin, French Prime Minister. In it, the author analyses the relationship between the foundation sector and the french State.

- **Philanthropic Foundations and Development Co-operation, Organisation for Economic Co-operation and Development (OECD), off-print of DAC journal, volume 4, No.3, 2003**

Abstract This publication yields a policy-oriented analysis of past and present foundation contributions to development fields. The study was commissioned by the OECD and undertaken in its member countries. Included are statistics and four annexes, which give detailed background information and data on current projects.

- **The World Bank and Foundations in Science and Technology: A Background Paper for a Panel Discussion**, J. Daly 1997

Abstract James Wolfensohn, President of the World Bank, initiated an effort to strengthen Bank-foundation partnerships, including those in science and technology. This paper provides background for a panel discussion in support of that initiative. It reviews some collaborative programme between the World Bank and foundations in the fields of -agriculture, the environment, industry: small- and medium-enterprise development and health such as the Partnership with the Aga Khan Trust and the van Leer Foundation to support a maternal and child health programme in Kenya. It reviews areas of emerging and potential areas of collaborations, including partnerships in science and technology.
<http://www.worldbank.org/html/fpd/technet/wb-found.htm#Notes>

- **Promoting the role of voluntary Organisations and foundation in Europe 1997**
European Commission Communication COM (97) 241 77p.

- **Report on foundations and Europe**, Antonio Coimbra Martins 1993
European Parliament report (A3-0419/93)