SHEDDING LIGHT ON OUR OWN PRACTICE

LESSONS ABOUT THE IMPACT AND EFFECT OF OUR OWN BEHAVIOUR

A REPORT PREPARED FOR
THE EUROPEAN PHILANTHROPY
LEARNING INITIATIVE
BY

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WITH SUPPORT FROM
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FONDATION LOMBARD ODIER
OAK FOUNDATION
PEARS FOUNDATION

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FOREWORD

Shedding Light on Our Own Practice **addresses a theme of the utmost importance, as the trends that are taking shape in the European philanthropic scene show.**

Two aspects stand out sharply: the first is that there is widespread consciousness that the cultural and social problems that foundations address are complex and global. Second, the priorities of philanthropic programmes have considerably changed as a result of the financial crisis, which began in 2007 and whose effects are still being felt.

As a consequence, we are more and more aware that solutions to problems must be multidisciplinary. Efficient programmes must also promote cooperation among the various players, making sure that they share a common vision and abide by common values. That is when culture assumes a broader meaning as it generates social effects.

While the impact of the economic crisis is underscoring the need for urgent intervention, it also reminds us that efforts should not be dispersed, that resources cannot be wasted, that results must be measured and inefficient strategies reviewed, and that foundations must increase their impact on society.

That European philanthropists are aware of this is shown both by the findings of this research and by the lively debate prompted by its presentation at the EFC's 2012 AGA and Conference in Belfast. A new philanthropy in Europe is becoming apparent, and it is the successor to the humanism of the Enlightenment which infused European culture in the 18th century and after. Both are grounded on trust in a scientific approach and the culture of measurement, on the belief in critical debate, on confidence in learning and the free dissemination of knowledge, and on the assertion that all men and women are equally entitled to happiness. These trends have never really gone away; they have been partially repressed or obfuscated during the dark periods of totalitarianism.

It is time for them to come to light again.

In modern philanthropy, learning and knowledge dissemination are proving to be powerful drivers for change. The new generation of philanthropy leaders that is emerging requires scientific methods to inform and complement the more intuitive philanthropic skills. New competences and new attitudes are required to consolidate and disseminate solutions, break out of old patterns of thought and aggregate resources in order to solve the problems we face. All this takes as much energy as intelligence.

The path of learning, knowledge sharing and open debate on our practices is mandatory in philanthropy. This implies a revision of values and a revolution in foundations' leadership styles: no learning organization can be built without, or at the expense of, human resources. In conclusion, a third imperative task, often unsaid and neglected, must be added to those of learning and improvement, and that is education for innovation in the world of philanthropy.

Pier Mario Vello
Secretary General, Fondazione Cariplo

FUNDERS' VIEWS
WHY DID YOU SUPPORT THIS PROJECT AND WHY DO YOU THINK THAT THE ISSUE IS IMPORTANT?

The *Shedding Light on Our Own Practice* project benefited from both the financial support and the active participation of the funder cohort, in the report as well as the EFC Belfast session. We would like to express our sincere gratitude for their involvement and encouragement. We felt it important that they express their own views about this and asked them to answer these questions. Here is what they had to say.

Kathleen Cravero
President, Oak Foundation

Oak Foundation welcomes efforts to promote learning among European foundations. We are anxious to benefit from the learning and experience of others – particularly on how to use what works to improve our own grantmaking.

Diane Feeney and Juliette Feeney-Timsit
President and Member of the Board, FACT

FACT has always believed that capacity-building support is essential for our grantees to develop their full potential. We supported the study because we believe that it can contribute to a peer dialogue that can strengthen the capacity-building of the European philanthropy sector.

Europe is developing its own model of philanthropy. As a sector, we need to constantly promote cross- border collaboration and information exchange. We need to regularly evaluate ourselves and our needs within that framework. The results of the study can help inform our work and highlight areas that need strengthening.

Karin Jestin
Secretary General, Fondation Lombard Odier

Fondation Lombard Odier believes in a dynamic, collaborative and recognized philanthropic sector. In order to achieve this vision, transparency, knowledge sharing and peer-to peer learning are key levers. The *Shedding Light on Our Own Practice* report does exactly that: it shares stories and lessons learned with other actors, with the aim of increasing the social impact that grantmakers can achieve.

Charles Keidan
Director, Pears Foundation

Our foundation supported this project as part of our efforts to explore the nature of philanthropy through research and dialogue with our peers.

The appetite for self-questioning and learning among a community of foundation peers has been increasing in recent years. The level of attendance and quality of discussion at the European Foundation Centre meeting in Belfast in June 2012 represented a high water mark. This is timely because addressing the issues raised in the research, and acting on the recommendations, will help to improve our own practice and, in turn, the impact of philanthropic foundations in addressing pressing social issues across Europe. I hope that foundations will continue to build on what's been learned to date, invest in philanthropic learning and infrastructure, and work together on these issues in the coming years.

Pieter Stemerding
Director, Adessium Foundation

Adessium Foundation wants to contribute to the philanthropy sector by sharing experiences and lessons learned. We believe that the way forward is to learn not only from our own but also from each other's lessons. It is not sensible to reinvent the wheel all by ourselves. Exchanging lessons and sparring on these topics will strengthen the sector as a whole. The session in Belfast and the research are good first steps in exchanging ideas.

The challenge is not only to ask our partners to have impact but also to maximize our own impact. This asks for a learning and questioning attitude within philanthropic organizations. Investing in learning will enhance the effectiveness of philanthropic organizations. Exchanging lessons and best practices stimulates and activates learning. There is also a cost to not investing in learning: we believe the organization risks becoming less effective and relevant.

INTRODUCTION

Philanthropy is changing. Foundations are exploring new and innovative ways to use hidden assets to become more effective. This research was undertaken to provide some preliminary examples of good practice among foundations aiming to enhance *what* they do by improving or changing *how* they do it. It aims to address questions of how process affects policy and strategy. Further, it begins to look at what it is about their own practice that makes a difference, distinguished from the traditional questioning of whether they are 'making a difference' as a foundation.

The project explores the following issues:

- The premise that more can be done with the same resources – that foundation funding could have greater impact if the learning and knowledge culture were enhanced and more vibrant.
- How to promote a culture of strategic, collaborative, transparent philanthropy and encourage the use of academic and applied research tools, guidelines and platforms in pursuit of this aim.
- What needs to be done to mobilize and provide support for a more dynamic learning and information environment which could foster the growth of philanthropy in Europe.

This report is part of the European Philanthropy Learning Initiative, an informal collaboration between donors and consultants. It follows the first stage of the initiative, which was a report by David Carrington, *The Application of Learning and Research to Philanthropy* (2009). It is coordinated by Judith Symonds, working with two other consultants, David Carrington and Karen Weisblatt. It is intended that the next phase of the initiative will be work on enhancing the knowledge and learning infrastructure in order to foster a robust community of philanthropy practice in Europe.

Methodology

This is primarily an interview-based research project. A total of 26 interviews took place between February and April 2012 with leaders and senior staff from a varied group of European foundations. About a third of the interviews were conducted in person in Brussels, London, Lyon, Milan, Paris and Reeuwijk. The full list of interviewees is attached as Annex 2.

The remaining group was interviewed by telephone according to an open-ended guideline, attached as Annex 1. The research sample was not intended to cover the overall learning landscape. A two-page Highlights presentation of these findings was published in June 2012, attached as Annex 3.

Foundations interviewed represent a cross-section of the philanthropic community and include family and endowed, new and old independent foundations. Among their characteristics are:

- The assets[1] of the endowed foundations surveyed range from €74.3 million to €4.6 billion.[2]
- Annual grant distribution ranges from a small cluster in the €150 million range to a few who distribute in the €1 million – 3 million range, with another cluster around €30 million.
- They are primarily grantmaking foundations, although some are hybrid organizations combining both operating and grantmaking programmes.
- Staff size ranges from 2 to 100, though in the majority of cases staff size is in the range of 10–15.
- There are several examples of spend-out foundations, with some completed in 2012.
- They fund a wide range of issues including human rights, environment, child protection, arts, higher education, research, migration, community development and women, with some being single-issue foundations and others working in several programme areas.
- The age range is from over 60 years to 10 years or less.

1 Rounded conversions from original currencies to euros.

2 Atlantic Philanthropies has already spent down €4.64 billion of its endowment, with approximately €1 billion still to be distributed.

The study is a qualitative assessment of a selected sample. It was not designed to produce quantitative information, nor is it intended to be representative of European philanthropy as a whole. Nevertheless, it indicates some strong trends and suggestions for what can be done to improve philanthropy practice.

Interspersed throughout the text are 'snapshot' descriptions of individual foundation practice to provide concrete illustrations of different approaches to these challenges. Although these focus on one specific area of the interview findings, most of the foundations pursue a broad range of assessment and learning practice.

In addition to the interviews themselves, an interactive session to discuss the preliminary findings was held at the European Foundation Centre annual conference in Belfast in June 2012. This is the final report. It is powerfully illustrated by direct quotes from those who were interviewed for the study or participated in the EFC session in Belfast, and includes recommendations that are derived from the interviews as well as from the team of consultants' own experience in this field.

FACT: FOSTERING A LEARNING CULTURE LINKED TO THE FOUNDATION'S THEORY OF CHANGE

FACT was founded in 1989 by a French-American family to address fundamental inequalities and injustices in society. Its mission is to help develop and sustain the field of progressive community organizing and advocacy. In order to have a greater impact during the lives of its founders, FACT plans to completely distribute its endowment no later than 2012, at which point a total of €44 million will have been distributed, with annual distributions of €2.27 million. The bulk of this was granted in the US but a significant portion was also devoted to programmes in France. FACT has a total staff of four.

From the outset, FACT's grantmaking has been based on impacting long-term and systemic change. The organization sought to help individuals fully realize their power by organizing at the grassroots level and forming democratic community-based groups to advocate on their own behalf and develop public policies that serve their collective interests. Over the short lifetime of the foundation it has increasingly emphasized linking the goals of the organization with its theory of change, which is clearly articulated and figures prominently in its communications.

The foundation has prioritized its efforts to impact on the philanthropy sector and on the relationship between the areas of its primary concern in the sector. It has contributed to building institutions and promoted some of their ideas with other partners. Sharing about learning is key to the foundation, and when they see that it has been done successfully it is a significant reward and satisfaction. It encourages staff to do their own learning, attend conferences and participate in leadership programs. It tried very hard to successfully foster an environment and a culture of learning. In accordance with these aims, performance assessment of the foundation itself was based on annual strategic plans and goals including both short- and long-term objectives that were drawn up 10 years ago and updated on an annual basis. On one occasion they did an external evaluation which provided another perspective on how they were doing and brought to the table some useful advice that helped secure board commitment.

In addition, they made a concentrated effort to share learning from working with grantees at funders' conferences, briefings and convenings and to circulate as much material as possible to other funders. For example, some of their successful work in capacity building was disseminated to help develop the sector as a whole – grantees spoke about projects with their other funders who then asked FACT how they could best integrate this work into their own models; here feedback came from both their grantees and their peers.

Measuring success has been complicated. The foundation was most successful when measuring itself against its annual goals rather than simply programme impact. It found that it is difficult to measure impact in the field of social justice, which is about long-term societal change. FACT considers itself successful in engaging more groups in policy change and suggests that sound knowledge of these achievements aided them throughout in their learning, which also helped them develop their strategy and theory of change.

KEY SURVEY FINDINGS

FROM LOOKING OUTWARD TO LOOKING INWARD

This section presents a summary of key findings and trends. It demonstrates that learning for improved practice is consistently important at all levels of the organizations' management and boards or staff, although there is a great deal of variety concerning methodology and approach to this issue.

All of the foundations interviewed for this study undertake some type of assessment procedure related to the impact and outcomes of their work on both a project and a programme level. Sometimes these are annual and carried out by external experts, while others are ongoing and more likely to be carried out internally. Most of the formal evaluation procedures are complemented by staff and community stakeholder site visits. Increasingly, perception studies are included within this assessment mix.

Some established foundations also make comprehensive evaluations at five and/or ten-year intervals. A significant number of those interviewed undertake sector scanning exercises or bring in experts to discuss the broader context in which their foundation is working to provide more balance and depth in their planning and strategic work.

One significant change in practice noted by the study is that foundations are assessing the impact of their own behaviour on outcomes, and beginning this work of outcome assessment at the beginning of a project or programme in full consultation with their grantees. The findings demonstrate that promoting an organizational learning culture depends on committed leadership and that there is no single best method for evaluation and learning.

A new approach and new relationships: talking and listening

Increasingly, foundations are seeing that how they make grants and give support is just as important, if not more so, as who and what they support. Most significantly, there has been a flattening of the 'relationship pyramid' – foundations are less likely to take a top-down approach and more likely to be inclusive and consultative. Further, the development of new approaches to support programmes beyond providing grants is an increasing feature of good practice. Foundations are seeking to increase the potential for more comprehensive and sustainable solutions leading to greater and more lasting impact.

New relationships

Foundations are talking explicitly about enhancing their ability to learn, and this has affected their relationship with grantees; many design their evaluation criteria in partnership so as to be able to genuinely integrate the views of their grantees and beneficiaries. They remain in close consultation with them, increasingly refer to them as partners, and remain engaged with them throughout the life of a grant – and, in some cases, beyond – through site visits, multi-stakeholder feedback sessions and other kinds of interaction. Through these shifting relationships and the cultivation of a culture of '*greater openness*', learning and improving practice on all sides can become more proactive and improvements can be made during the life of a project or programme rather than in retrospect, as has often been the case in the past.

The concept of a culture of openness is considered key to the honest sharing of views and information, and to encouraging all sides to be comfortable with, and to extract the value from, learning from failures. Indeed there is a belief that good practice should enable foundations '*to shift away from external so-called objective evaluation, which is seldom owned by the participants – either funders or those funded – towards creating space within organizations for reflection and better sharing of experience*'.

"We have built up an evaluation pyramid with feedback loops that include stakeholders and third-party participants to break out of the usual 'self-congratulatory circle' of the foundation world."

"We always encourage honesty in monitoring and evaluation. We recognize any project is a learning process, both for the grantee and for ourselves, and that it will undergo changes and adaptations as it progresses."

"We decide on a case-by-case basis whether the grantee leads or the foundation does, and we usually expect to work with the prospective grantee to identify evaluation questions and possibilities and to offer help to them to build capacity and confidence in evaluation."

VOLKSWAGEN STIFTUNG: MAINSTREAMING LEARNING INTERNALLY AND EXTERNALLY

The Volkswagen Stiftung is an example both of mainstreaming learning within and outside of the foundation and of establishing a new relationship between the various stages and types of evaluation.

Established in 1961 from the privatization of Volkswagen GmbH, the Volkswagen Stiftung is an independent, private foundation with assets of €2.3 billion, distributing grants worth approximately €119 million in 2011. The Volkswagen Stiftung has about 90 employees. Since its founding, it has provided just under €4 billion in support of the humanities and science and technology in higher education and research in Germany and internationally.

On its 50th anniversary, the Volkswagen Stiftung published a commemorative volume celebrating its mission not only as a foundation that endows knowledge but as a 'foundation of knowledge' and a 'learning foundation'.

For the foundation, 'evaluation is everyday business'. It permeates all activities related to foundation programmes and the institution as a whole. A distinctive feature of the process is that the foundation 'built up an evaluation pyramid over time with feedback loops that include stakeholders and third-party experts in order to break out of the usual "self-congratulatory circle" in the foundation world'. They actively 'invite ideas from the outside and from bottom up as opposed to previous and prevailing top-down approaches'. Evaluations are used to 'trigger big changes', such as breaking down silos between social science and humanities programmes to create a broader scheme that allows for more innovation. They estimate that 30–40 per cent of changes to their programmes result from external evaluation input.

The evaluation pyramid begins with the application process. Project results and outcomes are evaluated mid-term and afterwards. Funding initiatives and programmes are evaluated at major milestones: an annual status report by programme managers, followed by a status symposium (two to three years after the start), a mid-term evaluation (three to five years after the start) carried out by an independent panel of experts, and an evaluation at the end of the programme. Two or three programmes are evaluated each year. Every five years, comparative programme clusters are evaluated. The foundation has a separate evaluation unit with five staff and dedicated budgets.

At the top of the evaluation process pyramid is a comprehensive institutional evaluation of the Volkswagen Stiftung. This takes place every eight to ten years and is the basis for the next foundation strategy cycle. Internal attitudes to the foundation's evaluation process suggest that it 'fosters awareness and self-reflection', while 'fears and suspicions are replaced by active engagement'. There is also a 'growing conviction that evaluation is indispensable for accountability, innovativeness, and becoming a learning institution'.

www.volkswagenstiftung.de

A new approach

An important theme from the interviews is that learning is critical to achievement of organizational goals. Yet the fluidity of a learning culture is a considerable challenge to the way foundations traditionally work, which tends to be process-driven and linear. Perhaps surprisingly, institutional size is not the main determinant of the approach to improvement in this area but management style and the drivers for change in each specific organization.

An example of the shift in approach is that the evaluation process is consciously evolving from being an exclusive tool for learning and assessing the effectiveness of others to shedding light on internal practice. This is demonstrated in a number of different ways, including the use of grantee perception surveys.

"Our grantee evaluation process is complex and in-depth and leads directly to structuring our own work and strategic planning."

Another approach is for foundations to design bespoke surveys for their specific communities, some of which include in-depth interviews. Foundations are making changes in both policy and practice as a result of what they learn from this process; deep knowledge of both failure and success help them refine their activities. The support that foundations are providing includes direct technical assistance or additional funds for capacity building in a range of areas. Other changes that have resulted from the feedback provided also include increasing attention to the provision of core support rather than project support, and deliberately making fewer but larger grants in order to help effect systemic change.

> **Our ten-year evaluation pointed out that we were project-focused rather than change-oriented. This . . . resulted in the shift towards larger grants and an orientation towards trying to effect systemic change.**

> **We made a strategic change when the board decided to provide general support for partners. This came directly out of their evaluation work where grantees insisted on this need; two years ago we decided to shift to general support, and 65 per cent of funding now goes to general support.**

OAK FOUNDATION: PERIODIC EVALUATIONS AND NEW APPROACHES

The evaluation process can become a driver for change in strategy: it can develop organizational thinking from a focus on projects towards more systemic change and capturing learning opportunities at foundation and programme levels.

The Oak Foundation is a family foundation established in 1998 in Geneva, Switzerland. It commits its resources to *'issues of global social and environmental concern, particularly those that have an impact on the lives of the disadvantaged'.* Oak's funding priorities are: child abuse, the environment, housing and homelessness, international human rights, issues affecting women, and learning differences. There are also special interest and discretionary grants and two national programmes in Denmark and Zimbabwe.

In addition to its Geneva headquarters, the Oak Foundation has offices in eight other countries: Belize, Bulgaria, Denmark, Ethiopia, India, the UK, the US and Zimbabwe. In 2011, the Oak Foundation made a total of US$158 million in grants, distributed in 41 countries. The foundation has an international staff of 50.

As with other foundations where evaluation and learning play an important role in strategic decisions, trustee endorsement is a key factor. The Oak Foundation has always taken evaluation seriously. Oak trustees encourage and sanction the importance of evaluation and reflect and act on the implications and recommendations from it.

The Oak Foundation undertakes different forms of evaluation on the following three levels: first, funding is built into grants so that partners can strengthen their internal monitoring and evaluation capacities; second, Oak increasingly evaluates clusters of grants to measure their contribution to common goals; and, third, comprehensive reviews are undertaken of each programme every five years.

The results of Oak's programme reviews are having a significant impact on foundation practice. For example, the most recent reviews of the Child Abuse Programme pointed out that it was project-focused rather than change-oriented, a finding which echoed the foundation's own thinking and thus encouraged a shift in focus towards larger grants to influence systemic change. This process is described in a separate programme focus 'snapshot'.

In addition, Oak is now dedicating resources to the Child Abuse Programme to support the learning process and the move from disconnected project support to funding that contributes to change, as well as providing resources to build capacity within grantee organizations for accounting, reporting and evaluation.

Oak has also recognized the importance of being strategic in funding assessments or other work which is likely to influence those with shared concerns so as to produce a common response. In the same context, the evaluations demonstrate the importance of disseminating the findings from evaluations, research and other learning activities in a form that will influence policy and practice development.

Learning for itself and the sector

Oak Foundation has been funding work aimed at preventing or responding to the sexual abuse or sexual exploitation of children for over ten years, expending a total of almost $80 million in grants. During that time they commissioned two external reviews, undertaken in 2005 and 2010. They highlighted the general need to strengthen the evidence base within the child protection sector and opportunities for generating learning about effective strategies for addressing child protection issues through grantmaking.

One of the recommendations was to more consciously, deliberately and systematically consider how to support learning, to benefit and inform the foundation and its future funding choices, but to also explore learning that their implementing partners would find useful, and that might help address some of the outstanding issues shared by actors across the sector. The response was to create a full-time staff position in the Child Abuse Programme.

Over the past two years, Oak adopted strategies to increase the integration of learning into all of the work that the Child Abuse Programme supports

Moving forward, Oak will assess whether integrating or mainstreaming learning takes root in the work they support. To this end, the Child Abuse Programme is moving away from making stand-alone learning grants, but hoping to expand the potential for and scope of learning by integrating learning objectives across its grantmaking. The aim is that this will become part of everyone in the programme's approach to grantmaking.

www.oakfnd.org

SLOVAK-CZECH WOMEN'S FUND: A NEW APPROACH TO THE TRADITIONAL FUNDING PYRAMID

The Slovak-Czech Women's Fund (SCWF) hopes to fundamentally change the traditional foundation donor-grantee relationship so as to enjoy a partnership among supporters, donors, women's initiatives, and women and girls.

> **For us, sharing and cooperating is learning. Learning has always been very important, especially since we are such a small fund and yet we are in two countries – we only have two and a half staff positions. Sharing is challenging but we have always seen it as critical. We aim to maintain a pattern of being generalists so that everyone can multi-task within a flat hierarchy.**

Established in 2004, the fund supports the promotion of women's rights and the implementation of the principle of gender equality in society. It supports innovative yet functional solutions to long-term problems faced by women, based on the belief that women know their own situation best and that it is they who can find the most effective ways to resolve both urgent and long-term challenges. In addition, the fund aims to contribute to the development of socially responsible philanthropy in Slovakia and the Czech Republic. A grantmaking foundation, it operates in seven main programme areas: promotion of equal opportunities for women and men; prevention and elimination of violence against women; reproductive rights; prevention and elimination of trafficking in women; advocacy for the rights of women from marginalized groups; advocacy for LGBTQI rights; and support and development of gender studies and education oriented towards the elimination of gender stereotypes.

Learning in all forms is as important to the SCWF as funding per se. The fund assesses impact and value within the sector and has developed an in-depth evaluation cycle whereby the evaluation process feeds directly into the formulation of the strategic work plan including the structuring of application guidelines and calls for proposals. This helps eliminate the traditional funding pyramid, as grantee partners are involved during evaluation sessions that are seamlessly integrated into the funding cycle process.

One particular innovation is the 'deep evaluation' process to assess the relationship between partners and the SCWF. Interviews are undertaken by an external consultant. These are anonymous so grantees are able to express themselves freely. They ask grantees to make comments on all aspects of their work including programmatic priorities, grant application forms and process, communication with groups, public profile and events organized by SCWF, and website and PR materials. The results are then channelled back into the decision-making and strategic process.

The fund takes an unusual approach to assessment: it is *'building an evaluation programme to learn not whether grantees have "succeeded" or "failed" but what they have learned from their experiences as initiators of programmes and projects that were funded by us'.* Because it is engaged in long-term social justice work, success is primarily measured in terms of its role in making the organizations it supports sustainable.

www.womensfund.sk

Drivers of change

A number of factors have helped to produce these changes. Sometimes new leadership has brought in fresh ideas. Some newly created foundations reflect both a special curiosity and commitment to these issues and have been set up with built-in processes to assess their work as well as to confirm that they are best representing the values and goals of their founders from the outset. Often the newness of the institution is a positive factor in this development because it has no customary practice to deal with and has more space to innovate. Similarly, legacy preparations, particularly with foundations spending out, can also provide opportunities in this area and result in major organizational restructuring. Such planning tends to favour thinking about fundamental questions.

These drivers are of varying influence and we do not attempt to rank them at this point, though it seems that leadership, for instance, carries greater weight, both positively and negatively, than others.

Founder directions and legacy preparations

Founder directions and legacy preparations can set the tone and approach of a foundation, whether it is set up to operate in perpetuity or to spend down. Although recently the founder's wishes seem to have a more obvious effect on spend-down foundations, the influence of the founder can be significant in many situations.

In terms of founder influence, the research revealed two broad but distinct categories among foundations. Those in the first derive their direction and focus from some form of founder influence, while those in the second have been set up with more general purposes, and successive generations of trustees (and staff) feel they have a greater discretion to determine policies. This section looks at the first category and how three different types of founder influence might affect the strategic direction and learning environment of a foundation.

- A very traditional driver is the original founding mission, which not only guides but drives the trustees and staff of a foundation several generations later.
- A second type is the direction and driving passion that can be applied to the work of a foundation by a living donor, often impatient for impact during his or her lifetime and very directive of fellow trustees and staff.
- The third example concerns foundations that are spending out and want to ensure that their work has a lasting effect beyond the spending life of the foundation.

“We have been on a journey, from being almost entirely reactive to increasingly clear (as confidence grew and the spend-out deadline approached) about the outcomes we were seeking to help achieve and the criteria we adopted to inform all decisions with determination to make the most of the learning derived from our efforts.”

“We developed our 2011–15 strategy based on the founder’s vision and in the spirit of how he approaches this work.”

“As part of ‘legacy preparations’, we commissioned external help to develop the methodology and invested in the appropriate agency to continue the implementation of a change-making initiative beyond the life of our organization.”

MAVA FOUNDATION: GENERATIONAL CHANGE AND NEW LEADERSHIP

Generational change and new leadership in the MAVA Foundation brought a change in process and more focus on evaluation and learning. For MAVA, *‘internal learning from evaluation is an important tool to achieve our goals. It is more transparent and helps both internally and in relationships with our partners.’*

The MAVA Foundation is a family foundation, established in 1994 *‘as an expression of his [the founder’s] long personal commitment to conservation and to anchor a lifetime’s work for the next generation’.* Its mission is to engage in strong partnerships to conserve biodiversity for future generations. It has three ‘focal’ regions: the Mediterranean Basin, Coastal West Africa, and the Alpine Arc and Switzerland. It also manages a selection of global projects. It has a staff of nine. MAVA is one of the largest private donors in the environment field in Europe.

With a change in leadership in 2010, the foundation developed its five-year strategic plan (2011–15), based faithfully on the founder’s vision of nature conservation and the spirit in which he approaches his work. It began with a highly participative external and internal evaluation, working with an outside consultant. MAVA learned a lot from *‘the honest feedback of its partners, understanding what was working and what could be improved’.* The results informed the development of the new MAVA strategy. An important element was the *‘participative definition of regional priorities which created the basis for them to begin tracking achievement and results in a more systematic way’.*

One outcome of the initial review was an emphasis on assessing the global impact of the foundation and the establishment of a rigorous process to measure proposed projects against MAVA’s goals and objectives. Rather than treating each programme separately, programme staff now come together as a team to make project selection recommendations. This change has enabled them to build a shared responsibility for the foundation’s overall impact, to allow cross-fertilization between programmes and increase learning.

Another outcome is that MAVA now works more frequently with partners from the project development stage to ensure that evaluation is planned into a project from the outset. Once a project is funded, performance is tracked at regular intervals using colour coding that rates both the performance of the implementing partner and the achievement of objectives. This rating system allows staff to be more proactive in identifying and dealing with problems. It also gives the board a simple overview of the performance of all projects in a programme and in turn of the foundation as a whole.

The renewed emphasis on evaluation has meant a more systematic and coherent approach and an increased budget for this activity, though without any specific budget target covering both internal and external evaluations. Importantly, this approach has built a high level of trust – not only among foundation staff and board members but also with grantees, because foundation expectations and means of determining project success are more transparent.

www.mava-foundation.org

THE ATLANTIC PHILANTHROPIES: THE IMPACT OF A SPEND-OUT STRATEGY

The impact of a spend-out strategy, designed to make lasting changes on the sectors and causes the foundation supports, can be dramatic when strategic learning, evaluation and sharing of what is learned is also central to how the foundation does its work.

The Atlantic Philanthropies was created in 1982 with the mission to *'bring about lasting changes in the lives of disadvantaged and vulnerable people'*. It is a limited-life foundation that will close in 2020 in fulfilment of the commitment to *Giving While Living* of its founder, Chuck Feeney. In its 30 years of operation, Atlantic has made grants totalling more than $6.1 billion, with approximately $1.3 billion to commit and its final grants to be made by the end of 2016. Atlantic's main funding priorities are ageing, children and youth, population health, reconciliation and human rights, and founding chairman programmes. The foundation has a staff of approximately 100 and is active in Australia, Bermuda, Northern Ireland, the Republic of Ireland, South Africa, the United States and Vietnam.

In support of the *Giving While Living* philosophy, the foundation makes *'large grants to capitalize on significant opportunities to solve urgent problems now . . . by supporting exceptional leaders and organizations to make lasting improvement in the lives of people who have been denied the opportunities and rights to live with equity and dignity.'*

In 2002, the board of Atlantic decided to spend out its endowment by 2020. This decision necessitated a radical restructuring, with new programmes and operating procedures. As a result, Atlantic staff went through a phase of internal learning, establishing an integrated global support unit called Strategic Learning and Evaluation. This unit focuses on *'helping Atlantic and grantee organizations design evaluations and implement strategic and organizational development initiatives and helps the leaders of causes and movements they support to learn about and evaluate their social change strategies.'*

Foundation leadership, beginning with the board, determines the objectives for the evaluation process and encourages staff to see evaluation as part of their job, mainstreamed into their work. Staff are *'incentivized to undertake evaluations and are not just judged on success but also on the extent to which thoughtful evaluative processes have been put in place'*. Atlantic's primary criteria for success are: impact on the sub-sector where they are working (improving the metrics of target populations), policy change, increased organizational strength of the grantee, and, as grantmaking phases out, the sustainability of organizations and projects.

Today, evaluation has been ingrained into the programme work and Atlantic uses a variety of assessment methodologies and external consultants as advisers, but they are always tailored to, and start with, the needs of the grantees. Cluster evaluations take place regularly and the feedback is part of an ongoing process, with status reports and periodic reviews for the board of all programmes at milestone moments.

Communication is an important part of the learning process, posting stories and reports on lessons learned on their website and convening peers around sector findings as part of the spend-out strategy. Atlantic is dedicated to sharing its learning and learning from its stakeholders and peers.

www.atlanticphilanthropies.org

New leadership

Changes in leadership often introduce new approaches and processes for achieving strategic priorities and they provide a natural opportunity to review the effectiveness of current practice. Indeed, new leaders are often sought for this purpose. Not all new leaders, though, set great store by evaluation and learning. Some, in fact, have been known to dismantle established evaluation structures, preferring a different approach to the process or favouring other priorities.

Others see undertaking a comprehensive evaluation at the outset of their tenure as essential to establishing a benchmark for their mandate. Sometimes results are met with surprise and resistance by a board until they have time to observe the implications – and potential.

> **For the first time after I arrived, we undertook an external evaluation of the foundation as a basis for revising its long-term strategy. The board rejected it at the first meeting, before responding positively at the next. This resulted in decisions to change the foundation's name to differentiate it and to focus activities on one core priority.**

Equally, a board's choice of new leadership can be a deliberate step towards introducing a more systematic approach to achieving their historic mission.

> **We started from the founder's vision and the spirit with which he approached his work and developed 'strategic priorities and goals, and regional objectives' to guide us in achieving them.**

Newly created foundations

Often the newness of an institution allows more space for exploration since it has no traditions to set aside or break with.

> **The trust has adopted a model of change which acts as a catalyst by supporting radically new approaches to using the internet for social good; as an amplifier by working closely with partners to promote and replicate good practice; and as a convenor by bringing together research, policy and practice to mobilize widespread, sustainable change.**

The foundation is trying to build a constantly self-critical culture – through ongoing debate and 'away days'.

Other drivers

Other things that are increasingly a catalyst for change and part of the process of change are periodic evaluations and the use of new technology.

Periodic evaluations

Regular, periodic comprehensive evaluations of a foundation itself, usually coupled with mid-term programme reviews, are often a stimulus to change and to identify the need to improve work mid-stream. This is especially interesting when a foundation learns that it really took the wrong tactic and has the courage to change along the way.

One programme's five-year external evaluation pointed out missed learning opportunities from grants and grantees, so the post of learning officer was created for the programme.

Our assessment process resulted in the evolution from a primarily output-focused approach at the start of our operations to a concentration on outcomes.

In addition, some foundations have developed systems for ongoing internal monitoring of progress towards programme milestones to make adjustments or even halt activities.

The foundation adopted an internal 'traffic light' monitoring system, incorporating data provided by grantees to keep an eye on progress. This led to the purpose, timetable and focus of the funding being geared to reflect and benefit from learning and achievements while grant funding was going on.

New technology

New technology has opened up opportunities for learning in many ways, including across peer communities. It facilitates both the publishing of information and dialogue between project stakeholders in the flattened relationship pyramid. Some funders contribute to this by establishing internal websites for their grantees and members of communities of practice. Other foundations publish case studies of best practice on their websites and make available open source learning centres. In addition, we are beginning to see '*What we are learning*' as a popular tab on foundation websites.

We consider evaluation and developing best practices, which we publish on our website, as part of our organizational capital. It is very important to us.

NOMINET TRUST: CATALYST, AMPLIFIER, CONVENOR

Nominet Trust describes itself as 'a catalyst, an amplifier, a convenor'. Its work explores how the internet can be used for social good and to stimulate positive social action at a grassroots level.

Nominet Trust was set up in 2008 by Nominet, the company that maintains the .uk register of domain names. In 2010–11, the trust made grants totalling £3 million. It aims to make a positive difference to the lives of disadvantaged and vulnerable people by *'harnessing ways in which the internet can be used to seek out, galvanize and nurture the untapped potential of grassroots social action'.*

The trust describes its model of change thus: *'Nominet Trust acts as a catalyst by supporting radically new approaches to using the internet for social good; as an amplifier by working closely with partners to promote and replicate good practice; and as a convenor by bringing together research, policy and practice to mobilize widespread, sustainable change.'*

It has also adopted an approach that is about more than just funding: *'The projects that we support are often small organizations that are attempting to tackle big social problems with limited backing and capacity. We aim to build that capacity by providing a range of business planning and communications support in collaboration with trusted partners. Every investment we make is part of a cycle of research and discovery. We strongly believe that every project is a learning process, both for the project organization and for the trust. Reflecting on how the project is progressing is a crucial part of effective project delivery. This means asking honest questions about what is and isn't working and, most importantly, why? An investment in learning from "failure" may provide key insights that can subsequently be applied to other initiatives. We recognize any project is a learning process and will undergo changes and adaptations as it progresses – and that innovation carries risk.'*

To facilitate these ways of working, the trust uses a wide range of communication and discussion methods with the organizations it supports, individually and in groups. It has developed a knowledge centre on its website and uses various forms of social networking. It asks all applicants to include at least 5 per cent in their budgets to enable grantees to have time for reflection and evaluation, and arranges regular networking sessions for project partners, *'giving them an opportunity to exchange ideas, share experiences and identify opportunities for collaboration'.*

The trust invests a lot of time in reflection by trustees and staff and employs a development research team who sum up what the trust is attempting to do as *'the successful application of new ideas generated at the intersection of insight and invention, which lead to the creation of social or economic value'.* Within this carefully thought-through and comprehensive strategy, however, Nominet Trust also always retains sufficient flexibility to be *'open to surprise'.*

www.nominettrust.org.uk

> **Since 2011, the foundation has started adopting Creative Commons licences,[3] aimed at facilitating knowledge sharing and reaching broader audiences.**

> **We have established an internal '.ning' social networking site[4] that includes grantees to complement our other communications with them.**

Mainstreaming learning and developing a learning culture

A first step towards mainstreaming learning and developing a learning culture is to *'recognize that research and learning is not the same thing'*. Further, there are those who believe that the *'issue is not learning per se but rather critical thinking which should be the focus. One should be looking at freedom of expression, respect for challenges and more accessible discussions.'*

> **Learning needs to be demystified.**

> **Foundations need to have a clear understanding of the need to enable an internal learning culture and establish a process for learning and application. It does not just happen.**

Whatever the impetus for developing a learning culture, the sample agreed that learning has to be an acknowledged crucial plank – although not always one that is easy to put in place – of the foundation's operations: *'For some, it is a shock to face the questions of what works and why – it is always easier for individuals and foundations to default to administrative process and avoid the shock.'*

While it is not always an easy process, a number of comments endorsed the following statement:

> **In order for evaluation and learning to work, it has to be like eating breakfast, part of everyone's DNA.**

Another key point made about learning within foundations and developing learning cultures is that the learning needs are different at different levels of the organization, particularly between leadership and programme officers. These different levels needs have to be accommodated and space provided to allow learning to happen.

As part of the mainstreaming process, many foundations are documenting and sharing learning experiences (through, for instance, publishing and distributing case studies and convening cohort meetings). However, according to many of those interviewed, use of these resources by the broader community is limited.

Some others have helped to create new academic programmes or centres to strengthen the knowledge base in the field in Europe and to ensure that foundation learning becomes part of the broader academic context.

Lastly, mainstreaming learning implies communicating knowledge about practice to a broader community including governments, policy leaders, donors, stakeholders, experts and academics.

> **We also promote a 'community of engagement' which includes some unsuccessful applicants and a 'community of interest' which includes relevant parts of government, peer funders and research councils.**

Whose responsibility is it?

There is no single path to developing a learning culture. *'The challenge is how to develop a learning culture "in the belly" of an institution especially among foundation staff who were not originally hired with that as a primary mandate.'* Change can be difficult. In many instances, a CEO's attitude is essential and determines the style of the learning and, when things work well, programme staff contribute to maintaining momentum.

> **Foundation leadership encourages staff to see evaluation as part of their job, mainstreamed into their work. They are encouraged to do evaluations and not just be judged on success.**

> **Frontline staff see evaluation as part of their work, not an add-on.**

> **The drivers for these sorts of developments are the leadership of the organization and the culture that they must instil – it will not come from adapting tools or prescribed methods.**

Boards too can be the catalysts and play a pivotal role. Their support is often especially vigorous and their own focus can move from strictly operational governance to strategy and influence for change.

On the other hand, some respondents feel that foundation leadership does not give enough value to training and learning experiences, with a suggestion being made that they may not want to change their practices.

> **Top management in foundations see training and learning experiences as fringe benefits and not something that could produce concrete improvement in their practice and effectiveness.**

Specialist external consultants, used periodically, can also provide valuable expert and neutral perspectives as well as additional credibility to the different forms of assessment and research undertaken by foundations.

> **Evaluators must have expertise in the area in order to ensure knowledge of context, but must have enough distance from the project to safeguard their impartiality. In addition, more clarity is necessary on whether evaluators are meant to evaluate or advise.**

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3 Creative Commons (CC) is a non-profit organization headquartered in Mountain View, California, United States, devoted to expanding the range of creative works available for others to build upon legally and to share. *It is specifically designed for website use.* http://wiki.creativecommons.org/FAQ

4 Ning is the world's largest platform for creating social websites (www.ning.com).

Continuous from the start

As evaluation and learning have become more and more integral to foundations' work, there is increasing recognition that these activities need to be continuous from the start of a programme, enabling adjustments to be made in real time. This means that one needs to identify learning questions with every new grant proposition. 'Continuous from the start' usually means a flattened learning pyramid as well, including grantees, beneficiaries and other stakeholders in the evaluation planning process. The implications from all of this are clear: there needs to be a more sustained effort to invest in grantee learning too.

> **You need to think about evaluation at the start of your project. It is virtually useless to start doing it halfway through or, worse still, at the end.**

> **We begin an open and honest dialogue with grantees, individually and collectively – as an explicit expectation from the start, a change derived directly from the grantee perception report.**

ADESSIUM FOUNDATION: A NEW ORGANIZATION BUILDING SELF-ASSESSMENT INTO ITS WORK PLAN FROM THE OUTSET

Four key components comprise a unique approach to learning that has been integral to this foundation's strategy since it was created.

A Dutch family foundation set up in 2005, Adessium operates in the areas of informed society, justice and security, people and nature, and also has a portfolio of special interest projects. Its work ranges from funding foreign policy initiatives to operational assistance to protect the most vulnerable in society. Adessium addresses subjects of significant social and global importance and enters into multi-year partnerships in order to effect lasting change. It spent €18.5 million in 2011 in its mission to create a balanced society.

To help remedy the paucity of applied research to improve the effectiveness and impact of the philanthropy sector in Europe, the foundation participated in launching the Erasmus Centre for Strategic Philanthropy (ECSP) in conjunction with the University of Rotterdam.

In addition to this significant commitment to developing knowledge in the sector, the importance of learning for Adessium is manifest in four main ways. First and foremost, it has developed a strong learning culture of openness and critical reflection among all stakeholders in the foundation including professional staff, board and the founding family, which has allowed them to share failures as well as successes from the outset: *'This is not a risk-averse organization.'* Its relatively small team of ten works with a monitoring and evaluation specialist. The foundation also encourages learning by doing and has developed a broad portfolio of experimental projects and built in regular informal assessments to learn and develop strategy within the team.

Learning from peers and sharing lessons with new philanthropy players is another core concern. For example, in its third year of operation, staff visited 15–20 primarily endowed foundations to learn from their experiences, successes and challenges. Finally, it believes strongly in learning from partners and third parties and does this by undertaking a substantial number of forward-looking evaluations as well as relying on independent experts and special advisers; it has also used a grantee perception study. A plan to roll out an evaluation at programme level during 2012–14 is under way.

www.adessium.org

Learning from failure

We found a greater readiness than in the past to reflect on learning from what has not worked. Increasing the ability to do this was a frequent theme of these conversations, as was the challenge of getting both funding organizations and grantees to participate equally. There are two components to this process: the first is recognizing the value in learning from failure; the second is creating an environment that is conducive to identifying and talking about lessons from failure, for foundation staff, grantees and other stakeholders. Good news is not enough.

> **We believe investment in learning from failure may provide key insights that can subsequently be applied to other initiatives.**

> **You must build an openness to failure – if the grantee is nervous about how much they can trust the foundation they may be liable to try and play down or conceal problems. If this is the case truthful learning is at risk.**

The issue of defining failure and being wary of short-term interpretations of success was raised as well.

> **When is success a failure? When you work in isolation; when a project or programme provides an opportunity, but there is no government policy change, systemic change.**

Success and failure were often seen as related to long-term organizational vision and thus could be determined only from a longer-term perspective.

Cross-programme learning

A number of institutions are addressing the issue of cross-programme learning, with an eye to maximizing synergies and taking a comprehensive approach to seeking solutions for their priority issues.

"Cross-programme learning is very important to achieving our goals. Cross-function teams worked together on mapping the landscape of our priority themes and we have monthly site visit reviews for all programme officers."

Size can be an issue in this kind of work. It is far more complex to encourage and facilitate learning across programmes in organizations with a large staff spread throughout the world, but even in small organizations, in order for it to be effective and to be integrated into practice, it needs to be a deliberate process.

"With the size of our staff, we have needed to systematize sharing learning across departments as collegially as possible, and in addition there is a policy to support this. Having a dedicated internal learning director and head of evaluation helps."

Sharing best practice between different foundation departments can fall by the wayside unless cross-programme learning is part of the foundation's practice. But there are numerous ways to break down these silos, as these examples demonstrate:

"Four of our project managers set up an internal community of practice aimed at comparing project management tools, techniques and challenges in their respective fields: arts and culture, environment, social welfare and education."

"We re-engineered teams and began bringing them together for practice discussions – all front-line staff from several offices to talk about managing change, across programmes and geographies – and then brought people together just by geographies to be certain they were connected."

UBS OPTIMUS FOUNDATION: RECOGNIZING THE IMPORTANCE OF CROSS-PROGRAMME LEARNING

Leadership transition and an innovative mapping exercise resulted in a more comprehensive and focused approach to achieving this foundation's mission and the recognition that cross-programme learning is important to achieving their goals.

The UBS Optimus Foundation (UBSOF) is an independent grantmaking foundation established by UBS in 1999 that advances *'the development, validation, promotion and dissemination of innovative approaches to improve the education, protection and health of disadvantaged children around the globe'.*

The foundation tackles the toughest challenges, serves the most marginalized and hardest-to-reach children, and takes 'smart' risks to invest in lasting outcomes.

UBSOF has supported more than 245 projects in 75 countries and distributed more than CHF14 million in grants in 2011 alone. It has a staff of ten and approximately CHF 70 million in assets from contributions from more than 18,000 donors. UBS covers all UBSOF administrative and staff costs.

Ten years after its founding and with a new leader, UBSOF launched a landscape analysis to inform its 2013 strategic planning process and investigate the health, education and child protection issues for which UBSOF can generate the most impact.

The following describes this process and its outcome.

Process: UBSOF adopted a novel approach to conducting its analysis. Instead of relying on its consultants, UBSOF staff reviewed and analysed the results. This internally driven process helped the team to identify a specific focus for its three priority areas, identify cross-cutting issues for a more comprehensive strategy, and promote team cooperation and cohesion.

Outcomes: The team determined that its children's healthcare programme should address pre-natal health. The education programme will focus on early childhood education and its child protection programme will prioritize the prevention of sexual abuse and violence.

In addition, the team identified cross-programme learning as critical to achieving its goals. Cross-function teams worked together on impact mapping, and they now have monthly site visit reviews to discuss lessons learned. Ultimately UBSOF plans to integrate its programmes.

In addition, UBSOF developed a new evaluation grid of key success factors for each theme and a quarterly review process which allows for real-time re-engineering of projects. Grantees are more satisfied with this new approach, which is established during initial consultations and included in their contracts.

This year, UBSOF team members will continue to enhance their ability to learn from each other and adapt efforts for maximum efficiency and impact. Further, UBSOF plans to hire a monitoring and evaluation expert and produce a new tool kit and handbook of its best practice and to share them with their stakeholders and partners.

www.ubs.com/global/en/wealth_management/optimusfoundation.html

Collaborative learning initiatives

Both informal and more structured approaches to collaborative learning are increasing. This is happening at national, European and international levels, partly because certain challenges such as climate change or disease are international in their nature and call for collaboration.

Although there is a growing body of collaborative initiatives in Europe, collaborative learning on foundation practice is at a nascent stage. However, two recent initiatives devoted to formal collaborative learning on foundation practice have been established in Europe. One is the European Learning Lab (ELL), a collaborative learning event between the EFC and Fondazione Cariplo which offers foundation staff advanced training and knowledge sharing on key issues for the sector's operative work. A second example is TIEPOLO, the Tailor-made International Exchange Programme Offering Learning Opportunities, a parallel project that organizes learning and mentoring between European foundation staff. TIEPOLO is also sponsored by the EFC and Fondazione Cariplo.

PAUL HAMLYN FOUNDATION: A FOCUS ON WHAT IS LEARNED AND HOW TO USE IT

In the past, most staff time was spent on the pre-grant decision process; now the focus is what is being done, what is being learned and what could be done with that learning – this 'culture' also now drives internal reflection about our own processes.

The Paul Hamlyn Foundation is an endowed family foundation (total endowment £567 million), which distributed £17.5 million in grants in 2010–11 with programmes in the arts, education and learning, social justice and India. Its mission is *'to help people to realize their potential and enjoy a better quality of life, now and in the future'.*

The foundation adopted a strategic plan in 2006. In 2009, this was the subject of a mid-point review. This drew on roundtable discussions with grantees, stocktaking, desk reviews and mapping by programme staff, and two externally commissioned pieces of research: an analysis of management information, accounts, grant outcomes and evaluations from across the foundation's programmes; and a grantee perception report. The latter helped the foundation to identify gaps in grantee understanding of some of the foundation's expectations, so helping to further improve communications.

The review confirmed the conviction of the foundation's leadership that grantmaking charitable organizations have a unique role to play in society, as enablers of activity that can change lives and practices and as the holders of valuable knowledge about what works in their fields of activity. It also strengthened their determination to translate the foundation's own experiences into shared learning as far as possible. A head of impact and evaluation has been recruited and an impact framework developed within which to understand the potential of all funded activities and the results of the foundation's own initiatives in order to generate further learning.

The grantee perception review also prompted increased investment in convening people and organizations active in its programme areas and to develop a closed section of its website for grantees to share experience, questions and learning. The foundation also adopted a model of three 'communities' with each of which it is working: a 'community of practice' which promotes shared learning and debate between practitioners; a 'community of engagement' which enables the foundation to maintain connections with some unsuccessful applicant organizations and others active within its programme areas; and a 'community of interest' which includes relevant parts of government, peer funders, research councils and any other organization that opts to join.

Together, these ways of working enable the foundation to encourage not only change for the individuals and community groups that are the focus of its mission but also changes within the organizations it supports and changes in practitioner learning as well as policy. This more impact-focused approach has fed the greater openness which the foundation has increasingly adopted throughout all of its work.

www.phf.org.uk

The definition of improving practice and the relevance of measurement

On the questions of what can be measured, how to measure and over what periods of time, one respondent had this to say:

> **"We were most successful when measuring annual goals and made some progress on a short-term basis. It is harder to measure on a long-term basis when you are working in the field of social justice."**

Certainly, the results of this research indicate an increasingly robust use of evaluations by foundations and a wide range of assessment tools and processes, both formal and informal, across Europe. In this same context, there are discussions taking place about the need for possible guidelines for different types of evaluations to provide more coherence to the process. In particular, questions are raised about the validity of certain types of outcome and impact measurements and the definitions that should be used for different evaluation procedures.

> **"We need to develop guidelines for evaluation. People have a difficult time defining the role of evaluations so they are more credible and respected."**

The study indicates that foundations wanting to improve and integrate evaluation and learning throughout their organizational structure and processes will need to consider a number of questions, including the following:

- Should we appoint designated learning officers and evaluation departments or should we mainstream this work across our activities?
- How can we ensure that we integrate a learning approach into all aspects of our behaviour?
- How can we best address the different learning needs at each level of staff and within the board? And how can we ensure and monitor buy-in for new learning processes?
- How can we make sure that evaluation is kept proportionate to the scale of each programme or project?
- Are we clear on the need to ensure that we keep definitions and guidelines for evaluation as clear and accessible as possible?
- How can we ensure that evaluation planning is incorporated from the start of a project or programme?

"The new director got rid of the knowledge and learning department in the belief that it was too apart and that for evaluation and learning to work it has to be owned by programme officers."

"The organization now adds 5 per cent to all grants to enable grantee time for reflection and evaluation."

FONDAZIONE CARIPLO: MAINSTREAMING LEARNING

Fondazione Cariplo was established in 1991 from the assets of the Cassa di Risparmio of the Lombardy region of Italy. Its mission is '*to be a resource that helps social and civil organizations better serve their own community*'. The foundation has assets in the range of €6 billion and an average annual budget of €160 million.

Fondazione Cariplo seeks to '*advance the common good by supporting projects that identify emerging issues and propose new responses to fundamental needs and root causes*'. It does this through three different but complementary approaches: operating programmes, grants and mission-related investments (MRI). The MRI includes social housing, microfinance and businesses that foster innovation and transfer of technology.

The foundation's main funding areas are: social and human services, arts and culture, scientific research, philanthropy and volunteerism, and the environment. The foundation focuses primarily on the Lombardy region with a small international portfolio.

Fondazione Cariplo sees its role as an '*entity that anticipates needs and supports social innovation'*. In order to fulfil this role, it has mainstreamed learning at all levels of practice, both internally and externally. This involves constant feedback to improve its evaluation, learning processes and tools. This mainstreaming allows it to *'have a clearer vision and awareness of where we are heading and what we are achieving, and thus a more effective philanthropy strategy and control over achieving it'*. This is done both through internal structures and staff and through external consultants and stakeholders.

The process begins through its *osservatorio*, which scans the landscape to provide intelligence for strategic planning. It continues with a range of other evaluation and feedback processes, including the excellence programme – an internal self-assessment, every two years, of the entire organization to *'assess and improve both what we do and how we do it'*. This has resulted in changes in internal culture, fostering spontaneous internal communities of practice and collaboration across the four programme areas and overcoming barriers of inefficiency.

Not only has Fondazione Cariplo created its own learning processes and tools, but, with the European Foundation Centre, it has founded and invested in external learning from and with peers. Together they established the European Learning Lab, an annual theme workshop for foundation programme staff, and Tiepolo, an international exchange programme for foundation professionals.

www.fondazionecariplo.it

Criteria for success

There are a variety of approaches to this question. Some organizations establish formal indicators against which they determine success while others tailor criteria for meeting their objectives to each situation. Inevitably, this issue, like many others discussed in the report, can involve other processes such as 'asking questions from the start' in order to develop a measurement framework that is appropriate to their objectives.

> **Our aim is to look at what we want to achieve – the objectives – and then to formulate intelligent criteria so that we can evaluate. Criteria differ according to the project and area of work but it is the accuracy of this formulation that is key. You must ask the right questions at the outset.**

> **Internally, we look at alignment, effectiveness and how we are achieving objectives against our own KPI scorecards. There are 10 indicators.**

Other interviews consider progress in a sector, sustainability and replicability as measures of success:

> **Our criterion for success . . . is the self-sustainability of the grantees. Our grants are given with self-sustainability and systemic change in mind.**

> **In the future one of the measures of success for us will be progress towards systemic change, such as with issues/advocacy, it is a great opportunity to influence systemic change.**

Research and role models

There is growing appreciation of the value of drawing on the experience of peers and nascent communities of practice, enhanced by the growth of funder networks and other forms of partnership. This is happening on a European level, within national boundaries, and sometimes regionally and globally in thematic networks.

> **We have put a priority on making efforts to impact on the philanthropic sector, and sharing of learning is key for us.**

A lot of research is taking place. Although many of the interviewees in this sample commission research and evaluations on the work they have funded, there tends to be more focus on the projects, programmes, issue areas and geographic regions foundations are funding than on their own practice, although, as noted above, interest in the latter is growing.

In response to the issue about whether research should be conducted by academics or practitioners, only a few expressed a definite view one way or the other.

> **The foundation is looking at how academic research can be translated into actionable help and provide advice for funders.**

> **Yes, we commission research, but more from consultants than academics.**

Despite the diversity of approaches in this area, there was a strong general feeling that there is a need for more practice-oriented investigation, particularly in two key areas: who is doing what, and what works and what does not?

> **We do a lot of asking questions and seek to gather information from other foundations, more informally than deliberately, on what works and what does not.**

What could make European philanthropy more effective?

One message stood out: there is a need for a community of practice and for greater efforts to facilitate peer learning. The philanthropy infrastructure in such areas as staff training, research, think-tanks and support organizations is underfunded and uncertain. Another issue that was raised was the need for greater cross-fertilization between the foundation sector and the larger not-for-profit sector to stimulate more innovation.

> **People in the foundation world are too hesitant about investing funds and time in learning.**

> **Our foundation is concerned about the fragmented and under-resourced nature of the field of philanthropy research and the consequences for quality.**

When asked what is missing, the most consistent response concerned information about the European philanthropy sector. Interviewees insisted that they did not know enough about each other's practices and mentioned the need for benchmarking studies on foundation practice in Europe. Among other things foundations would like to know about each other are:

- How do they organize the way they work and manage their staff and programmes?
- How do they evaluate and measure?
- What are the various foundations funding and how are they doing it – what is their approach?
- Who is funding what in different issues/sectors?
- What is the philanthropy landscape in a specific sector?

> **Foundations should publish reliable data on what they do.**

> **More could be done to facilitate peer learning, mentoring, critical friends.**

> **I have to go to the US to find out about foundation practice. In general, research is weakest on how to do things, or the procedural aspects of this work, rather than on issues.**

> **We would like to see concrete actions to improve the knowledge base and learning in Europe.**

> **There needs to be a compendium to identify what approaches work and what do not in different sectors.**

For a foundation to design a new programme and to assess the impact it is having on a specific issue, it will need to draw on data from public sources as well as from project and programme evaluation in the philanthropy sector. Several of the respondents in this study raised the issue of the reliability of data from the public sector as well as from foundation-funded programmes.

"Data is a serious problem in planning and evaluation. For example, with complex social problems government won't release data, citing privacy laws."

The responses seem to combine a call both for greater transparency in individual foundation reporting and for a serious, credible resource that provides ongoing information and opportunities for debate about European philanthropy practice and the philanthropy landscape.

PEARS FOUNDATION: BUILDING A SELF-CRITICAL CULTURE

Putting into practice the Charity Commission's 'Hallmark of an effective charity' that 'an effective charity is always seeking to improve its performance and efficiency, and to learn new and better ways of delivering its purposes'.

The Pears Foundation is a family foundation that aims 'to benefit society by promoting positive identity and citizenship, building respect and understanding between people of different backgrounds and faiths'. It made grants totalling £7.4 million in 2010/11, deriving almost all of its income from donations from family sources.

The foundation tries to use its 'resources, experience, skills and passions as catalysts for positive social change, and is willing to ask difficult questions and, if needs be, to take calculated risks'. Everything it does is 'underpinned by a commitment to rigorous research and evaluation and inspired by the urge to ask questions and a wish to know the impact it is making and to constantly learn from what works and what doesn't'. The foundation 'is strategic in its approach, taking initiatives itself where there are unexplored opportunities or new thinking is required' and views the organizations it supports as partners, working closely with them to achieve common aims and seeking mutually valuable learning and knowledge. Among the principles that guide the foundation's work are transparency, collaboration and a willingness to learn from mistakes.

The foundation has five programmes. It is constantly curious about all that it does and sees its grants as a means to an end, whatever the primary objectives of a particular programme; reviewing the intellectual basis of each programme and assessing progress within each programme and with each partner is, therefore, a continuous and ongoing process. It is also trying to build a self-critical culture and was an early commissioner of a grantee perception study that has helped the trustees/staff clarify where they needed to improve communications – especially about their expectations of partners

One of the foundation's programmes is 'Exploring Philanthropy'. Within this programme, the foundation has given special priority to data about family foundations – 'Data is the Key' – building a partnership with the Centre for Charitable Giving and Philanthropy at Cass Business School in London. The product of this partnership is the *Family Foundation Giving Trends* series, now in its fifth year. This landmark research on its own part of the philanthropic sector aims to provide more accessible, reliable and transparent data on the spending of family foundations.

OBSERVATIONS AND RECOMMENDATIONS FOR STRENGTHENING THE PHILANTHROPY INFRASTRUCTURE IN EUROPE

Observations

This section represents our collective views based on the research and the lively debate at the *Shedding Light on Our Own Practice* session in Belfast, complemented by our experience in the field. It has been enriching for us all. Before presenting our observations and recommendations, it should be re-emphasized that the interview sample was limited to a group of foundations known for their interest and commitment to learning to assess their impact and effectiveness. It is not representative of general foundation practice in Europe.

Those featured in this report are a vibrant cohort of foundations exploring the theme of foundation learning, both independently and collaboratively, while experimenting with procedures and tools that are making it an integral part of their operations. We found examples of how this learning not only produced change in the individual foundation's practice but also had a positive impact on relationships and practice in the philanthropy sector overall.

This report illustrates some committed and innovative examples of foundation learning in Europe. It provides evidence that the sector as a whole would benefit if improving philanthropy practice itself is made a more significant priority. In reality, it is so little understood that many foundation professionals are still primarily concerned with evaluating grantees rather than looking at themselves. Another observation is that, in general, foundations profess a very limited sense of what others are doing, despite the fact that a growing number of foundations are deliberately, strategically and openly sharing information on their practice and learning through knowledge centres on websites, blogs and the increasingly widespread 'What we are Learning' tag, and by convening discussion forums and other activities.

The dichotomy between the efforts to document and share information through website postings and other forms of communication and the apparent lack of awareness about this available knowledge among colleagues is surprising. The study group reinforced this observation when asked what was missing in the European philanthropy landscape by saying most frequently that the 'missing element' was 'a compendium of benchmarking of foundation practice'.

One possible explanation for not having a higher level of engagement in these activities is the question of whether they are cost-effective. There is need for a genuine debate about the costs, potential and actual, of this work: is the expenditure justified, given that it means less money to spend on programmes? Or is the opposite true: that the opportunity cost of not doing this work means money wasted because experience is not capitalized upon? These critical issues were raised during the Belfast discussion, but the sector lacks sufficient evidence to have an informed discussion on them.

Some positive factors are emerging where there are reasonably developed and linked up philanthropy communities on a national level. This is the case in countries such as Switzerland, Germany, the United Kingdom and the Netherlands. These examples demonstrate that the growth of increasingly important and active national foundation associations and other learning and collaborative initiatives provides resources that strengthen national philanthropy. One important challenge is to better integrate the knowledge bases, best practices and potential for collaboration and to share information and work across national borders.

At the same time, one heard the need, particularly in leadership and senior management circles, for opportunities and space to debate and share learning experiences among peers. Similarly, the importance of *'creating a network of learning, a community of practice'* among foundation professionals was cited explicitly and in a number of responses.

From these comments, it would seem that the process must begin by increasing the sector's own sense of professionalism and community by providing opportunities for debate and discussion and systematic data and evidence on European philanthropy practice. We are not suggesting that this should replace passion or mission or intuitive behaviour, rather that these values should be leveraged through pragmatic, practice-oriented, professional, networked knowledge bases and communities of practice.

Recommendations

The primary objective of the European Philanthropy Learning and Research Initiative and the *Shedding Light on Our Own Practice* project is to help establish a platform for strengthening Europe's philanthropy learning and knowledge infrastructure. Two major action points stand out: the need to develop a community of practice and a desire to enhance opportunities for peer learning.

The current dynamism of the overall social investing landscape means that the European philanthropy sector is currently in a phase of discovery and experimentation about the future of its own practice and even its objectives. This is inevitable and appropriate in our increasingly 'networked world'. In light of this, we would suggest that the next phase should be one of acceleration and implementation of more effective practice. This should be based on consolidation and communication of knowledge, fostering debate and critical thinking, and collaboration between stakeholders to leverage and effect change.

These recommendations are directed towards the leadership of the foundation sector in Europe.

Strengthening the learning and knowledge infrastructure

Foundation leaders should:

1 Establish a foundation leaders' forum on learning and assessing practice for senior management and trustees to reinforce the resolve and role of foundation leaders in creating a culture of critical thinking and learning within their institutions and with peers and stakeholders.
2 Foster an enhanced culture of philanthropy learning within existing representative institutions and new pan-European networks and/or institutions.
3 Develop a web-based European research and knowledge management platform to explore the potential of new technology for sharing data, ideas and best practice and encouraging ongoing debate.
4 Explore ways to better understand the 'cost of not learning'.

Providing the resources for investing in learning

Here, foundation leaders should:

5 Internally, provide incentives to foster a learning culture and capacity building across foundation programmes and, externally, promote collaborative learning platforms on philanthropy practice and process.
6 Initiate a fund to support ongoing pan-European evidence gathering on the philanthropy sector. This could also include some support for staff to explore opportunities for collaboration and for the maintenance of the open source learning platform mentioned at point 3, preferably within an existing structure.

Capturing momentum and making it happen

There is growing momentum around learning and improving philanthropy practice. However, this is often expressed in isolated initiatives in individual foundations or countries. We suggest it is time to harness these disparate efforts. The steps to begin this process could be to:

7 Establish a task force comprising European foundations committed to advancing research and reflection on these issues to form a community of practice. This group could take the lead in providing resources and drawing up a plan to promote and link learning initiatives within individual organizations and to support new initiatives.
8 The first two actions for the task force could be:
   a To convene a workshop for a core group of interested funders and some other key sector representatives, notably from the EFC and DAFNE.
   b To draw up an agenda for some basic research to inform the immediate work of the task force. This could include the following four areas:
   - A systematic mapping of foundation learning initiatives[5] that are designed to foster improved practice. These should be categorized nationally as well as by size and type of foundation.
   - Analysis and documentation of the methodologies of learning initiatives, both those that have demonstrably worked and those that have not achieved what was hoped.
   - Exploring the relative costs involved – those of investing in learning and critical thinking against the potential loss of not doing so.
   - Compiling a GrantCraft-type guide on applying research and learning to philanthropy.

5 Some examples of national and cross-border philanthropy learning initiatives: European initiatives such as the European Learning Lab and TIEPOLO (sponsored by the EFC, Cariplo Foundation and others), DAFNE, the European Venture Philanthropy Association, national initiatives such as the UK's ACF-NPC pilot knowledge-sharing website, Funder Network; and university programmes established in the last ten years and supported by the funder community, including the Centre for Charitable Giving and Philanthropy at Cass Business School in London, the Centre for Effective Philanthropy (CEPS) at the University of Basel, the Centre for Social Innovation at the University of Heidelberg, the ESSEC Chair in Philanthropy at ESSEC Business School in France, and the Erasmus Centre for Strategic Philanthropy at the University of Rotterdam.

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We would also like to thank all of the interviewees, who generously made themselves available and shared their expertise and their insights with candour and wisdom. The process involved a lot of give and take not only with them but also with others we spoke to in Belfast and afterwards. We feel the product is richer for these exchanges.

Urs Anderson
Andrew Barnett
Oliver Braunsteffer
Andrew Cooper
Phyllis Costanza
Kathleen Cravero
David Cutler
Marco Demarie
Robert Dufton
Charles Erkelens
Diane Feeney
Juliette Feeney-Timsit
Michael Feigelson
Patricia Frais
Olaf Hahn
Caroline Hartnell
John A Healy
John R Healy
Rosien Herweijer
Marketa Hronkova
Karin Jestin
Lisa Jordan
Charles Keidan
William Kroll
Philippe Lacoste
Lynda Mansson
Andrew Muirhead
Catherine Pharoah
Marta Rey
Sarah Ridley
Peggy Sailler
Gerry Salole
Silvia Silvozzi
Pieter Stemerding
Dan Sutch
Clare Thomas
Pier Mario Vello
Georg Von Schnurbein
Jane Warburton
E Miles Wilson

ANNEX 1
INTERVIEW GUIDELINES

1 What is your foundation's mission and what do you aim to accomplish?
2 What are your main funding priorities?
3 How do you assess the way in which your foundation adds value to the sectors you support?
4 How do you determine your strategy for achieving your mission? What process do you use and who is involved in this process?
5 How do you organize evaluation within your foundation?
   a How do you monitor progress towards achieving your goals?
   b Is this an internal process or do you use external consultants?
   c Can you cite an example of an internal strategy or procedural/organizational change resulting from a project or process evaluation?
6 What are your criteria for success?
   a How do you assess your successes and failures?
   b Can you cite specific examples?
7 How do you think about and organize learning within your foundation? Could you give a couple of examples?
   a What type of evaluations do you undertake of your own organization and with what frequency?
   b Do you communicate the results of your evaluations internally and/or externally?
   c Are you engaged in peer or other learning opportunities?
   d What is your foundation's process for facilitating learning from evaluation and applying it to the subsequent practice of your foundation?
8 What are the most effective learning initiatives your foundation has undertaken? Please give a concrete example if possible.
9 What research into foundation practices have you found useful?
10 What additional research or knowledge would you find valuable and/or would make your work more effective? What is missing?
   a Would you consider commissioning this research, and if so would you do it yourselves or with others?
   b Would you turn to an academic or other research organization and why?
   c Do we need new organizations and/or new networks to facilitate this process?
11 What foundations or other organizations do you consider as learning organizations and which of their practices stand out and why?
12 Are there any people that you suggest we talk to about these issues?

ANNEX 2
INTERVIEW SAMPLE

Adessium Foundation
Pieter Stemerding
Managing Director

Atlantic Philanthropies
John A Healy
Director of Impact Assessment and Global Learning

Baring Foundation
David Cutler
Director

Bernard van Leer Foundation
Michael Feigelson
Programme Director

Bosch Stiftung
Olaf Hahn
Senior Vice President

Calouste Gulbenkian Foundaton
Andrew Barnett
Director, UK

City Bridge Trust
Clare Thomas
Chief Grants Officer

Compagnia di San Paolo
Marco Demarie
Head, Research, Historical Archives & Documentation

Diana, Princess of Wales Memorial Fund
Andrew Cooper and Astrid Bonfield
Research Manager and Chief Executive

FACT
Diane Feeney
President

Fondazione Cariplo
Pier Mario Vello
Secretary General

Fondation Ensemble
Olivier Braunsteffer
Director

Fondation Lombard Odier
Karin Jestin
Secretary General

Fondation Merieux
Philippe Lacoste
Secretary General

Inspiring Scotland
Andrew Muirhead
Chief Executive

Jacobs Foundation
Urs Anderson
Head, Institutional Funding

MAVA Foundation
Lynda Mansson
President

Network of European Foundations (NEF)
Peggy Sailler
Director

Nominet Trust
Dan Sutch
Head of Development Research

Oak Foundation
Jane Warburton
Consultant, Learning Child Abuse Programme

Paul Hamlyn Foundation
Robert Dufton
Director

Pears Foundation
Charles Keidan
Director

Tubney Charitable Trust
Sarah Ridley
Former Executive Director

UBS Optimus Foundation
Phyllis Costanza
President

Volkswagon Stiftung
Dr Wilhelm Kroll
Secretary General

Slovak – Czech Women's Fund
Marketa Hronkova
Executive Director

University briefings

Centre For Charitable Giving And Philanthropy, Cass Business Schol
Catherine Pharoah
Co-Director

Erasmus Centre for Stratigic Philanthropy
Charles Erkelens
Director

University Of Basle – CEPS
Georg Von Schnurbein
Director, CEPS

University Of A Coruña
Marta Rey-Garcia
Professor

ANNEX 3
CONSULTANT BIOGRAPHIES

David Carrington, independent consultant
www.davidcarrington.net

David is an independent consultant working on the promotion of social investment and personal philanthropy and on the funding and governance of charities and social enterprises. His clients have included many endowed, corporate and family foundations, private banks and wealth advisers, the first venture philanthropy 'pooled fund' in the UK, the Big Lottery Fund, the European Foundation Centre (EFC) and the Global Impact Investment Network (GIIN). He is a member of the Supervisory Board of Triodos Bank in the Netherlands and a Director of Big Society Capital in the UK.

He chairs the Programme Board of the Inspiring Impact Network. He also chairs and is a founder director of the charitable company that publishes the global journal on philanthropy and social investment, *Alliance*. He is a member of the advisory board of the Center for Effective Philanthropy in the USA, a founder trustee of SOFII (Showcase of Fundraising Innovation and Inspiration) and chair of the Bridges Charitable Trust, which is linked to Bridges Ventures. He has also been chair of the editorial group of the Philanthropy UK e-newsletter, a trustee of the National Foundation for Youth Music and the National Youth Orchestra of Great Britain, and chair of *engage* (the association of people working in gallery education). He was a member of the UK's Social Investment Task Force 2000–10 and has been chief executive of three foundations.

Judith Symonds, independent consultant
www.jcsphilanthropy-strategy.com

Judith is an adviser in philanthropy and strategy for individuals, corporations, foundations and international institutions, based in Paris. She is the founder of JCS International, a network of leading experts in philanthropy and institutional strategy advisory services, specializing in international coalition building, funding and positioning strategies and initiatives to strengthen philanthropy and social investing infrastructures for strategic philanthropy. Recent principal clients include: the Oak Foundation, the European Foundation Centre, Bioversity International and the Prince Albert II of Monaco Foundation.

Previous positions include: Senior Advisor, United Nations World Food Programme (Rome); Executive Director of the Future Harvest Foundation (Washington, DC); President of the Foundation for the Development of Polish Agriculture (Warsaw); Director Europe – RuderFinn; and representative of the German Marshall Fund of the United States in France.

She is active in teaching and research in the fields where she works, recently creating the course *New Philanthropy and Social Investing* at Sciences Po, the Institut d'Etudes Politiques de Paris. She is a member of the board of trustees of the Mona Bismarck Center for Arts & Culture in Paris and a founding member of the development committee of Clubhouse France, an associations that helps people with psychiatric disorders, and a past board member of the Wildlife Conservation Society. She is a history and international affairs relations graduate of Stanford University.

Karen Weisblatt
www.weisblatt-associates.com

Karen is founder and principal of Weisblatt & associés, a Paris-based consulting firm providing strategic philanthropy services to private foundations. Her work focuses on supporting non-governmental organizations. Her areas of concentration include social entrepreneurship, intercultural dialogue, and civil and human rights. Principal clients since 2005 include: the Ford Foundation (NYC), the Pears Foundation (UK), the Edmond & Benjamin de Rothschild Foundations (Switzerland), the Oak Foundation (Switzerland) and Mama Cash (NL).

Recent publications include *Untapped Potential: European foundation funding for women and girls* in conjunction with the Foundation Center (May 2011) and *Championing Diversity: Opportunities for the European foundation sector,* European Foundation Centre (May 2009).

Active in a number of philanthropic networks including the European human rights funders group, Ariadne, she is also a board member of ADIVE, *Agence pour la Diversité Entrepreneurial*, which promotes minority-owned businesses in France through supplier diversity activities and an executive board member of the Brussels-based CEJI-A (Jewish Contribution to an Inclusive Europe). She has an MPhil from the Université de Paris I – Sorbonne in Contemporary History and International Relations, and an MSc in Comparative Politics from the London School of Economics and Political Science. She completed her undergraduate education with a BA in History from Oberlin College. She studied in Moscow as a Thomas J Watson Foundation Fellow.