

Philanthropy Support Organizations' Funders' Meeting

Meeting Outcomes

February 23, 2017

WINGSForum2017, Mexico City

Overall objective

This meeting aimed to offer funders who support philanthropy infrastructure in different regions of the world the opportunity to reflect upon their work, exchange practices, and strategize on how they could strengthen global philanthropy support infrastructure.

Participants

Over 40 representatives of foundations from 15 countries participated in this meeting convened by WINGS during its triennial philanthropy infrastructure conference, WINGSForum 2017 in Mexico City. Some of them were already actively engaged as infrastructure funders, while other participants were not yet involved. Discussions were held under the rules of Chatham House.

I. Setting

The discussion was framed around the three following observations from the field:

1. Funders are increasingly resistant to funding the infrastructure of philanthropy.
2. Philanthropy infrastructure would not be an expensive proposition if funders took collective responsibility to fund it by contributing for instance 1% of their overall budgets.
3. If foundations want to effectively serve society, then 'business as usual' is over. The scale, severity and complexity of problems means foundations must collaborate with one another and other sectors.

To set the stage, several key findings from WINGS 2017 Report *A New Global Picture of Organizations Serving Philanthropy* were presented:

- The median budget that funders who responded to the survey invest in philanthropy infrastructure was \$1.6m, or 7% of their total grantmaking budget. Interestingly, we found that the foundation who invests the highest percentage of their budget comes from China: the Narada Foundation spends 60% of its budget on infrastructure.

- Philanthropy support organizations are seen by funders as efficient in building knowledge and sharing experiences, but their work could be strengthened concerning partnerships with other sectors and influencing public policy.
- 89% of philanthropy support organizations receive foundations grants: foundations are crucial for the sector's development and sustainability. In MENA region and sub-Saharan Africa, infrastructure is mainly funded by international foundations.
- Sustainability remains a challenge for 72% of these organizations.
- A striking fact: resources are distributed very unevenly with 80% of resources spent in North America. In comparison, Asia and MENA together only account for 5% of the total.

While infrastructure organizations are crucial to the development of philanthropy, their work and services provided must also be developed strategically. The development of the field should therefore be seen quantitatively - increasing support especially in regions where the infrastructure is still emerging - but also qualitatively - avoiding duplication between organizations, enhancing synergies, and working with a results-oriented approach.

To make the case for philanthropy infrastructure, the report suggests that the field should increasingly and more substantially assess and document its impact.

To respond to this need, WINGS has developed, with its members, a specific assessment framework, the 4Cs (Building Capacity, Capability, Connections, Credibility), which was launched at WINGSForum. It can also be adopted by funders to evaluate the work of their grantees in this field. Concrete examples from the 4Cs:

- Building Connections / Building Capability (volumes of philanthropy): CAF UK has managed to involve 1700 organizations in the Giving Tuesday campaign which has resulted in donations of 48 million Pounds from 10% of the British population.
- Building Capability: In 10 years the Association for Community Relations in Romania has allowed to create community foundations throughout the country now reaching 46% of the population.

Other examples and research show the concrete impact of the field: WINGS research on community philanthropy (2014) revealed that countries that had a dedicated infrastructure organization had seen the creation of 9 new community foundations in 3 years compared to less than one in countries where it did not exist.

II. Outputs from discussions

Following the presentation of key facts and figures from the infrastructure field, funders provided their own reflections on 4 major topics.

1) What are the motivations to support philanthropy infrastructure?

There are many reasons why funders believe supporting infrastructure organizations is important:

- **Offer space for mediation and exchanges:** they allow peer learning, affinity groups, synergies, dissemination of solutions and connections to happen, which are crucial as issues get increasingly complex and challenging.
- **Increase volume of philanthropy:** it accelerates the creation of new foundations and helps nurture giving.
- **Build capacity:** they develop tools and knowledge towards increased efficiency and they support professional growth, including leadership development and succession planning.
- **Provide thought leadership:** these organizations create opportunities to think out of the box, self-examine, and discover new approaches and points of view that may influence strategies.
- **Build an enabling the environment for philanthropy:** they give a necessary collective voice whether it is at national, regional or global level. Infrastructure helps philanthropy provide a 'deliberate' response to attacks and provide resources to resist restrictions or improve the regulatory framework.
- **Set standards and build trust** around the philanthropic sector.
- **For international foundations,** supporting domestic philanthropy infrastructure can:
 - o Be part of a strategy to cope with restrictive laws on cross-border giving.
 - o Serve as part of a sustainability or exit strategy to develop long-term local funding for civil society.
 - o Enable them to become more locally embedded.

2) Which approaches can be adopted to support this field?

There is a variety of ways a foundation can support philanthropy infrastructure:

- **Actively participate in organizations and fund them:** being involved in launching new philanthropy support organizations when needed, participating in their governance and funding them.
- **Provide core, long-term and 'true-cost' funding support:** for infrastructure organizations, core funding is essential and is a highly strategic type of support that allows them to innovate, develop institutional vision, and fulfil their mission efficiently.

Also, a common characteristic of their work is that the results are only visible over time. It is therefore important that foundations approach the support they provide with a long term vision.

A group of funders are engaged in an initiative called the "true cost project", which emanates from a will to stop looking for the cheapest solutions and start

considering the true cost of projects and what it actually takes for organizations to be efficient and have an impact.

- **Share expertise and non-financial capital:** develop knowledge and tools and make them available to peers through infrastructure. Help facilitate connections with unlikely partners, like the business sector, to foster synergies and in-kind support.
- **Feed the reflexion and become ambassadors:** foundations can be active in making the case for the field and engage in convincing their peers. Connecting with peers regionally is a good way to collaborate and support infrastructure. In the US, there is an informal group of funders who collaborate to support infrastructure.
- **Create a specific program area:** some foundations have developed specific domestic and/or international programs to develop philanthropy. Such programs can target exclusively philanthropy infrastructure, or be part of a broader civil society strengthening program.
- **Include philanthropy development as part of a sustainability strategy:** whether it is at local level or abroad, foundations can consider the development of local private resources as a key element in ensuring long-term support to the actors and projects. This can be done for instance by developing community philanthropy or by helping to create or reinforce a structured national infrastructure.
- **Incorporate philanthropy development as a transversal priority throughout all programs:** the above mentioned approach of sustainability strategy can be systematized and philanthropy development become a core priority in all programs of a foundation. This has been implemented by some foundations in the room.

3) What results are observed?

As a funder of infrastructure, it is difficult to make the case to other foundations to support infrastructure organizations as their impact can be hard to measure. Funders should adopt a long term vision and not look for quick return on investment.

Nevertheless, there are many examples of impact. Three of them were presented:

- **Increased staff diversity:** Philanthropy infrastructure was essential in diversifying staff of US foundations. While the D5 (Diversity 5) funders' coalition did not make as much headway as it would have liked, the existence of infrastructure bodies such as the Council on Foundations or Hispanics in Philanthropy were instrumental in creating space for discussion and implementing progress around this issue.
- **Enabling Environment for Philanthropy:** In Ukraine, the Ukrainian Philanthropy Forum enabled the passage of a law to exempt mobile donations from VAT.
- **Advocacy:** A joint study on foundation expenses and compensation enabled scholar Elizabeth Boris to argue against a US Senate Committee challenge on 'qualifying distributions' on foundation payouts.

4) What are the gaps?

- **Financial gaps:** in the global South and East, it is not rare to see that national umbrella grantmaker associations are mainly funded by international foundations. How do we replace foreign funding when domestic funders are not always aware of the importance of a strong infrastructure for their field? This can be even more difficult when foundations want to focus on specific projects and are not ready to support general operating costs.
- **Needs gaps:** in a rapidly evolving sector, how can infrastructure lead the field, while being constantly informed of new developments, especially when it is poorly resourced?
- **Expectations gaps:** whose needs and interests should infrastructure bodies serve? For example, do we want WINGS to provide collective representation to the outside world or services for its members? Increasing demands make it difficult for organizations serving infrastructure to balance their roles.
- **Vision gaps:** in many cases, foundations tend to focus on their own programs and not consider strategically how to build their field. There is often a lack of common vision and more could be done. Even where infrastructure is well developed, there is a tendency for foundations to (re)create tools and solutions for philanthropy effectiveness without involving collective bodies. There is a need for foundations to use networks to build 'wholesale' infrastructure rather than the more boutique 'retail' infrastructure offered by individual advisors.
- **Organisational gaps:** to be sustainable, philanthropy support organizations must be the best in their field in order to help lead foundations. Infrastructure organizations are tasked with hiring skilled people with limited resources. Most of time, organizations are under-staffed and overwhelmed, making it difficult to ensure the quality-control.

III. Moving forward: continuing the discussion among funders

At the conclusion of the meeting, participants seem to agree that the infrastructure question must be approached much more strategically than it usually is. Discussions showed that foundations contribution to philanthropic infrastructure go way beyond the question of membership benefit.

There is a general agreement to continue exchanging and a shared will to address some of the gaps that were identified, in particular, the uneven distribution of philanthropy infrastructure globally.

Next steps:

- Creating an international working group on infrastructure
 - WINGS will organize a webinar in June 2017 to discuss next steps.
 - WINGS can organize a face-to-face meeting alongside an international event during the second half of 2017. Possible to organize regional discussions depending on funders' interest:
 - Asia: Bangkok, AVPN 7-9 June 2017
 - Latin America: Bogota, July 2017 (date tbc)
 - A core group of funders will contribute in building next steps and meetings agendas. It currently includes: Hope Lyons (Rockefeller Brothers Fund), Nick Deychakiwsky (CS Mott Foundation), and Oksana Orachiva (Vladimir Potanin Foundation). The group is open to the participation of others.

- Join our networking event at CoF conference: Dallas, April 23rd.

- Join the [4Cs](#) assessment framework webinar in May. Get involved in the discussion and share your inputs and feedback on both tools. Encourage your grantees to use it.

- On a regular base, share with the group your best practices, stories, tools and learnings in supporting philanthropy development.

- Bringing the discussion back home:
 - Foundations are invited to start discussions in their country or region.
 - WINGS can provide support to develop the content and facilitate the discussion.
 - WINGS, with the support of the working group, to build tools that can be used by 'ambassadors' to bring the conversation back home. WINGS is committed to gathering cases showing the impact of the sector.

- Ideas to explore on the mid-term:
 - WINGS to further map philanthropy infrastructure.
 - Formalize the participation of the working group by creating a new WINGS membership category for "Enablers of philanthropy infrastructure".
 - Organize a meeting (online or face-to-face) with representatives of philanthropy support organizations to discuss gaps, issues, impact.
 - Possibility to create a flexible fund that would support philanthropy infrastructure organizations where needed: emergence/creation, capacity building, etc.