

CONCLUSION

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Part II of this volume explored the patterns, opportunities, strengths and weaknesses of philanthropy in relation to global problems and situations where local and international philanthropic action becomes necessary. The aim was to work out the strategic role for philanthropy as a global player, and ask: does philanthropy have a strategic, distinct role in the globalization process, and where and how can it achieve greatest added value?

The various case studies presented in this part give us a broad range of perspectives and insights into a foundation's operation: from the decision to operate globally, to strategic planning, to program implementation, and, finally, evaluation. Each of the case studies addressed four analytic questions:

- > How did the foundation identify the specific needs, issues and challenges to address (i.e. mission and vision)?
- > How it developed a strategic approach to impact on these needs in the specific global or local context? What was the specific 'philanthropic added value'?
- > Which strategies/programs/mechanisms proved most effective and why for operating as a 'global actor.' What were some of the weaknesses, and why?
- > What are the implications of the case study in terms of best practices, and what are some of the wider lessons for policy and strategic philanthropy?

In the balance of this chapter, we will take a summary look at the answers suggested in each case study, and, in conclusion, will attempt an initial summary assessment.

How did the foundation identify the specific needs, issues and challenges to address (i.e. mission and vision)?

What moves foundations to operate on a global level? Why do foundations shift their mission from domestic issues to global issues? While, it appears that each foundation has its own reasons for focusing internationally, it is generally the combination of an identifiable need, the opportunity for strategic intervention commensurate with available resources, and internal leadership (either on behalf of the founder, or the board). For some, such as the Soros Foundation and the Gates Foundation in which their founders are alive and actively engaged in the operation and mission of their foundations, it was simply

a matter of the founder's own personal interest. Others have an international focus already built into their mission statement such as the UN Foundation, while other foundations, such as Rotary International, was driven to address global issues by their membership base. Foundations also choose specific issues and challenges for practical reasons: as a response to a need or movement; or issues that have specific goals and measurable outcomes. However, the one overarching reason some foundations chose to address globalization issues is best stated by Giuseppe Caruso in his case study:

"It is a shared understanding, among grantmakers, that the current political and economic regime of globalisation and the profound restructuring of the world system, has a deep influence on the philanthropic actions of foundations. This process of adaptation to the changing world environment has lead philanthropic foundations to redefine the terms of their missions and of their main goals."

While Rotary International's campaign to eradicate Polio began initially at the behest of the Filipino Rotary club in 1979, Polio was a strategic issue for Rotary because at the time, the average age of most Rotarians at 55 implies that they can relate personally to the disease. Polio was also a strategic issue in that there was a clearly defined goal, where progress can be measured. Moreover, the organization made an effort to send Rotarians to various program areas so they could witness the impact of their work first-hand.

Rotary was also inspired by other international organizations. When the WHO successfully eradicated smallpox in 1985 for \$100 million, Chem Renouf, then president of Rotary International, felt that the same success could be reached with Polio. Renouf recognized the potentially significant resources at Rotary's disposal when considering the number of local Rotary networks in various countries. "Renouf was confident that Rotary could have a significant impact on peoples' lives around the world through polio vaccination programs," writes Nielsen. Until that time, Rotary clubs carried out service projects independently and locally; the PolioPlus campaign was the first concerted club-wide and fully networked project that maximized the leverage potential of local Rotary groups.

For others like MacArthur, the Mott foundation, and the Soros foundation, leadership was key in deciding to tackle global issues. Professor Murray Gell-Mann of MacArthur was instrumental in incorporating the environment as a key area of interest in its grantmaking strategy. Similarly, Mott Foundation's decision to extend work internationally, after more than 70 years of domestic U.S. programs, was driven by its President at the time. George Soros also has a strong interest in international issues, particularly Southeastern Europe, and played a key role in establishing Open Society Networks in that area to deal in post-conflict situations. For the King Baudouin Foundation, reinforcing the European dimension and building an international image was a factor in its decision to become involved in Southeastern Europe.

The UN Foundation is a special case in that Ted Turner, who provided the initial gift, did not have a specific agenda or issue he championed; rather, Turner took a "hands off" approach in running the foundation. He served as ceremonial vice president while Timothy Wirth and a small Board of Directors guided the Foundation's mission and agenda. From the beginning, however, the UN Foundation was established as a means to funnel Turner's gift to the United Nations; therefore, its priorities and objectives are closely aligned with UN conventions, treaties, and conferences. The UN Foundation is also unique in that its mission and values are closely related to a quasi-international governmental body and therefore had an international focus from the very beginning.

Finally, some foundations' choice of issues and challenges to address are determined by a need within the funders community or by simply responding to the needs of movements and listening to civil society organizations in emerging countries. For example, the

mission of the Funder's Network for Trade and Globalization stemmed from discussions during (and a part in reaction to) the mass demonstrations in Seattle in 1999 over the WTO conferences. While WINGS evolved from the need by grantmaker support organizations for a forum to discuss common issues; it was also driven by the recognition that the "globalization of philanthropy" is a necessary first step in promoting "global philanthropy." For issues such as workers rights, corporate accountability, and sustainable development, foundations such as Ford, Rowntree, and MacArthur, followed the lead of consumer advocates and civil society organizations like the Chinese Working Women's Network.

How it developed a strategic approach to impact on these needs in the specific global or local context? What was the specific 'philanthropic added value'?

Once the decision has been made to act transnationally, what are the next steps and how are strategic approaches developed? What makes philanthropic action different from governmental, NGO, or individual private action? To begin with, most foundations are in command of greater monetary and human resources than NGOs and have greater flexibility in allocating funds than governments do. Foundations tend to be viewed as "apolitical" or more neutral organizations, and can therefore engage local actors more easily; they can support the local capacity building, and provide a sustained, medium to long-term commitment. In addition, foundations can mobilize their existing networks around a specific problem, remain flexible in their grant-making to adapt it to changing needs, and most importantly, act as a catalyst and mobilize various stakeholders such as other funders, government agencies, and civil society organizations around a specific topic.

Rotary International's strategic approach, with its PolioPlus campaign, was in mobilizing its vast global membership of Rotarians for fundraising, education, advocacy, and program implementation purposes. Rotary's impressive fundraising campaign and ambitious goals raised the bar for other organizations working on Polio and also changed the goals of entities such as the World Health Organization. Rotary not only successfully created a critical mass of volunteers and funds for the eradication of Polio but because it had a clearly defined goal with measurable indicators of progress and consistent positive feedback for its members, Rotary was able to sustain the movement for over two decades.

The Gates Foundation also utilized its unique position to forge partnerships and advance research. In addition to monetary support, the Gates Foundation's philanthropic added value comes from its independence, flexibility, and ability to leverage their gifts to convene participants from academia, government, and the private sector to forge a collaborative solution. Because of its independence, the Gates Foundation was able to address the constraints of the various stakeholders such as profit motives, short term horizons, and legitimacy, and develop a strategic approach that incorporates proper incentives to engage and motivate each specific participant.

In addressing biodiversity, the MacArthur Foundation was strategic in its strategy by remaining flexible to local needs. It developed three guiding priorities that was focused, yet flexible and allowed its grantmaking strategy to change with the needs of the local population: (1) to diminish threats to biodiversity, such as establishing and strengthening protected areas; (2) the development and validation of new conservation tools and methodologies that will provide innovative solutions to persistent problems; (3) the strengthening of capacity among regional experts and practitioners in order to sustain conservation efforts over the long-term. MacArthur developed an integrated approach that supports activities across all three objectives. MacArthur also utilized its reputation and status to foster collaboration and alliance with NGOs, government agencies, and

communities. Local communities in other countries trusted MacArthur because it was viewed as an independent, apolitical organization that is not just advancing its own agenda, but committed to help build local sustainability over the long term.

Regarding issues of accountability and transparency in the public and private sectors, the case study by Oliviero and Simmons demonstrates three strategic philanthropic approaches: starting new civil society groups; building coalitions across groups; and coordinating a funder strategy.

Foundations can start new civil society groups as demonstrated by Ford, Rowntree, and the Nuffield Trusts in providing the initial seed money for Transparency International. These foundations recognized that corporate corruption has a direct link to their failures in other programmatic areas such as health and education. Therefore, these foundations saw the value of investing a few million dollars to increase the effectiveness of billions of dollars worth of programs and grants. Foundations can also promote corporate accountability by following the lead of consumers and supporting the actions of existing groups such as the children who sent styrofoam packages back to McDonald due to environmental problems and that led to Environmental Defense working with McDonald to redesign its packaging. Or, in the case of workers and human rights, foundations can give legitimacy, provide awareness, and spur momentum by aligning its grantmaking with the needs of frontline groups such as the Chinese Working Women's Network. To take it a step further, when supporting or starting new civil society groups are ineffective, foundations are independent enough to research and implement innovative strategies. This is demonstrated by MacArthur's market-creation initiative to shift global demand for wood products to sustainably harvested timber.

Another strategic approach is building coalitions across groups and philanthropy can be instrumental in this regard by virtue of their position and independence. It can serve as a catalyst and bring all types of groups together, not just government, the private sector, other funders, but also citizens who otherwise would not have voice in the globalization process. Foundations can use their wealth to truly bring different groups together and thus offer a meaningful dialogue. The Cairo Conference, for example, foundations convened United Nations officials on the one hand, and civil society groups on the other. They supported collaborations between civil society groups prior to the meeting ensuring that these organizations will be prepared to fully engage in all discussions. With the Global Reporting Initiative, philanthropy played a unique role in bridging the gap between CSOs and corporations. Because foundations were the mediators and the funders, corporations had confidence in the process and civil society groups were assured that corporations will not overshadow and impose their own agendas.

A final strategic approach outlined by Oliviero and Simmons for philanthropy to coordinating a funder strategy. Working with other funders creates a "safety in numbers" effect and allows foundations to have more of an impact. For example, the creation of the International Criminal Court would not be possible if not for the coordinated efforts of a number of foundations. The case of the Funders Network for Trade and Globalization and its participation in the World Social Forum offers further insights on how foundations can work with each other and with civil society groups to change the course of globalization. The Funder's Network focused on four main points: (1) raising awareness; (2) knowledge production and sharing; (3) broadening of the funders' political and social understanding and perspective of the global issues at stake and; (4) networking among funders, with networks of funders and between these and the GCS via such movements as the World Social Forum.

With the UN Foundation, it utilizes a mix of strategies to further its mission and programs: (1) encourage support for the UN and its causes through building new partnerships within the UN and among UN organizations and the private and civil society sectors; (2) raise new funds for UN programs; (3) promote the UN through advocacy and public education; and (4) acting on behalf of the UN in areas where it is unable to participate or ineffective.

In the cases of post conflict situations, the philanthropic added value of Mott and Soros was that they were able to make a long term, sustained commitment. The other difference between philanthropic assistance and assistance from other international organizations (EU, UN, NGOs) is that these organizations provide mainly humanitarian relief while philanthropy can offer to help rebuild systems, institutions, and other segments of society and can help set a course for a stable future, engaging local actors and stakeholders. For the King Baudouin Foundation, the philanthropic added value was in partnering with existing local organizations and establishing coordinating organizations within each country of the region.

In the case of WINGS, decisions, activities, and needs are heavily membership driven. Therefore, a key to strategic and effective membership input is clear and efficient channels of communication such as the Web, a major channel of communication for WINGS. For countries with less developed technology infrastructures, communication is provided through “exchanges” between well developed and less developed community foundations. WINGS-CF facilitates these changes by: providing small grants to facilitate face to face communication via peer learning; meetings between two community foundations at different stages of development; attending wider WINGS conferences. Finally, WINGS-CF’s added value is providing support, legitimacy, and inspiration for its members. The case study finds anecdotal evidence that global networks provides a sense of drive and inclusiveness for community foundations staff members, who often works alone and in little contact with others.

Which strategies/programs/mechanisms proved most effective and why for operating as a ‘global actor.’ What were some of the weaknesses, and why?

Perhaps the most effective strategy by foundations is to serve as a catalyst and build coalitions of various stakeholders. An effective strategy for Rotary International was to form partnerships with major health organizations, businesses, and governments. Rotary International formed partnerships with the World Health Organization, UNICEF, and the CDC. This was effective because Rotary was able to bring to the table its unique network of volunteers that provided the people power for fund raising, service delivery, and vaccine administration. Rotary also partnered with the UN Foundation to raise funds from the private sector. Rotary has demonstrated that a coalition of foundations and stakeholders can be effective in pressuring governments to fully commit to their donations. In addition, Rotary also committed funds to assist partner organizations, thereby furthering Rotary’s commitment to the campaign and building stronger alliances with its partners. Another effective strategy was in identifying and supporting core leaders in each local chapter to promote advocacy, awareness, and education. It also created the *Polio Eradication Champion Award* to promote awareness, recognize achievement, and encourage further action.

Rotary’s constantly reevaluated its campaign to change with the needs of local areas and also made sure that that polio does not drop off list of global issues. Rotary was able to sustain such a long campaign for over two decades because it maintained strong and continued leadership in this effort. Although Rotary’s officials are only

elected for one-year terms, the organization focused on education and awareness and therefore made sure that its leaders understood the enormous impact the campaign was having on Polio worldwide.

The strategies that proved most effective for the Gates Foundation also focused on forging alliances and funding new and experimental procedures and methods of delivery. By taking a leadership role, the Gates Foundation used its influence and clout to bridge the gaps between governments, the private sector, and civil society. It focused its efforts on raising awareness and education as well as research. The “risk capital” provided by Gates was key in motivating others to join the fight. That is perhaps one very effective strategy that is unique to foundations: being able to support risky projects with small chances of success.

In addition to research and advocacy, the Gates Foundation also focused on developing effective delivery systems for the vaccine. This is strategic in that simply finding a cure for malaria or AIDS is useless without an effective delivery and implantation system in place. Therefore, the Gates Foundation also focused its efforts on finding an equitable, efficient, and effective delivery system to bring the vaccine to areas where it is needed most.

For the MacArthur Foundation and issues of species diversity, an effective strategy meant choosing carefully, ecosystems that can potentially be saved and preserved. The foundation began by *prioritizing* and *focusing* on one clearly defined problem with measurable indicators of success and not try to tackle issues that were too broad. It selected a subset of environmental issues as a necessary first step. It was strategic in that it only choose issues with clearly defined and measurable outcomes. Next, MacArthur chose geographical areas that have existing recourses and capacity so that it didn't have to “start from scratch.” Its strategy also focused on short-term and longer needs. Important was a participatory approach and developing the capacity and expertise of locals to ensure the continuation of the foundation's work once it leaves the region.

The case study by Oliviero and Simmons suggests that in order for philanthropy to have an effective strategy, it must be flexible and adaptable. There is no “one size fits all” philanthropy and,

“Systemic change is usually the result of pressure from a number of sources, both grassroots and international. Sometimes new organizations are needed; sometimes existing organizations can be strengthened. Sometimes collaboration across sectors offers advantages; sometimes one sector needs to stand apart and speak with a distinct voice.

The art of effective philanthropy is figuring out which approach is best suited to produce the best result in a particular situation. This requires experience, a willingness to listen, judgment and a clear philosophy. One-size-fits-all philanthropy will never work, and this is true globally as well as locally.”

For the Funders Network on Trade and Globalization, the key was active involvement with the entire World Social Forum process, from planning to evaluation of attendees after the event. Having an individual, such as Mark Rand, as a member of planning committees for the WSF was also key in ensuring a “philanthropic voice.” Caruso also puts the role of foundations to fund civil society groups in a different perspective. Foundations can be thought of as “talent scouts” and, “Foundations' objective is to find the actors of social innovation and creativity wherever they may be and promote and sponsor their ideas.” The World Social Forum, he argues is just the place.

Caruso also points to some weaknesses in the working relationship between foundations and the World Social Forum. These include: common criticisms of foundations for their relationship with multinational corporations, investments and involvement with

global capital markets, and support of controversial issues that actors of the WSF may not agree with. Funders must also be careful not to impose too many restrictions on grantees and allow them to exercise ownership, control, and independence over projects. This is necessary in order for civil society organizations to not become too dependent on funders.

For the UN Foundation, it challenges conventional wisdom about the roles of foundations and foundation relationships with government agencies. Unlike traditional foundations, the UNF engages the UN directly. Initiatives such as the United Nations Fund for International Partnership (UNFIP), established in conjunction with the UNF as its counterpart in the UN, has been successful in coordinating the various UN agencies and also in bridging alliances, “between and among the UN system, civil and private sectors;” Programme Framework Groups (PFG) has the potential to bring a voice and expertise from people outside of the UN; UNF’s advocacy and policy education has also been successful in promoting the importance of the UN System and also in engaging the US to rejoin UN agencies, pay past dues, etc.

In working with post conflict situations, Mott and Soros both found that post-conflict challenges fall into three broad categories: managing relations with local partners, coordinating with other international organizations, and adapting the foundation itself. Both foundations found the following strategies most effective in dealing with each challenges:

- > Managing of relations with local partners: (1) Do not impose foundation expertise on local setting and allow for the cultivation of local vision; (2) funding should not be too project specific but also allow for general support to build capacity; (3) work in a team and don’t rely on one person, foster teamwork, but also do not overlook established partners; (4) “Training tools should be used as a strategic tools to achieve wider aims, rather than being an exercise in their own right;” (5) work with government officials as well as NGOs and become involved with the policy process.
- > Cooperation with other international organizations: make sure activities are coordinated to ensure that there is no duplication of efforts.
- > Adapting the organization to working in an international setting: (1) establish a regional presence and hire staff from local population that are qualified to do the work and carry out the mission of the foundation; (2) employ a broad regional approach to extend the foundation’s impact; (3) to overcome administrative barriers and restrictions from the foundation’s home country, it needs to be creative and flexible.

But perhaps the most effective and innovative strategy in post conflict situations is for foundations to introduce the very concept of philanthropy in an emerging society. This will inform their development and a strong tradition of philanthropy can be built from the bottom up.

The King Baudouin Foundation focused its activities on capacity building and developed a strategy based on tactics “from inside out.” That is, efforts were focused on such things as the consultative process instead of strategy development, allowing the stakeholders to take an active role and drive the agenda.

The strategies/programs/mechanisms that proved most effective for WINGS was an effective communication system via the web and face to face exchanges via conferences, meetings, internships between organizations, etc. Some challenges and weaknesses with the WINGS strategy and tensions in building a global network include:

- cost-efficiency and reach vs. accessibility, inclusiveness, and effectiveness with newer, smaller, poorer (and non-English speaking) organizations;
- language barriers: need to incorporate other languages and not promote just English;
- terminology and concepts: different meanings of certain key concepts in other cultures such as endowment, community foundation, etc;
- culture and tradition: overcoming the fact that some countries may not have a culture of giving;
- legal frameworks: some countries do not have a support legal framework for philanthropy;
- diversity vs. focus: although membership input is admirable and democratic, the network is challenged with the need to balance collective action and common decision making without seeming too Western centric.
- Respecting individual interests and at the same time promote collective action.
- protecting its own reputation and that of its members from the potential bad practice of others;
- Financial insecurity;
- Staying Global: the idea to move the secretariat around so that WINGS is not identified with any one country is a good idea, but the challenge of that it's expensive and does not foster organizational memory.

Some weaknesses or mistakes in the foundations approaches include: choosing wrong partners and not giving local officials more credit for determining their own destinies and vision.

What are the implications of the case study in terms of best practices, and what are some of the wider lessons for policy and strategic philanthropy?

For Rotary International, some of the best practices that can be gleaned are:

- Identifying and partnering with leading organizations that are also working on the same issue is key in developing a strategic approach and also to lend credibility and expertise to the campaign;
- Clearly defined goal, i.e. “the eradication of polio;”
- Having quantifiable, measurable indicators of progress and success are key in sustaining the effort.
- Rotary International was blessed with a large membership base and established communication channels to begin with. Rotary also has a long history and is an established organization, so it was well known around the world. However, it did have to prove that it was committed to this effort and therefore needed to accomplish initial goals before other organizations came aboard.
- “A sustained commitment can overcome a lack of short term-successes or measurable progress.”

For the Gates Foundation, perhaps the main “best practice” is that, with a foundation as large as the Gates Foundation, it can afford to take greater risks in experimental procedures and thus speed up the process of research. Similarly, for the MacArthur Foundation and environmental issues, foundations need to: prioritize and focus grantmaking activities and have the flexibility to address needs in different geographical contexts.

Oliviero and Simmons demonstrates that foundations can be flexible, take risks, be controversial, be consistent and have a sustained long term commitment, move quickly, and most importantly, foundations can afford to fail. Also important is for donors not to be controlling and restrictive and allow grantees to set the agenda. This stifles creativity and donors should only act as facilitators, they should not do the work themselves and success or failure should depend on the grantees. As demonstrated, the greatest successes are when the grantees themselves are responsible for it. Build capacity and teach their grantees to be leaders, don't simply persist simply because an idea is good or if the funders simply want it to work. If there is not effective leadership and commitment on the grantees side, then foundations should move on or re-strategize. Also an important point that Oliveiro and Simmons points out is the numerous "missed opportunities" by foundations. The lesson to be learned from that is that foundations should keep its eye wide open and not be afraid to take risks. Being opportunistic is a luxury that philanthropy can afford. Finally donors need to be clear about the degree and nature of their commitment. They should be careful not to allow grantees to be too dependent on them and also prepare an effective "exit strategy."

For the Funders Network for Trade and Globalization, lessons learned include:

- Become actively involved in the process from the beginning. Involvement can range from sending an observer to planning meetings to full participation as members of the planning committees.
- Share organizational knowledge and practices with grantees:

"Foundations have accumulated a wealth of experience and knowledge in organizational management. This knowledge should be shared with members of the WSF in order to help contribute to bridging gaps in the WSF's organizational knowledge," writes Caruso.

- Be flexible with grant guidelines and allow grantees to have ownership, experience, and control over projects.
- Utilize existing, personal foundation network to bring other organizations from under represented regions of the world into the social forum process:

"Foundations," according to Caruso, "can produce a number of both momentous and short term improvements in the organization of the events of the WSF. To do so, they should dig into their networks of grantees to facilitate involvement in the WSF process in order to increase inclusion and representation of all social movements and NGOs from all regions of the world. In particular, foundations should focus on involving organizations from Africa and Asia, because their participation in the WSF is lower both in absolute and in relative terms compared to organizations from other areas."

For the UN Foundation, the lessons learned are that foundations should challenge the traditional notion of "doing what governments shouldn't do" and not avoid working with governments and public agencies. Rather, foundations should discover techniques to engage governmental bodies in innovative ways. Foundations should find ways to reinvent foundation/government relationships at all levels. As has been demonstrated in case study after case study in this part, philanthropy should involve governments as well as other actors and the UN Foundation case study is an example of how a successful relationship may work. Also effective for the UNF was its subsidiary advocacy agency. Foundations

should consider setting up subsidiaries for advocacy and lobbying purposes, similar to 501c(4)s established by nonprofit organizations.

For conflict areas in other regions of the world, the keys that make philanthropic involvement successful are: sustained involvement; building cooperation among local actors; focus on building local capacity.

WINGS and WINGS-CF is unique in that it is an association of associations, but they have set the precedent, established the framework, but more importantly, experimented with and found solutions to specific challenges with these sort of network organizations. According to Leat, WINGS and WINGS-CS have *“utilized and built on the knowledge of their members, encouraging sharing and learning, via working groups. They have made effective use of electronic communication, at the same time recognizing that this needs to be supplemented by other methods of knowledge transfer and learning.”*

Conclusion

The proceeding pages in Part II have demonstrated the richness of experience and knowledge in the case studies. They offer a useful and detailed repertoire from which others can learn. Yet, among the many lessons that were drawn from the cases examined, which ones stand out and appear as the most critical for the future role of global philanthropy? While others may well reach somewhat different conclusions, we suggest that five strategic elements are crucial for making transnational philanthropy work in an age of globalization:

1. Identify a need that for whatever reason is beyond the reach or interest of other actors, and where international foundation can provide or leverage resources commensurate with the problem at hand.
2. Identify an existing or potential community or coalition of individuals and organizations that can implement the program locally, and as part of a networked approach, transnationally.
3. Collect, analyze and share knowledge and information across different project sites, and serve as the intellectual center of the project and as the honest broker among different parties.
4. Set and insist on clear goals and benchmarks when necessary and easily agreed upon, but be willing to take risk in supporting medium to long-term efforts with great uncertainty.
5. Develop, discuss and agree-upon possible exist strategies early on, and have parties agree to a longer-term vision.