

Final Report on the PVC-Foundation Project
to the Office of Private and Voluntary Cooperation
U.S. Agency for International Development

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Table of Contents

I.	Introduction	2
II.	Information Gathering Process	2
III.	Findings from the Foundation Interviews	
	A. Summary Picture: the Stance of Foundations on Engaging with PVC: Corporate, Community, Large and Medium size Independent, Small Independent, and Operating Foundations	3
	B. What Foundations Need from PVC or Others	4
	C. Experience Foundations can Share with PVC	5
	D. Joint PVC-Foundation Program Ideas Suggested by Foundations ...	5
	E. Ideas on Information Sharing	6
	F. Sectors which Some Foundations would be interested in Discussing with PVC	6
IV.	Findings from the PVO and Government Interviews	
	A. PVO Findings	6
	B. Government Findings	8
V.	Conclusions based on Analysis of Findings	
	A. Target Audiences	8
	B. A Role for PVC in Working with Foundations	9
	C. Important Notes on Potential Roles for PVC	12
VI.	Recommendations for Designing and Implementing a PVC-Foundation Program	12
VII.	Next Steps	14

Appendices:

- A. Notes from project presentation to PVC Staff
- B. List of Interviewees
- C. Questions for foundations
- D. Questions for PVOs
- E. Questions for government agencies
- F. Summary of PVO Responses
- G. Summary of Government Responses

I. Introduction

In June 2000, following the appointment of Judy Gilmore as director of the Office of Private and Voluntary Cooperation (PVC), discussions began between PVC and Somerset Global about a project to explore the possibility of building PVC-foundation-Private Voluntary Organization (PVO) relationships in order to enhance the overall impact of their work in sustainable development. Helen Seidler, the principal consultant for Somerset Global, has five years of recent experience as director of International Programs for the Council on Foundations (the national association of grantmakers in the United States) and prior to that a twenty-year career working with PVOs.

The underlying premise of the project was that the work of PVC, PVOs and some private U.S. foundations has much in common. At the goal level all may be working for sustainable development with interests in areas such as education, environment, health and population, micro-enterprise, agriculture, human and organization capacity building, and U.S. public awareness of development issues. Their geographic emphases may overlap, whether in Africa, Asia, Central and Eastern Europe, Latin America or the United States, and they may be seeking to work with the same local partners from community-based organizations to non-governmental organizations to governmental entities. It seems logical to suppose that some form of coordination, strategic alignment, or at least information sharing among foundations, PVOs, and PVC would be beneficial not only for all parties but also for their various operational partners around the world. In order to promote closer working relationships, PVC needs to build ties directly with the foundation community so that it can share its extensive knowledge of the PVOs and what they do.

The project set out to explore how PVC can work with the foundation community to increase their access to PVOs with whom they may want to partner. The outputs from this exploration are the development of a rationale for PVC's building new relationships with foundations, an analysis of the "value added" that PVC can bring to foundations, a set of recommendations for further action by PVC, and an outline of "next steps" for PVC to support the further planning and the implementation of some or all of the recommendations.

II. Information Gathering Process

H. Seidler met with PVC staff in August to introduce the project, provide an overview of the foundation field in the United States and gain staff input into the design of the project. (See Appendix A for a summary of the information presented.) She also reviewed key documents of PVC including the FY 1999 Results Review and Resource Request; the 2000 BHR/PVC Portfolio; the 2000 Report of Voluntary Agencies Engaged in Overseas Relief and Development; studies of the Child Survival Collaborations and Resources Group, the network function of the Corporate Community Investment Service, and the Small Enterprise Education and Promotion Network; along with PVC's Results Framework and Programs. After preparing questions and background material on PVC

and distributing them via e-mail, she then gathered the following information through 41 in-person and over-the-phone interviews:

- a. Descriptions of existing AID-foundation experience and foundation funding of some PVOs
- b. The experience of other governmental aid organizations (e.g., World Bank, Inter-American Development Bank, the Organization of American States) in fostering foundation cooperation
- c. Opinions on the anticipated benefits of an effort by PVC to increase foundation access to PVC resources and PVOs from the perspectives of both foundations and PVOs
- d. The identification of areas of potential collaboration and suggestions of concrete actions that might be taken by PVC.

Appendix B lists the 41 people interviewed coming from 24 foundations (25 staff), 6 government agencies (10 staff), and 6 PVOs (6 staff). Appendix C contains the background information on PVC presented to foundations and the questions used for foundation interviews. Appendix D covers the background on international giving by foundations presented to PVOs and the questions used for PVO interviews, and Appendix E lists the discussion points raised with government agencies.

III. Findings from the Foundation Interviews

A. Summary Picture: the Stance of Foundations on Engaging with PVC

Foundations have different interests and different degrees of interest in working with PVC depending on the type and size of the foundation and its history in international grantmaking. For some foundations a relationship built on the concept of networking made sense, for others a relationship focused on learning or “advancing the field” was attractive. Funding or co-funding relationships could be imagined as something that might evolve as a result of other activities implemented together first.

1. Corporate Foundations: For the most part their interest in accessing AID and PVC is on an “as needed” basis and only where there is sector overlap in countries in which the corporations are working. If a specific need for information arises and PVC could supply the answer, corporate foundations would like to make contact. Making linkages in-country between AID, PVOs and local NGOs and corporate foundation managers seemed the most promising image of PVC-Corporate foundation collaboration. In cases where the corporate foundation is explicitly dedicated, at least in part, to an international program, the interest in linking to AID in-country is quite high.

2. Community Foundations: The international grantmaking of community foundations is donor-driven, meaning that any international activity results from the interests of specific donors who have established funds with the community foundation rather than

from the foundation's grantmaking strategy. As a result, like corporate foundations, community foundations envision contacting PVC only on an "as needed" basis. Some community foundations, however, see the opportunity to educate their donors about giving for sustainable development and can envision a role for PVC in supporting that process.

3. Large and Medium size Independent Foundations: There tend to be significant areas of overlap in the sectoral interests of PVC and large and medium size independent foundations engaged in sustainable development. It seemed to most that there ought to be value in exchanging information, strategy and learning with PVC, while concerns were voiced about how to do this efficiently. In addition these foundations have developed very tightly focused and in-depth strategies in a limited number of countries and, as with corporate and community foundations, their interests in relationship building with PVC are tied tightly to their areas of grantmaking. Some foundations wondered about PVC's interest and ability to meet grantmakers where they do much of their work – for example in affinity groups and at national and international meetings aimed at civil society groups.

4. Small Independent Foundations: The overwhelming majority of all foundations are family foundations, which means, simply put, that they are governed for the most part by members of a family. (Some family foundations are medium size or even large, but they are exceptions.) Much of the wealth of the 1990s economy and its new technologies has gone into family foundations. For some family foundations international interests are stirring for the first time, and they need help in understanding how they can apply their grantmaking dollars to make a difference in any of a number of worthy international causes. Small foundations beginning to work internationally can see opportunities for PVC to help them build their programs. Other family foundations have expertise and a track record in international work. Both the experienced and inexperienced raise some of the same questions: How can small foundations play a partner role that makes sense in the face of government-level funding? What can small foundations do that PVC cannot? What needs are out there that small foundations can properly address and still have impact in an area of sustainable development?

5. Operating Foundations: Operating foundations may use the return from their endowments to run their own programs; they may fundraise to increase their program level; they may give grants to other nonprofits – or they may do all of these at the same time. Operating foundations would be happy to enlist PVC's support of their agendas which range from NGO capacity building to human rights work in Russia to closing the digital divide in Africa. Networking, advancing the field and co-funding are all types of relationships that seem feasible to operating foundations.

B. What Foundations Need from PVC or Others

When asked how PVC might support or benefit your international grantmaking program, foundations responded with a variety of ideas that capture some of the obstacles to international work.

- *Provide help in finding local NGOs to fund:* This suggestion came up a number of times. PVC was asked if it could "recommend organizations to fund in various

countries,” or “perform due diligence on local NGOs to assure that they are real organizations doing credible work” or “identify NGOs working in a given sector/country” or “maintain a database of approved organizations around the world that could be considered for international grants.”

- *Share roster of consultants and links to key people and organizations by sector and country expertise.* For example, if a foundation were considering going into a new country, it would be helpful to talk to area experts for their analysis of needs and how to work in certain sectors.
- *Serve as clearinghouse on what AID is doing and on staff within AID who can be contacted.* Another statement of this idea was the opportunity to “demystify” the structure of AID for the internationally active foundation field.
- *Provide a simple list of whom PVC is working with by organization, sector and country on an annual basis.* Program officers could make use this information in their networking and program design activities around the world.
- *Prepare and make available regular updates on the changing environments in different countries:* Information is needed in a systematic way on the evolution of strategic directions of national governments, national economic priorities, regional bodies, multilateral lending institutions, and major bilateral programs. It is very difficult for most foundation staff to gain this sort of strategic overview of countries.
- *Make an annotated list of PVC resources available* (most conveniently on the web): This listing could include other tools and resources available through AID.

C. Experience Foundations can Share with PVC

Specific items mentioned include:

- Neighborhood revitalization grantmaking strategy
- Web site training program for grantees
- Details on a new global Training Institute for NGOs with both on-the-ground and web presence
- Strategy statements, program and project evaluations – some written, many would need to be shared orally
- How grantmakers do their work (PVC staff could spend a day in a foundation.)
- Work over 15 years with local education systems in 9 countries
- National Travel and Tourism program
- Results of 5 PVO/INGO umbrella grants over 3 years for strengthening local NGOs
- Economic development strategy in remote areas

D. Joint PVC-Foundation Program Ideas Suggested by Foundations

1. Link AID/PVC and foundations in local project design efforts in country.
2. Organize “parallel programming” where PVC’s work through PVOs and NGOs and foundation work are complementary.
3. Match needs for policy work in areas of focus of PVC with foundations willing and able to fund in the policy arena.

4. Co-convene one-day sectoral meetings of key players (AID/PVC, cooperating agencies, foundations, consultants) for purposes of networking and information sharing.
5. Co-sponsor meetings on selected sustainable development topics with Regional Associations of Grantmakers and community foundations in various cities in the U.S. aimed at prospective donors.

E. Ideas on Information Sharing

1. **On-line:** Most foundations felt that having access to resources on-line was the only practical way to go, with the caveat that it is difficult to know what resources are where when they are needed. Some sort of promotion of PVC's on-line resources to the interested foundation community would be appropriate.
2. **Publications:** Since not all publications are convenient to print from the web, having easy access to printed sectoral materials is also important. A well organized web based order form might be sufficient.
3. **Meetings:** Ideal would be to extend invitations by PVC to foundations and by foundations to PVC to attend some of the existing sets of meetings. These include the PVC network meetings of CORE and SEEP, and the regional and sectoral "affinity group" foundation meetings that include "funder briefings" where PVC could present its activities.

F. Sectors that Some Foundations would be interested in Discussing with PVC:

These selections were for the most part mentioned by single foundations.

- Assessment Tools
- Basic Education
- Democratic Initiatives
- Development Education – What needs to be done?
- Digital Divide in Africa
- Drop in level of commodities as share of U.S. international assistance
- Economic Development as a basis for strong, healthy communities
- HIV/AIDS
- Microenterprise
- Networking and how it helps achieve sectoral goals
- Organization capacity building

IV. Findings from the PVO and Government Interviews

(See Appendices F and G for further details on PVO and government responses.)

A. PVO Findings

PVOs had a number of concrete suggestions of ways in which PVC could support or benefit PVOs by working more closely with foundations. PVOs thought PVC could:

1. **Serve foundation needs:** PVC can explore what foundations need for their international grantmaking and tell them what services it can offer. Examples might be:

help in administering or evaluating an overseas grant, identification of NGOs in a given sector and country according to foundation interest.

2. Provide a PVO-foundation meeting ground: Where there are common interests, the two communities need to know each other better. There is much to learn and do together to increase impact where goals overlap. Can PVC work with PVOs and foundations to create such a meeting place?

3. Increase resources directly through a matching grant program: Set up a matching grant program by field of interest in which PVC and foundations design the RFP and a joint panel makes final decisions. For every dollar that PVC and the foundations put in, the PVO contributes a dollar as well.

4. Leverage funding: All parties want to leverage their funding with the contributions of others. PVC could identify complementary interests of other bilateral agencies, PVOs, other international or national NGOs, and foundations and host a planning process for a summit to explore how more leveraging might take place.

5. Increase level of donor coordination: Holistic programming is difficult because funding can be disjointed by virtue of working with more than one funder (including AID and foundations). Components of programs often get artificially segmented. Could PVC help assure funder coordination at the program level?

6. Communicate PVO concerns to foundations: PVC could be in a position to bring issues to the attention of foundations that the PVOs themselves do not feel at liberty to bring up.

PVOs believe there are ways in which they can help foundations with their international grantmaking:

- PVOs and foundations (and others) could jointly identify what a given field needs through substantive discussion of the issues. A challenge would be selecting and framing the areas to focus on. Another challenge is finding a common language so that PVC, foundations, PVOs and the private sector can communicate effectively.
- PVOs could give honest feedback and advice to foundations. Some foundations have organized such meetings and found them to be a good experience.
- PVOs can help foundations working with indigenous organizations that need capacity building. PVOs can also perform "due diligence" on local NGOs for foundations within a particular country or sectoral interest.
- PVOs can provide oversight for foundation projects in given countries.

Some ideas for collaborative activities among PVC, foundations and PVOs are:

- Design a joint program to encourage more foundations to engage in international grantmaking. Sample activities might be organizing trips for funders, getting on the agenda of Business for Social Responsibility and the Social Venture Network, making presentations to the managers of the Fidelity Charitable Gift Trust.
- Adjust PVC's matching grants program so that it can coordinate with existing foundation interests. Develop concrete programs where there is joint funding.

Finally, PVOs caution that this sort of relationship building requires from PVC a long-term commitment and the appropriate staff and financial resources to do it well. PVOs

would welcome such an initiative on the part of PVC and stress the need to select a few areas of focus and work in depth.

B. Government Findings

The goals of government agencies in working with foundations have been in three areas: leveraging funding for the government's development priorities, achieving broader program goals than would otherwise be possible, and diversifying the funding base of those organizations the government is working with.

Government agencies offer some specific advice to PVC as it thinks through a foundation strategy:

- Focus your efforts – set criteria and establish priorities to determine which foundations to target.
- Find areas of common interest and determine the mutual benefit.
- Match AID/PVC programs with similar programs funded by foundations.
- Look at issues sectorally and partner accordingly; Look for the win-win in the opportunity (very important).
- Make sure that the effort being supported has a long-term sustainability plan.
- Deal up front with the challenge of slower, less flexible decision-making on the part of government. Be honest about how you operate, don't save any surprises for later.
- Open the door slowly to a broader agenda in the future.
- Understand that you will need to invest resources to build and maintain foundation relationships; this is not something that you can do "on the cheap."
- You will need a well thought-out, long-term strategy to accomplish your goal, and that strategy should be understood before action is taken.
- If PVC chooses to focus on developing relationships with national and multinational corporations to assist them in carrying out socially responsible work at the grassroots, in-depth advice is available on managing this process from the InterAmerican Foundation.

V. Conclusions based on Analysis of Findings

These conclusions reflect the input of the government and PVO interviews in addition to the foundation interviews.

A. Target Audiences

Within the foundation world there are potentially three different target audiences for PVC. The final design of a program and activities will be determined by which audience PVC chooses to reach.

1. **Presidents and CEOs:** In general this group comes together with peers in government (including the multilateral institutions) and the private sector and engages in issues of strategy around a chosen sector or problem. Meetings have

been taking place over the past few years on topics such as vaccine targeting, the global maternal/child health agenda, and the digital divide and have resulted in concrete actions to be taken by the parties in attendance. Foundations have often taken the lead in organizing such meetings (although the White House was also involved as part of its Millennium strategy) and providing follow up. Who convenes these meetings and what results are expected from them are key to gaining the participation of this audience.

2. **Vice Presidents and Senior Program Officers:** Coming from experienced international grantmaking foundations, this audience also meets with its peers and focuses on advancing the expertise in selected fields in addition to other common interests relating to the management of foundations. Numerous informal networks exist among the foundations to serve this group, as well as affinity groups and other professional grantmaker associations that address key interests.
3. **Foundations and Donors newly interested in learning about sustainable development:** This audience comprises foundations of all sizes that are new to international work and specifically community foundations that have access to individual donors who may be interested in international causes if they learn more about them. Community foundations with international interests have identified themselves in recent years, and other foundations are accessible in the regional or national meetings of grantmakers that take place on an annual basis.

B. A Role for PVC in Working with Foundations

Summary: The interviews with foundation, government and PVO staff yielded a rich array of ideas and information. Upon analysis of this input, the outline of a PVC outreach program to foundations emerged with emphasis on information sharing, creating opportunities for new partnerships, and donor-coordinated leveraging of funding for work in sustainable development through voluntary agencies and their local partners. The primary audiences for these activities are Vice Presidents and Senior Program Officers, with a secondary audience of “foundations and donors newly interested in learning about sustainable development.”

Two specific goals with accompanying strategies describe the major directions of a PVC outreach program to foundations.

Goal 1: Provide for information exchange and dialogue with foundations already engaged or wishing to engage in international grantmaking. Under this goal PVC helps foundations find information they need to support their international grantmaking and, working along with foundations, identifies ways foundations and PVC can exchange experience through printed documents and face-to-face dialogue.

Goal 2: Increase and harmonize funding in selected sustainable development sectors. Under this goal PVC works with foundations and PVOs within a chosen sector to identify “state of the art” practices in the sector and then launch a jointly designed and administered matching grant program. The strategy also includes

identifying opportunities for “parallel programming” whereby foundations and PVC can support each other’s efforts through targeted grantmaking.

Expanded Explanation:

Goal 1—provide for information exchange and dialogue with foundations already engaged or wishing to engage in international grantmaking -- responds to foundation interest in accessing PVC’s global network of contacts including AID missions, PVOs, NGOs, local corporations, local consultants, and other multilateral and bilateral donors and to the mutual interest of PVC and foundations to share technical information and lessons learned. Specific activities PVC could carry out include:

- Facilitate joint in-country program design work by foundation representatives and AID or PVO/NGO staff.
- Assist foundations in finding and assessing local organizations to fund, and, once funded, in monitoring and evaluating their work.
- Direct foundations to a set of local contacts and consultants knowledgeable about a sector or region of the world.
- Provide information about the local political and social environment in key developing countries and how conditions are evolving
- Make PVC publications and networks easily accessible to foundations

Strategy for Goal 1: One aspect of PVC’s role in information exchange and dialogue is that of a broker who connects an information seeker with an information holder. PVC can approach this goal by first determining specifically what information in what form can be made readily available to foundations interested in working through the PVC network of contacts (e.g., PVC grantees and their local partners by country, contact information for AID missions willing to be contacted by foundations wishing local advice or help with in-country program design, list of PVOs and others able to assist with review of potential grantees and project monitoring, a brief explanation of AID’s structure and how it functions made relevant specifically for foundations, a list of on-line sources for current country political/social/economic information, etc.). A second step is to present this information to foundations seeking their feedback and determining what else might be useful. PVC should promote such a “resource kit,” once finalized, widely to internationally active foundations while simultaneously assuring in-house PVC capacity to respond meaningfully to individual requests coming from foundations.

At the same time, information exchange between PVC and foundations can be initiated and promoted by jointly designing mechanisms that take advantage of technology and make use of scheduled meetings of PVO and foundation sectoral networks. For example, listservs can be developed to alert readers to new publications, sources of state-of-the-art information on sectoral topics, conferences, network meetings, and new material posted on web sites.

PVC’s Comparative Advantage in implementing Goal 1: PVC has the opportunity to lower some of the barriers to international grantmaking experienced by U.S. foundations. Most of these barriers have to do with finding good local information. As decision

making in all governments and institutions working multi-nationally becomes increasingly decentralized, PVC has the opportunity to use its extensive network within AID and the PVO community to connect foundations that want to work locally to key players in their areas of interest. This activity would result in programs that are responsive to local realities and create strong relationships between funders and implementers on the ground. Properly marketed to foundations, a “resource kit” of information to support international grantmaking could result in dramatically increased international giving by private U.S. funders.

PVC also has the opportunity to increase the value of its evaluations, technical publications, sectoral networks and on-line resources in which it already invests significantly. With relatively little effort, PVC could expand the utility of these tools by marketing the written materials on-line to foundations and by inviting foundation participation in the SEEP and CORE meetings. Invitations to participate on an occasional basis in ongoing foundation network meetings would likely follow and in any event could be directly pursued.

Goal 2 -- Increase and harmonize funding in selected sustainable development sectors – responds to the shared interest among foundations, corporations, government and PVOs in leveraging their investments of time, talent and resources to gain greater impact on the issues addressed by their programs. Specific activities PVC could carry out include:

- Organize “state of the art” meetings in chosen sectors to promote networking and information sharing
- Identify and publicize to foundations parallel programming opportunities in chosen sectors where the interest is in common.
- Design and implement with foundations a matching grant program in chosen sectors for PVOs (with PVO input as well)

Strategy for Goal 2: A strategy to support this goal starts with the selection of one sector or interest area with which to experiment and build an approach. The program could be named “Focus on -----” with, for example, HIV/AIDS, or maternal/child health, or economic development or environment being the focus. The choice of sector would depend on where there is foundation interest already existing and where there is PVC staff capacity to get involved in a new activity. Informal consultation with key funders, the relevant foundation affinity group and key implementers in the sector would begin the planning process. The consultations will identify the issues to be discussed in a more formal planning meeting organized to explore the idea in depth and begin a joint design of the program. Activities other than the three above would most likely be suggested, and some order of priority placed on those activities that gain a go-ahead from the planners. Joint funding of the activities should be discussed.

PVC Comparative Advantage in implementing Goal 2: Foundations are generally more interested in action than talk, and PVC could begin its work with foundations in a very concrete manner by inviting those active in a chosen field to plan a set of activities that could lead to a co-design and implementation of a matching grant program. To begin

exploration of the idea, PVC could convene a daylong meeting with foundations and PVOs to examine the state-of-the art practice in the chosen sector. PVC would have the opportunity to highlight the quality programs it funds and share key learnings. In such a meeting PVC's own strategies could perhaps be strengthened by examining sector strategies of other organizations and identifying parallel programming opportunities that foundations or PVC could address. In addition, if there are areas of policy formation that would support activity common to PVC and some foundations, alerting foundations to the policy needs could generate complementary grantmaking and further support for PVC's goals. After the meeting, PVC can determine the level of interest in developing a joint matching grant program that would include foundations, PVC and PVOs as participants in the match. The aims of the program would be to support best practices and to increase the resources focused on a given problem, perhaps in a given part of the world. This direction would take advantage of PVC's in depth experience in operating such programs and its relative flexibility as a grantmaking organization within AID. Some foundations are likely to have had experience in matching grant programs and would bring that experience to the table as well.

C. Important Notes on Potential Roles for PVC

1. Concerns about the ability of PVC as a government body to be flexible enough to work with the foundation community are present among those interviewed for this report whether government or foundation or PVO.
2. The programs and activities described above would be collaboratively co-designed with key members of the foundation and PVO communities engaged in the chosen sector.
3. Although the programs are not built specifically around PVOs, PVC would in each case be able to work with and through PVOs to implement these activities.

VI. Recommendations for Designing and Implementing a PVC-Foundation Program

Two separate but complementary goals have been proposed for PVC's foundation outreach program. One is to provide for information exchange and dialogue with foundations, the other is to leverage foundation/PVC/PVO funding through a set of activities that focus on a chosen sector. Following are recommendations for designing and implementing the programs that support these goals.

- I. PVC takes initial steps in the planning of programs for both goals to better understand the nature and complexity of each set of activities.

For the **information exchange and dialogue goal** this would include:

- Producing a detailed write-up of the concept to use as a discussion piece
- Making an inventory of existing AID written material on areas of interest that can be shared with foundations

- Analyzing of what would be involved in putting together other materials that are of interest to foundations
- Holding internal discussions within PVC and AID with those who might be involved in sharing information with foundations as the program moves forward
- Putting together a list of ideas for information exchange on-line about publications and meetings open to foundations, and a list of ideas of opportunities for face-to-face dialogue
- Consulting with a number of foundations to ask for feedback on the concept and how they would like to shape it.

For the **increasing and harmonizing funding goal** this would include:

- Selecting a sector on which to focus, the choice to depend on area of need, opportunity, existence of interested potential partners, PVC staff capacity
- Organizing a small meeting with foundations working in the chosen sector to discuss ideas and means of collaboration
- In response to the results of the meeting, identifying members of a team of foundations, PVOs and PVC to plan various activities such as a sectoral “state of the art” meeting and to explore the interest in developing a matching grant program administered jointly by PVC and foundations
- Holding a first meeting of this team

A timeline and budget is needed for these preliminary activities.

2. Following the initial planning activities outlined above, which will generate a great deal more information about what is needed to further plan and implement these programs, PVC and its partners can now make a decision about how to proceed. The scope of activity and level of effort can be determined at that time.
3. Assuming a go-ahead decision, then PVC and its partners design one or more full strategies that include specific goals, a set of activities, a timeline, a budget, a communications plan, and an evaluation plan.
4. PVC communicates this planning process and decisions as they are made to all interested parties within and outside of AID (e.g, Advisory Committee on Foreign and Voluntary Assistance, foundation affinity groups in relevant interest areas, InterAction, other government development assistance organizations).

VII. Next Steps

1. PVC makes a decision to move forward (or not) with the preliminary planning exercise described above in Point 1 in the section on Recommendations. A positive decision should lead to a written plan for these activities, a timeline and a budget.
2. An Executive Summary of this report will be sent to all those interviewed and to other audiences PVC deems appropriate. It would be worthwhile to invite responses to the report from the foundations and PVOs.
3. H. Seidler will present highlights of this paper to the PVC staff on December 11, 2000. Decisions made about next steps can also be shared with the PVC staff at that time.

PVC Staff Presentation on the PVC-Foundation Project

August 14, 2000

I. Purpose of Foundation-PVC Project:

- To explore how PVC can work with the foundation community to increase their access to PVOs with whom they may want to partner.

Activities:

- Information Gathering from PVC, AID, multilateral organizations, foundations and PVOs
- Analysis and Recommendations

Deliverable: Report covering

- the activities,
- a rationale statement for PVC's engagement with foundations,
- a statement of the value PVC can add to foundation work,
- list of key foundations with whom PVC should be working,
- recommendations for designing and implementing a PVC-foundation program,
- outline of next steps.

II. Overview of Foundation World

The word "foundation" when it describes a type of organization does not have a precise definition in the United States or elsewhere. For our purposes, when we say foundation, we mean grantmaker.

Types of Foundations:

Private Foundations

- Independent foundations (e.g., family foundations, W. Alton Jones, Ford Foundation)
- Corporate foundations (e.g., AT&T Foundation)
- Operating foundations (e.g., Stanley Foundation)

Public Charities

- Community foundations (500-600 around the world)
- United Nations Foundation (also other grantmaking NGOs like Global Fund for Women, Oxfam)

Scale of Foundation Work:

- # of foundations: c. 48,000 in 1998 (*most are family foundations*)
- Value of foundation endowments: \$385 billion
- Amount given in 1999: \$22.8 billion

- International share: about 8% of total in 1998 (*1.8 billion granted for int'l activities within the U.S., direct grantmaking o'seas, grantmaking to U.S. orgs. for spending o'seas*)
- # of internationally-active foundations in 1994: 479 (*gave at least one int'l grant of \$10,000 or more*)

Sectors: **granted in 1994**

- | | |
|---|-----------------|
| • Int'l Development & Relief | (\$124 million) |
| • Health & Family Planning | (\$108) |
| • Int'l Affairs & Peace | (\$103) |
| • Education | (\$84) |
| • Social Sciences | (\$69) |
| • Environment | (\$55) |
| • Arts & Culture | (\$43) |
| • Human Rights & Civil Liberties | (\$37) |
| • Public Society/Benefit | (\$25) |
| <i>(gov't, public affairs, democracy, civil society, philanthropy, voluntarism)</i> | |
| • Science & Technology | (\$16) |
| • Religion | (\$14) |
| • Other | (\$5) |

How Foundation are Organized:

- Affinity Groups (c. 40) – e.g., Funders Concerned about AIDS, African Grantmakers Affinity Group, Environmental Grantmakers Association
- Regional Associations of Grantmakers (RAGS) (c. 30) – e.g., Washington RAG, Indiana Grantmakers Assn., Conference of Southwest Grantmakers
- Council on Foundations – national membership association
- Various organizations serving corporate and community foundations

Context within which foundations work: Surprisingly similar to AID.

- Strategic plans with goals and results orientations
- Concerned about accountability for use of money
- Constraints via donor intent, charter and founding documents, board preferences
- Demand for grants far exceeds available resources
- Staff feels pressured by too much to do, not enough time to reflect

Interests of committed internationally-granting foundations:

- Learning from the work of grantees
 - Demonstrating results
 - Sustainability of program benefits
 - Capacity building
 - No.-So. and So.-So. partnerships
 - Resource mobilization and diversification of funding base for NGOs
 - Networking
-

Organizations Interviewed for PVC-Foundation Project
August – November, 2000

Foundations

1. AT&T Foundation – Tim McClimon, President
2. American Express Philanthropic Program – Connie Higginson, Vice President, Philanthropic Programs
3. Banyan Tree Foundation – Michael Gibbons, Associate Director
4. Carnegie Corporation of New York – Pat Rosenfield, Chair, Carnegie Scholars Program
5. Community Foundation of the National Capital Region – Terri Freeman, President
6. Community Foundation SiliconValley – Peter Hero, President & CEO
7. Peter C. Cornell Trust – Susan Cornell Wilkes, Trustee
8. FXB Foundation – Suzi Peel, Executive Director, FXB Foundation US
9. Ford Foundation – Srilatha Batliwala, Program Office for Strengthening Civil Society, Governance and Civil Society Program
10. Ford Foundation – Betsy Campbell, Senior Director for Asset Building and Community Development Program
11. Conrad Hilton Foundation – Dyanne Hayes, Vice President for Programs
12. International Youth Foundation – Bill Reese, Chief Operating Officer
13. Henry M. Jackson Foundation – Lara Iglitzin, Chief Executive Officer
14. Lucent Technologies Foundation – David Ford, President
15. MacArthur Foundation – Mitchel Wallerstein, Vice President, Global Security and Sustainability
16. McKnight Foundation – Dan Bartholomay, Program Officer
17. Moriah Fund – Jack Vanderryn, Program Director for Environment
18. C.S. Mott Foundation – Elan Garonzik, Program Officer
19. Minneapolis Foundation – Emmett Carson, President & CEO
20. New York Community Trust – Joyce Bove, Vice President Programs & Projects
21. Rockefeller Finance Services – Connie Crosson, Deputy Director, Philanthropy Department
22. SmithKline Beecham – Doug Bauer, Executive Director, Community Partnerships
23. Texaco Foundation – Anne Dowling, President; Richard Brown, Director of Corporate Contributions
24. United Nations Foundation – Melinda Kimble, Vice President Programs
25. Wallace Global Fund – Catherine Cameron, Executive Director

Breakdown by type of foundations:

7 Large and medium size private foundations: Carnegie Corporation, Ford Foundation (2 interviews at Ford), Conrad Hilton Foundation, MacArthur Foundation, Moriah Fund, Mott Foundation, Wallace Global Fund

5 Corporate foundations: AT&T Foundation, American Express Philanthropic Program, Lucent Technologies Foundation, SmithKline Beecham Community Partnership Program, Texaco Foundation.

5 Family foundations: Banyan Tree Foundation, Peter C. Cornell Trust, FXB Foundation, McKnight Foundation, Rockefeller Financial Services Philanthropy Department.

4 Community foundations: Community Foundation for the National Capital Region, Community Foundation Silicon Valley, Minneapolis Foundation, New York Community Trust

3 Operating foundations: International Youth Foundation, Henry M. Jackson Foundation, United Nations Foundation

Government Organizations

1. AID Global Bureau, Bureau of Health/Population/Nutrition - Duff Gillespie, Deputy Assistant Administrator of AID, Director of the Center for Population, Health and Nutrition
2. AID Global Bureau, Center for Population, Health and Nutrition - Monique Derfuss, Senior Technical Advisor for Donor Coordination
3. AID Global Bureau, Center for Population, Health and Nutrition – Cheryl Malanick, Vitamin A Coordinator, Office of Health and Nutrition
4. InterAmerican Foundation – Linda Borst, Vice President for Programs; Walter Price, Director of Office for South America; Audra Jones, Foundation Representative South America
5. InterAmerican Development Bank – Fabian Koss, Youth Liaison, Special Programs Section, Office of External Relations
6. Organization of American States - Susan Benson, Executive Director, The Trust for the Americas
7. U.S. Fish & Wildlife Service – Ellen Murphy, International Affairs Specialist-Mexico Program Officer
8. World Bank – Joan Martin-Brown, Foundations Coordinator

Private Voluntary Organizations

1. Aid to Artisans – Tom Ageson, Executive Director
2. CARE - Dan O'Brien, Director for Corporate and Foundation Relations
3. Carter Center – Larry Frankel, Chief Development Officer for Peace Programs
4. Inmed – Linda Pfeiffer, President
5. Save The Children – Charlie MacCormack, President & CEO
6. Technoserve – Peter Reiling, President & CEO

Questions for Foundations

PVC-Foundation Project - August-October 2000
Contact: Helen Seidler, Somerset Global Consulting
e-mail: global@somerset.net; phone: 301-263-0902

Purpose of interview: This study is an effort inspired by the current emphasis on developing private-public partnerships to increase the impact of all working in sustainable development around the world. This interview will assist AID's Office of Private and Voluntary Cooperation (PVC) to determine whether or not to focus on building relationships with foundations for the mutual benefit of foundations, PVC, U.S.-based Private Voluntary Organizations (PVOs) and their NGO partners working in sustainable development.

Some background on PVC:

- goals - *bring about sustainable development impacts in priority sectors of AID, and increase the capability of PVOs, NGOs and other local partners to achieve sustainable service delivery*
- level of effort - *c. \$60 million in grants annually that are leveraged significantly with other private, public and international agency funding*
- areas of investment over the past 10 years - *development of organizational capacity building tools and the linking of capacity building of PVOs and NGOs to improved service delivery; promotion of NGO and corporate partnering; sharing expertise via networking (Corporate Community Alliance, Child Survival and Collaborations Resources Group known as CORE, Small Enterprise Education and Promotion Network known as SEEP); enhancing financial sustainability of PVOs and NGOs; updating sectoral technical standards and measurement tools; supporting PVO/NGO engagement with public sector international organizations such as PAHO and Unicef in policy dialogue on key development issues*
- priority sectors - *microenterprise, health (including HIV/AIDS), agriculture, education, environment, community development, cooperatives, democratic initiatives*
- publications - *evaluations of its work in sustainable agriculture, capacity building, microenterprise, health, building intersectoral partnerships, networking activities in a number of these areas, and HIV/AIDS; a registry of over 400 international and national PVOs that can demonstrate that at least 20% of their international program budget is drawn from sources other than the U.S. government; country reports that list PVC grants; a guidebook to registering local NGOs; and the "results indicators" that PVC has developed to evaluate the impact of its programs*
- grant programs - *One-on-one Matching Grants to PVOs, Child Survival Grants to PVOs, Farmer-to-Farmer volunteer program, Cooperative Development grants and Development Education (also Ocean Freight and shipping of humanitarian supplies)*

Some background on your foundation:

- scope and nature of your international grantmaking -
- types of grantees -
- directions you are moving in -

Questions:

1. Given my description of PVC, can you think of any ways by which the work of PVC could support or benefit the international grantmaking program of your foundation?

2. PVC has a number of resources (both publications and sectoral networks) that it could make available to the foundation community. Would it be of interest to your foundation to have access to any or all of these resources? What would be the most useful way for you to get to these resources?

3. If a continuum of collaborative possibilities between PVC and your foundation ranged from coordination to strategic alignment to information sharing, where, if anywhere, would you place your interest?

4. Given PVC's interests, does your foundation have experience and documentation that could be relevant for PVC staff?

5. What kinds of activities do you think PVC and foundations might carry out together that would be of mutual benefit?

Questions for PVOs

PVC-Foundation Project - August-October 2000
Contact: Helen Seidler, Somerset Global Consulting
e-mail: global@somerset.net; phone: 301-263-0902

About the PVC-Foundation Project: Inspired by the current emphasis on developing private-public partnerships to increase the impact of all working in sustainable development around the world, AID's Office of Private and Voluntary Cooperation is exploring the possibility of building relationships with private funders. Somerset Global is implementing this project under contract for PVC. The purpose of the project is to determine the level of interest of private funders in building relationships with PVC for the mutual benefit of foundations, PVC, PVOs and their NGO partners. Interviews are underway with a range of foundations, government entities that have attempted foundation outreach in the past and PVOs.

Purpose of interview: It is very important to have a PVO perspective on a potential foundation outreach initiative by PVC. This interview will assist PVC to determine whether or not to focus on building relationships with foundations, and if yes, how to go about doing it.

Some background on internationally-granting U.S. foundations:

- Goals – *broadly speaking, to have impact, creating lasting change*
- Level of effort – *over 500 foundations who gave at least one international grant of \$10,000 or more. Includes domestic as well as cross-border grants. International grants totaled about 2.3 billion in 1999.*
- Interest areas – *collectively, all sectors. Top four areas are int'l development and relief, health & family planning, int'l affairs and peace, and education.*
- Primary programs – *program support, research, (together make up over 80% of all funding) capital support, general support, fellowships/scholarships.*
- Recipients – *int'l affairs organizations and PVOs, colleges and universities, (together make up almost 60% of all recipients), arts and environment organizations, hospitals & medical facilities, and others*

Questions:

Some background on your PVO:

- scope and nature of your program -
- funders -
- operational partners -
- directions you are moving in -

1. Given the description of foundations above, can you think of any ways in which PVC could support or benefit PVOs by working more closely with foundations?

2. What has been your experience to date with foundations?

3. Are there ways in which PVOs could help foundations with their international grantmaking?

4. What would you like to see in the future in PVO-foundation relationships?

5. Do you have any ideas for collaborative activities that PVC, foundations and PVOs might carry out together for the mutual benefit of all?

6. Do you have any comments or messages for PVC as it embarks upon this study of possible relationships with foundations?

Summary – PVO Responses

1. Given the description of foundations above, can you think of any ways in which PVC could support or benefit PVOs by working more closely with foundations?

A. Serve foundation needs: PVC can explore what foundations need for their international grantmaking and tell them what services it can offer. Examples might be: help in administering or evaluating an overseas grant, identification of NGOs in a given sector and country according to foundation interest.

B. Provide PVO-foundation meeting ground: Where there are common interests, the two communities need to know each other better. There is much to learn and do together to increase impact where goals overlap. Can PVC work with PVOs and foundations to create such a meeting place?

C. Increase resources directly through a matching grant program: Set up a matching grant program by field of interest in which the RFP is designed by PVC and foundations and a joint panel makes final decisions. For every dollar that PVC and the foundations put in, the PVO contributes a dollar as well.

D. Leverage funding: All parties want to leverage their funding with the contributions of others. PVC could identify complementary interests of other bilateral agencies, PVOs, other international or national NGOs, and foundations and host a planning process for a summit to explore how more leveraging might take place.

E. Increase level of donor coordination: Holistic programming is difficult because funding can be disjointed by virtue of working with more than one funder (including AID and foundations). Components of programs often get artificially segmented. Could PVC help assure funder coordination at the program level?

F. Communicate PVO concerns to foundations: PVC could be in a position to bring issues to the attention of foundations that the PVOs themselves do not feel at liberty to bring up.

2. What has been your experience to date with foundations?

New initiatives of established organizations are hard to fund because foundations are seeking new partners (often local NGOs). There has been increased competition for foundation money as AID funding has dropped, and most foundations are more generous domestically than internationally. A frustration is that many foundations are engaged in restructuring or refocusing putting relationships and funding on hold for long periods of time.

3. Are there ways in which PVOs could help foundations with their international grantmaking?

- PVOs and foundations (and others) could jointly identify what a given field needs through substantive discussion of the issues. A challenge would be selecting and framing the areas to focus on. Another challenge is finding a common language

so that PVC, foundations, PVOs and the private sector can communicate effectively.

- PVOs could give honest feedback and advice to foundations. Some have organized such meetings and found them to be a good experience.
- PVOs can help foundations working with indigenous organizations that need capacity building. PVOs can also perform “due diligence” on local NGOs for foundations within a particular country or sectoral interest.
- PVOs can provide oversight for foundation projects in given countries.

4. What would you like to see in the future in PVO-foundation relationships?

- A common gathering place focused on development topics – Critical issues and case studies could be discussed. One theme might be “credit and enterprise development.” Foundations from other countries could be included as well.
- More inter-organizational learning in fields of interest – Opportunities exist to establish best practices, develop case studies, do impact evaluations and disseminate results.
- Joint targeting of essential development objectives

5. Do you have any ideas for collaborative activities that PVC, foundations and PVOs might carry out together for the mutual benefit of all?

- Design a joint program to encourage more foundations to engage in international grantmaking. Sample activities might be organizing trips for funders, getting on the agenda of Business for Social Responsibility and the Social Venture Network, making presentations to the managers of the Fidelity Charitable Gift Trust.
- Adjust PVC’s matching grants program so that it can coordinate with existing foundation interests. Develop concrete programs where there is joint funding.

6. Do you have any comments or messages for PVC as it embarks upon this study of possible relationships with foundations?

Anything PVC can do to enlarge the funding pool for international efforts would be good. Relationship building with foundations is a good move if the objective is to align strategic resources. PVC and foundations would need to hone in on a few areas and decide where to focus their resources for their joint work.

PVC must make a long-term commitment to meeting the needs identified by foundations and PVOs. It must be willing to invest appropriate staff and financial resources to build and maintain these relationships. It must be committed to doing it right – or not do it at all.

Summary – Government Responses

1. What have been the goals of your work with foundations?

- To convince foundations that more can be accomplished with a greater amount of resources focused on their areas of interest
- To leverage AID funding
- To fill gaps in areas of interest and concern
- To fulfill mandate to work with the private business sector to expand support for grassroots development
- To achieve program goals of the organization, need to work with many different partners (foundations, NGOs, bilateral agencies, multilateral organizations)
- To gain grantmaker support or organization's priority areas
- To set the stage to break away from funding local organizations by helping to open up other options for financial support for them.

2. What has been your experience in building relationships with foundations?

- Work with foundations shifted from discrete activities to strategic investments in issues and countries.
- For a good example of a 10-15 year working relationship with a corporate foundation, see the AID Office of Nutrition and Health.
- Initially we helped big foundations find good local NGOs with whom to work; they no longer need this assistance.
- A successful strategy was to present funders "stellar" projects with external evaluations and describe how much more could be done.

3. What advice would you give to PVC as it thinks about moving ahead in this arena?

- Focus your efforts – set criteria and establish priorities to determine which foundations to target.
- Find areas of common interest and determine the mutual benefit.
- Match AID/PVC programs with similar programs funded by foundations.
- Look at issues sectorally and partner accordingly; Look for the win-win in the opportunity (very important); Make sure that the effort being supported has a long-term sustainability plan; deal with the challenge of slower, less flexible decision-making on the part of government up front. Be honest about how you operate, don't save any surprises for later.
- Open the door slowly to a broader agenda in the future.
- Understand that you will need to invest resources to build and maintain foundation relationships; this is not something that you can do "on the cheap."
- You will need a well thought-out, long-term strategy to accomplish your goal, and that strategy should be understood before action is taken.
- If PVC chooses to focus on developing relationships with national and multinational corporations to assist them to carry out socially responsible work at the grassroots, in-depth advice is available on managing this process from the InterAmerican Foundation.

Since the World Bank has the most fully developed foundation initiative, its information is presented separately.

Goals of World Bank foundations initiative:

1. **To gain knowledge and experience from foundations** in good practice, research and data, expansion of service delivery to the public and private sectors, strengthening rural and urban civil society and infrastructures, and improving economic development..
2. **To share Bank information, knowledge, and resources with foundations** that foster complementarity in Bank/Foundation work, and promote national and community-based sustainable development.
3. **To enable operational partnerships with foundations on specific issues or sectors; and undertake special initiatives to broaden and deepen Bank/Foundations development work.** Initiatives include: dialogues, consultations, conferences, seminars, and consortia initiatives, such as distance learning.
4. **To consult with foundations on initiatives that will be foundation based, yet complementary to Bank priorities,** in: prioritizing research, data collection, evaluations, reviews, assessments, and strategies that replicate or amplify the application of Bank knowledge and innovations.
5. **To link Bank/Foundations capacities** to convene, finance, and/or co-finance programs and projects and other regional or global initiatives.

Experience: After an initial program in 1997 to bring foundations and the World Bank together, the follow-on program managers needed to find a way to coordinate approaches to foundations. The solution is a Foundations Working Group of 35 senior managers and an internal web site where foundation contacts listed. The list is to be consulted by Bank staff before fresh approaches to the same foundations are made.

Advice: Need to get internal communications mechanisms in place so foundations don't feel overwhelmed by attention and demands of agency staff. If AID/PVC wants to influence the development scene at the level of multinationals and other bilateral agencies, it needs to make sure there is an international presence other than Americans.

Program Ideas:

- Activity should be visible, such as an embassy-multilateral-AID group in D.C. to meet on issues related to the independent sector.
- Bank will host a meeting of the Bellagio Forum next year and could sponsor a couple of days with PVC around that meeting to investigate working with PVOs/NGOs.
- In the field, the AID Mission Director could host gatherings of those working on common interests: foundations, World Bank staff, PVOs and NGOs, UN and other bilateral and multilateral agencies.
- Staff exchanges of all kinds are possible.
- Key players with common interests could set a joint research agenda.
- PVC/AID could form collaboratives around specific sectoral interests.

Executive Summary
PVC-Foundation Project

Office of Private and Voluntary Cooperation
U.S. Agency for International Development

Helen Seidler
Somerset Global Consulting
A division of Somerset Systems, Inc.
November 17, 2000

AMA Technologies, Incorporated
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Table of Contents

I.	Introduction	1
II.	Information Gathering Process	1
III.	Findings from the Foundation Interviews	
	A. Summary Picture: the Stance of Foundations on Engaging with PVC: Corporate, Community, Large and Medium size Independent, Small Independent, and Operating Foundations	1
	B. What Foundations Need from PVC or Others	3
	C. Experience Foundations can Share with PVC and Joint PVC-Foundation Program Ideas Suggested by Foundations.....	3
IV.	Findings from the PVO and Government Interviews	
	A. PVO Findings.....	4
	B. Government Findings	5
V.	Conclusions based on Analysis of Findings	5
	A. Target Audiences.....	6
	B. A Role for PVC in Working with Foundations	6
VI.	Recommendations for Designing and Implementing a PVC-Foundation Program	7

Appendix:

- A. List of Interviewees

I. Introduction

This project was launched by PVC to explore the possibility of building PVC-foundation-Private Voluntary Organization (PVO) relationships in order to enhance the overall impact of their work in sustainable development. The underlying premise of the project was that the efforts of PVC, PVOs and some private U.S. foundations have much in common. At the goal level all may be working for sustainable development with interests in areas such as education, environment, health and population, micro-enterprise, agriculture, human and organization capacity building, and U.S. public awareness of development issues. Their geographic emphases may overlap, whether in Africa, Asia, Central and Eastern Europe, Latin America or the United States, and they may be seeking to work with the same local partners from community-based organizations to non-governmental organizations to governmental entities. It seems logical to suppose that some form of coordination, strategic alignment, or at least information sharing among foundations, PVOs, and PVC would be beneficial not only for all parties but also for their various operational partners around the world.

II. Information Gathering Process

Helen Seidler, the consultant for this project, met with PVC staff in August to introduce the activity; reviewed key documents of PVC; prepared sets of interview questions for staff from foundations, PVOs and other government agencies that have built relationships with foundations; and gathered the following information through 41 in-person and over-the-phone interviews:

- a. Descriptions of existing AID-foundation experience and foundation funding of some PVOs
- b. The experience of other governmental aid organizations (e.g., World Bank, Inter-American Development Bank, the Organization of American States) in fostering foundation cooperation
- c. Opinions on the anticipated benefits of an effort by PVC to increase foundation access to PVC resources and PVOs from the perspectives of both foundations and PVOs
- d. The identification of areas of potential collaboration and suggestions of concrete actions that might be taken by PVC.

III. Findings from the Foundation Interviews

A. Summary Picture: the Stance of Foundations on Engaging with PVC

Foundations have different interests and different degrees of interest in working with PVC depending on the type and size of the foundation and its history in international grantmaking. For some foundations a relationship built on the concept of networking made sense, for others a relationship focused on learning or "advancing the field" was attractive. Funding or co-funding relationships could be imagined as something that might evolve as a result of other activities implemented together first.

1. Corporate Foundations: For the most part their interest in accessing AID and PVC is on an “as needed” basis and only where there is sector overlap in countries in which the corporations are working. If a specific need for information arises and PVC could supply the answer, corporate foundations would like to make contact. Making linkages in-country between AID, PVOs and local NGOs and corporate foundation managers seemed the most promising image of PVC-Corporate foundation collaboration. In cases where the corporate foundation is explicitly dedicated, at least in part, to an international program, the interest in linking to AID in-country is quite high.

2. Community Foundations: The international grantmaking of community foundations is donor-driven, meaning that any international activity results from the interests of specific donors who have established funds with the community foundation rather than from the foundation’s grantmaking strategy. As a result, like corporate foundations, community foundations envision contacting PVC only on an “as needed” basis. Some community foundations, however, see the opportunity to educate their donors about giving for sustainable development and can envision a role for PVC in supporting that process.

3. Large and Medium size Independent Foundations: There tend to be significant areas of overlap in the sectoral interests of PVC and large and medium size independent foundations engaged in sustainable development. It seemed to most that there ought to be value in exchanging information, strategy and learning with PVC, while concerns were voiced about how to do this efficiently. In addition these foundations have developed very tightly focused and in-depth strategies in a limited number of countries and, as with corporate and community foundations, their interests in relationship building with PVC are tied tightly to their areas of grantmaking. Some foundations wondered about PVC’s interest and ability to meet grantmakers where they do much of their work – for example in affinity groups and at national and international meetings aimed at civil society groups.

4. Small Independent Foundations: The overwhelming majority of all foundations are family foundations, which means, simply put, that they are governed for the most part by members of a family. (Some family foundations are medium size or even large, but they are exceptions.) Much of the wealth of the 1990s economy and its new technologies has gone into family foundations. For some family foundations international interests are stirring for the first time, and they need help in understanding how they can apply their grantmaking dollars to make a difference in any of a number of worthy international causes. Small foundations beginning to work internationally can see opportunities for PVC to help them build their programs. Other family foundations have expertise and a track record in international work. Both the experienced and inexperienced raise some of the same questions: How can small foundations play a partner role that makes sense in the face of government-level funding? What can small foundations do that PVC cannot? What needs are out there that small foundations can properly address and still have impact in an area of sustainable development?

5. Operating Foundations: Operating foundations may use the return from their endowments to run their own programs; they may fundraise to increase their program

level; they may give grants to other nonprofits – or they may do all of these at the same time. Operating foundations would be happy to enlist PVC’s support of their agendas which range from NGO capacity building to human rights work in Russia to closing the digital divide in Africa. Networking, advancing the field and co-funding are all types of relationships that seem feasible to operating foundations.

B. What Foundations Need from PVC or Others

When asked how PVC might support or benefit your international grantmaking program, foundations responded with a variety of ideas that capture some of the obstacles to international work.

- *Provide help in finding local NGOs to fund:* This suggestion came up a number of times. PVC was asked if it could “recommend organizations to fund in various countries,” or “perform due diligence on local NGOs to assure that they are real organizations doing credible work” or “identify NGOs working in a given sector/country” or “maintain a database of approved organizations around the world that could be considered for international grants.”
- *Share roster of consultants and links to key people and organizations by sector and country expertise.* For example, if a foundation were considering going into a new country, it would be helpful to talk to area experts for their analysis of needs and how to work in certain sectors.
- *Serve as clearinghouse on what AID is doing and on staff within AID who can be contacted.* Another statement of this idea was the opportunity to “demystify” the structure of AID for the internationally active foundation field.
- *Provide a simple list of whom PVC is working with by organization, sector and country on an annual basis.* Program officers could make use this information in their networking and program design activities around the world.
- *Prepare and make available regular updates on the changing environments in different countries:* Information is needed in a systematic way on the evolution of strategic directions of national governments, national economic priorities, regional bodies, multilateral lending institutions, and major bilateral programs. It is very difficult for most foundation staff to gain this sort of strategic overview of countries
- *Make an annotated list of PVC resources available (most conveniently on the web):* This listing could include other tools and resources available through AID.

C. Experience Foundations can Share with PVC and Joint PVC-Foundation Program Ideas Suggested by Foundations

Many foundations are prepared to share their experience citing, for example, work over 15 years with local education systems in nine countries, a strategy for economic development in remote areas, and the results of five PVO/INGO umbrella grants over three years for strengthening local NGOs. Program ideas suggested by foundations included:

1. Link AID/PVC and foundations in local project design efforts in country.
2. Organize “parallel programming” where PVC’s work through PVOs and NGOs and foundation work are complementary.

3. Match needs for policy work in areas of focus of PVC with foundations willing and able to fund in the policy arena.
4. Co-convene one-day sectoral meetings of key players (AID/PVC, cooperating agencies, foundations, consultants) for purposes of networking and information sharing.
5. Co-sponsor meetings on selected sustainable development topics with Regional Associations of Grantmakers and community foundations in various cities in the U.S. aimed at prospective donors.

IV. Findings from the PVO and Government Interviews

A. PVO Findings

PVOs had a number of concrete suggestions of ways in which PVC could support or benefit PVOs by working more closely with foundations. PVOs thought PVC could:

- 1. Serve foundation needs:** PVC can explore what foundations need for their international grantmaking and tell them what services it can offer. Examples might be: help in administering or evaluating an overseas grant, identification of NGOs in a given sector and country according to foundation interest.
- 2. Provide a PVO-foundation meeting ground:** Where there are common interests, the two communities need to know each other better. There is much to learn and do together to increase impact where goals overlap. Can PVC work with PVOs and foundations to create such a meeting place?
- 3. Increase resources directly through a matching grant program:** Set up a matching grant program by field of interest in which PVC and foundations design the RFP and a joint panel makes final decisions. For every dollar that PVC and the foundations put in, the PVO contributes a dollar as well.
- 4. Leverage funding:** All parties want to leverage their funding with the contributions of others. PVC could identify complementary interests of other bilateral agencies, PVOs, other international or national NGOs, and foundations and host a planning process for a summit to explore how more leveraging might take place.
- 5. Increase level of donor coordination:** Holistic programming is difficult because funding can be disjointed by virtue of working with more than one funder (including AID and foundations). Components of programs often get artificially segmented. Could PVC help assure funder coordination at the program level?
- 6. Communicate PVO concerns to foundations:** PVC could be in a position to bring issues to the attention of foundations that the PVOs themselves do not feel at liberty to bring up.

PVOs believe there are ways in which they can help foundations with their international grantmaking:

- PVOs and foundations (and others) could jointly identify what a given field needs through substantive discussion of the issues. A challenge would be selecting and framing the areas to focus on. Another challenge is finding a common language so that PVC, foundations, PVOs and the private sector can communicate effectively.

- PVOs could give honest feedback and advice to foundations. Some foundations have organized such meetings and found them to be a good experience.
- PVOs can help foundations working with indigenous organizations that need capacity building. PVOs can also perform “due diligence” on local NGOs for foundations within a particular country or sectoral interest.
- PVOs can provide oversight for foundation projects in given countries.

Finally, PVOs caution that this sort of relationship building requires from PVC a long-term commitment and the appropriate staff and financial resources to do it well. PVOs would welcome such an initiative on the part of PVC and stress the need to select a few areas of focus and work in depth.

B. Government Findings

The goals of government agencies in working with foundations have been in three areas: leveraging funding for the government’s development priorities, achieving broader program goals than would otherwise be possible, and diversifying the funding base of those organizations the government is working with.

Government agencies offer some specific advice to PVC as it thinks through a foundation strategy:

- Focus your efforts – set criteria and establish priorities to determine which foundations to target.
- Find areas of common interest and determine the mutual benefit.
- Match AID/PVC programs with similar programs funded by foundations.
- Look at issues sectorally and partner accordingly; Look for the win-win in the opportunity (very important).
- Make sure that the effort being supported has a long-term sustainability plan.
- Deal up front with the challenge of slower, less flexible decision-making on the part of government. Be honest about how you operate, don’t save any surprises for later.
- Open the door slowly to a broader agenda in the future.
- Understand that you will need to invest resources to build and maintain foundation relationships; this is not something that you can do “on the cheap.”
- You will need a well thought-out, long-term strategy to accomplish your goal, and that strategy should be understood before action is taken.
- If PVC chooses to focus on developing relationships with national and multinational corporations to assist them in carrying out socially responsible work at the grassroots, in-depth advice is available on managing this process from the InterAmerican Foundation.

V. Conclusions based on Analysis of Findings

These conclusions reflect the input of the government and PVO interviews in addition to the foundation interviews.

A. Target Audiences

Within the foundation world there are potentially three different target audiences for PVC.

Presidents and CEOs: In general this group comes together with peers in government (including the multilateral institutions) and the private sector and engages in issues of strategy around a chosen sector or problem. Who convenes these meetings and what results are expected from them are key to gaining the participation of this audience.

Vice Presidents and Senior Program Officers: Coming from experienced international grantmaking foundations, this audience also meets with its peers and focuses on advancing the expertise in selected fields in addition to other common interests relating to the management of foundations.

Foundations and Donors newly interested in learning about sustainable development: This audience comprises foundations of all sizes that are new to international work and specifically community foundations that have access to individual donors who may be interested in international causes if they learn more about them.

B. A Role for PVC in Working with Foundations

The interviews with foundation, government and PVO staff yielded a rich array of ideas and information. Upon analysis of this input, the outline of a PVC outreach program to foundations emerged with emphasis on information sharing, creating opportunities for new partnerships, and donor-coordinated leveraging of funding for work in sustainable development through voluntary agencies and their local partners. The primary audiences for these activities are Vice Presidents and Senior Program Officers, with a secondary audience of "foundations and donors newly interested in learning about sustainable development."

Two specific goals with accompanying strategies describe the major directions of a PVC outreach program to foundations.

Goal 1: Provide for information exchange and dialogue with foundations already engaged or wishing to engage in international grantmaking. This goal responds to responds to foundation interest in accessing PVC's global network of contacts including AID missions, PVOs, NGOs, local corporations, local consultants, and other multilateral and bilateral donors and to the mutual interest of PVC and foundations to share technical information and lessons learned. Under this goal PVC helps foundations find information they need to support their international grantmaking and, working along with foundations, identifies ways foundations and PVC can exchange experience through printed documents and face-to-face dialogue.

Specific activities PVC could carry out respond directly to the foundation needs outlined on page 4 of this summary. They include facilitating joint in-country program design work by foundation representatives and AID or PVO/NGO staff, and assisting foundations in finding and assessing local organizations to fund, and, once funded, in monitoring and evaluating their work. PVC has the opportunity to use its extensive network within AID and the PVO community to connect foundations that want to work locally to key players in their areas of interest. This activity would result in programs

that are responsive to local realities and create strong relationships between funders and implementers on the ground. A “resource kit” of information to support international grantmaking could result in dramatically increased international giving by private U.S. funders. At the same time, information exchange between PVC and foundations can be initiated and promoted by jointly designing mechanisms that take advantage of technology and make use of scheduled meetings of PVO and foundation sectoral networks.

Goal 2: Increase and harmonize funding in selected sustainable development sectors. This goal responds to the shared interest among foundations, government and PVOs in leveraging their investments of time, talent and resources to gain greater impact on the issues addressed by their programs. Under this goal PVC works with foundations and PVOs within a chosen sector to identify “state of the art” practices in the sector and opportunities for “parallel programming” whereby foundations and PVC can support each other’s efforts through targeted grantmaking.

Informal consultation with key funders, the relevant foundation affinity group and key implementers in the sector would begin the planning process for these activities. Following the initial gatherings PVC can determine the level of interest in developing a joint matching grant program that would include foundations, PVC and PVOs as participants in the match. The aims of such a program would be to support best practices and to increase the resources focused on a given problem, perhaps in a given part of the world.

VI. Recommendations for Designing and Implementing a PVC-Foundation Program

Two separate but complementary goals have been proposed for PVC’s foundation outreach program. One is to provide for information exchange and dialogue with foundations, the other is to leverage foundation/PVC/PVO funding through a set of activities that focus on a chosen sector. Following are recommendations for designing and implementing the programs that support these goals.

- I. PVC takes initial steps in the planning of programs for both goals to better understand the nature and complexity of each set of activities. A timeline and budget is needed for these preliminary activities.

For the **information exchange and dialogue goal** this would include:

- Producing a detailed write-up of the concept to use as a discussion piece
- Making an inventory of existing AID written material on areas of interest that can be shared with foundations
- Analyzing of what would be involved in putting together other materials that are of interest to foundations
- Holding internal discussions within PVC and AID with those who might be involved in sharing information with foundations as the program moves forward

- Putting together a list of ideas for information exchange on-line about publications and meetings open to foundations, and a list of ideas of opportunities for face-to-face dialogue
- Consulting with a number of foundations to ask for feedback on the concept and how they would like to shape it.

For the **increasing and harmonizing funding goal** this would include:

- Selecting a sector on which to focus, the choice to depend on area of need, opportunity, existence of interested potential partners, PVC staff capacity
 - Organizing a small meeting with foundations working in the chosen sector to discuss ideas and means of collaboration
 - In response to the results of the meeting, identifying members of a team of foundations, PVOs and PVC to plan various activities such as a sectoral “state of the art” meeting and to explore the interest in developing a matching grant program administered jointly by PVC and foundations
 - Holding a first meeting of this team.
2. Following these preliminary activities PVC and its partners can determine the scope of activities and level of effort desired. If appropriate, then PVC and its partners design one or more full strategies that include specific goals, a set of activities, a timeline, a budget, a communications plan, and an evaluation plan.
 3. PVC needs to develop a means of communicating this planning process and decisions as they are made to all interested parties within and outside of AID (e.g, Advisory Committee on Foreign and Voluntary Assistance, foundation affinity groups in relevant interest areas, InterAction, other government development assistance organizations).

Organizations Interviewed for PVC-Foundation Project
August – November, 2000

Foundations

1. AT&T Foundation – Tim McClimon, President
2. American Express Philanthropic Program – Connie Higginson, Vice President, Philanthropic Programs
3. Banyan Tree Foundation – Michael Gibbons, Associate Director
4. Carnegie Corporation of New York – Pat Rosenfield, Chair, Carnegie Scholars Program
5. Community Foundation of the National Capital Region – Terri Freeman, President
6. Community Foundation Silicon Valley – Peter Hero, President & CEO
7. Peter C. Cornell Trust – Susan Cornell Wilkes, Trustee
8. FXB Foundation – Suzi Peel, Executive Director, FXB Foundation US
9. Ford Foundation – Srilatha Batliwala, Program Office for Strengthening Civil Society, Governance and Civil Society Program
10. Ford Foundation – Betsy Campbell, Senior Director for Asset Building and Community Development Program
11. Conrad Hilton Foundation – Dyanne Hayes, Vice President for Programs
12. International Youth Foundation – Bill Reese, Chief Operating Officer
13. Henry M. Jackson Foundation – Lara Iglitzin, Chief Executive Officer
14. Lucent Technologies Foundation – David Ford, President
15. MacArthur Foundation – Mitchel Wallerstein, Vice President, Global Security and Sustainability
16. McKnight Foundation – Dan Bartholomay, Program Officer
17. Moriah Fund – Jack Vanderryn, Program Director for Environment
18. C.S. Mott Foundation – Elan Garonzik, Program Officer
19. Minneapolis Foundation – Emmett Carson, President & CEO
20. New York Community Trust – Joyce Bove, Vice President Programs & Projects
21. Rockefeller Finance Services – Connie Crosson, Deputy Director, Philanthropy Department
22. SmithKline Beecham – Doug Bauer, Executive Director, Community Partnerships
23. Texaco Foundation – Anne Dowling, President
24. United Nations Foundation – Melinda Kimble, Vice President Programs
25. Wallace Global Fund – Catherine Cameron, Executive Director

Breakdown by type of foundations:

7 Large and medium size private foundations: Carnegie Corporation, Ford Foundation (2 interviews at Ford), Conrad Hilton Foundation, MacArthur Foundation, Moriah Fund, Mott Foundation, Wallace Global Fund

5 Corporate foundations: AT&T Foundation, American Express Philanthropic Program, Lucent Technologies Foundation, SmithKline Beecham Community Partnership Program, Texaco Foundation.

5 Family foundations: Banyan Tree Foundation, Peter C. Cornell Trust, FXB Foundation, McKnight Foundation, Rockefeller Financial Services Philanthropy Department.

4 Community foundations: Community Foundation for the National Capital Region, Community Foundation Silicon Valley, Minneapolis Foundation, New York Community Trust

3 Operating foundations: International Youth Foundation, Henry M. Jackson Foundation, United Nations Foundation

Government Organizations

1. AID Global Bureau, Bureau of Health/Population/Nutrition - Duff Gillespie, Deputy Assistant Administrator of AID, Director of the Center for Population, Health and Nutrition
2. AID Global Bureau, Center for Population, Health and Nutrition - Monique Derfuss, Senior Technical Advisor for Donor Coordination
3. AID Global Bureau, Center for Population, Health and Nutrition – Cheryl Malanick, Vitamin A Coordinator, Office of Health and Nutrition
4. InterAmerican Foundation – Linda Borst, Vice President for Programs; Walter Price, Director of Office for South America; Audra Jones, Foundation Representative South America
5. InterAmerican Development Bank – Fabian Koss, Youth Liaison, Special Programs Section, Office of External Relations
6. Organization of American States - Susan Benson, Executive Director, The Trust for the Americas
7. U.S. Fish & Wildlife Service – Ellen Murphy, International Affairs Specialist-Mexico Program Officer
8. World Bank – Joan Martin-Brown, Foundations Coordinator

Private Voluntary Organizations

1. Aid to Artisans – Tom Ageson, Executive Director
2. CARE - Dan O'Brien, Director for Corporate and Foundation Relations
3. Carter Center – Larry Frankel, Chief Development Officer for Peace Programs
4. Inmed – Linda Pfeiffer, President
5. Save The Children – Charlie MacCormack, President & CEO
6. Technoserve – Peter Reiling, President & CEO