

# GLOBAL PHILANTHROPY LEADERSHIP INITIATIVE

Council on Foundations - European Foundation Centre - WINGS



THE DYNAMICS OF PARTNERSHIP BETWEEN  
MULTILATERALS AND PUBLIC BENEFIT FOUNDATIONS

November 2012

# ABOUT THE GLOBAL PHILANTHROPY LEADERSHIP INITIATIVE

Launched in 2010, the Global Philanthropy Leadership Initiative (GPLI) is a two-year experiment in international collaboration aimed at advancing the role and effectiveness of philanthropy in a global context by developing actions and recommendations in three priority areas:

- Promoting an enabling environment for cross-border philanthropy.
- Catalysing new forms of philanthropic collaboration.
- Strengthening cooperation between foundations and multilateral organisations.

In 2012, GPLI started a transition from an ideas and incubation process among a small group of foundation leaders to a set of open collaborative ventures that invite the participation of foundations and other relevant stakeholders from all parts of the world.

GPLI is a joint initiative of the Council on Foundations, the European Foundation Centre, and the Worldwide Initiatives for Grantmaker Support (WINGS). It is co-chaired by Fundação Calouste Gulbenkian and Charles Stewart Mott Foundation, with a Task Force comprised of some 30 philanthropic leaders from different world regions.

## ACKNOWLEDGEMENTS

Special thanks to:

The Charles Stewart Mott Foundation and Fundação Calouste Gulbenkian for their support to GPLI.

Kathleen Cravero, Oak Foundation and GPLI Task Force member, for her work in developing this paper, and to the entire GPLI Task Force for its insights and input.

# BUILDING ON STRENGTHS

## THE DYNAMICS OF PARTNERSHIP BETWEEN MULTILATERALS AND PUBLIC BENEFIT FOUNDATIONS

This paper was developed by the Global Philanthropy Leadership Initiative (GPLI) as part of its two-year mandate to strengthen the role of philanthropy at the global level. Its purpose is to examine, from the perspective of foundations, the rationale, challenges and opportunities for engaging with multilateral organisations around global issues and the development agenda.

The paper sets out the key characteristics of multilateral organisations and foundations, highlights comparative advantages of each actor and puts forward recommendations on how to better work together.

It provides philanthropic organisations with a roadmap for building stronger relationships with multilaterals, and at the same time may be used as a calling card for the initial stages of engagement.

### INTRODUCTION

Among foundations around the world, collaboration is increasingly being viewed as an important tool to advance global development and well-being. While foundations have long stressed the value of collaboration between and among their grantees, a growing number of them are now considering how they themselves might better collaborate—with other foundations, with local and international non-governmental organisations (NGOs), with governments, with the private sector, and with other players.

The purpose of this paper is to explore one potential avenue for collaboration, that of foundations working with multilateral organisations. Multilateral organisations (often referred to simply as multilaterals) are international organisations that have governments among their membership and are global or regional in scope. Examples include the United Nations and its many agencies, the World Bank, and the European Union Institution.

Specifically, this paper addresses three main questions:

- What are some key differences in perspective and context between foundations and multilaterals?
- Given these differences, why would foundations and multilaterals be drawn to each other?
- What are some ideas for moving forward? How can these partnerships be deepened and expanded in the future?

Though far from exhaustive, this paper seeks to provide useful ideas for foundations and multilaterals interested in exploring collaboration. While the paper is focused explicitly on collaborations between foundations and multilaterals, the ideas presented here can provide insights into what foundations seek with other potential partners as well.

# DIFFERENCES IN PERSPECTIVE AND CONTEXT

No two foundations are exactly alike. Each has its own culture, grantmaking interests, tolerance for risk, and other characteristics. Likewise, multilaterals such as UN agencies and the World Bank can be very different from one another. That being said, there are several general statements one can make about these two types of organisations that can be helpful to consider in the context of successful collaboration. The following is based on experience gained during the two years of GPLI, including discussions on these issues with foundations and multilaterals, as well as previous experience with multilaterals of the foundation leaders involved in GPLI.

## **Donor vs. partner**

Representatives of multilaterals readily agree to meet foundation staff. This is often because foundations are exclusively or primarily viewed as donors - i.e., sources of funding - despite the fact that funding only rarely materialises. Foundations, on the other hand, might like to think of themselves as “partners” with, rather than donors to, the multilateral. Foundations may see themselves as entering a collaboration to become part of a common mission, deliver services more effectively, or achieve greater scale. While staff at the multilateral view this as useful, they often perceive the partnerships as one-sided. The multilateral is asked to provide information, contacts, introduction to government and sometimes even logistics; the foundation then (after careful due diligence) funds the civil society organisations of their choice. Understandably, foundation representatives feel uncomfortable with a multilateral’s expectations of cash. From their perspective, the multilateral wants money with minimal involvement and no creative sharing of ideas. They are confident that they have much more to offer. Their would-be multilateral partners are left wondering: “Like what?”

## **Long-term, big picture vs. small, specific and “impactful”**

The principal task of multilateral organisations is to support governments to plan and implement nationwide programmes. Their perspective is fixed on the big picture, and they think in terms of 5, 10 and 20 year periods. While some foundations are also focused on long-term social change, many have more immediate, closer-to-the-ground concerns. They are interested in piloting new approaches in particular areas, with pre-selected NGOs, for much shorter periods of time. While multilaterals focus on getting the best existing practices implemented, foundations may prefer to fund new, more effective “catalytic” approaches. It can be difficult for either side to see how those perspectives might be mutually reinforcing rather than contradictory.

## **Government as client vs. government as adversary**

Both multilaterals and foundations work in countries at the pleasure of government. If governments are unhappy, they can either forbid “foreign” presence or make operations intolerable through taxes, visas and the like. While both multilaterals and foundations want to help governments improve, their starting points are fundamentally different. Multilaterals work through government, acting as funders, advisors and advocates. Thus, multilaterals may appear weak, compromising and hopelessly bureaucratic. Foundations, on the other hand, can work around governments or pressure them in one direction or another, e.g., to fund services provided by civil society or to change a set of laws. Foundations have greater latitude and room to manoeuvre than multilaterals. In many cases, however, the changes sought are closely aligned. It is a classic “working from the inside vs. working from the outside” dilemma - and too often time is wasted pointing fingers rather than coordinating efforts.

## SO WHY WE COLLABORATE?

After many years of missed opportunities, multilaterals and foundations are beginning to understand and appreciate each other as partners. Foundations have certain strategic advantages over multilaterals which, when used wisely, are worth much more than money. In fact, they represent skills and contributions that money cannot buy.

### **Strategic advantages of foundations**

#### **Appetite for risk**

While not true of all foundations, many are in a position to take calculated risks on a regular basis, while multilaterals must be ever cautious, spending months and sometimes years getting governments “on board” before anything can be changed.

#### **Commitment to innovate**

The history of development is full of examples in which foundations dared to dream and then worked for decades to make those dreams come true. These include the Green Revolution, the development and roll-out of vaccines, and improved approaches to issues ranging from universal basic education, to domestic violence, to child protection.

#### **Speed and flexibility**

Even the best multilaterals are relatively slow moving; recruitment of experts and procurement of supplies must follow set, competitive procedures that can drag on for months. Foundations and their civil society partners often manage to be just as thorough in a fraction of the time. As one UN staff remarked, a \$100,000 grant from a foundation, provided tomorrow, is worth more than \$1,000,000 from a multilateral that takes two years to arrive.

#### **Strategic clustering of grants**

Multilaterals are often linked to particular ministries and have a hard time adjusting to shifts in opportunities and leadership. Foundations can zero in on a goal by funding whoever and whatever can move it forward, forming new partnerships - and even creating new actors - when necessary.

#### **Lower political profile**

When governments are incapable or unwilling to do the right thing, multilaterals must cajole, convince and compromise. As long as foundations stay within the framework of the law, they have much wider latitude to fund alternative - and sometimes even opposition - groups.

#### **Champion research and evaluation**

Convincing governments to engage in research and evaluation is not always easy. First, action and services provide greater political gain; second, it is not always in the official interest to find out what is or isn't working. Foundations can fund research as a complement to the service delivery that receives public funds.

#### **Strengthen civil society**

This is an obvious comparative advantage of foundations, given their long-standing commitment to the non-governmental sector. But whereas foundations often fund individual NGOs, there is much less funding of the sector as a whole, i.e., the networks, “anchor” organisations and infrastructure that make civil society strong and enduring. Multilaterals can (and do) advocate for this strengthening but are often constrained from funding it directly.

## **Strategic advantages of multilaterals**

There are at least three key strategic advantages that multilaterals bring to these partnerships.

### **Size and scale**

Multilaterals have long-standing presence and widespread relationships in many countries. Without a connection to these, foundations risk creating islands of excellence that fail to have lasting or measureable impact. Smart foundations can use these partnerships to achieve change far beyond their individual (and even collective) reach.

### **Access and influence**

While their access does not always lead to influence, multilaterals can and do use their privileged position with governments to reinforce broad-scale system and policy change. They can get advocates “through the door” at key points in time, including them in the discussions and debates that shape national decision-making. Multilaterals can also help governments to create environments more conducive to philanthropic actors.

### **Replication**

tilaterals can use their global reach to apply innovations and lessons learned across countries. This provides foundations with the leverage that they always seek - a leverage of funds, policy influence and operational strength.

## THE WAY FORWARD

These reflections on the differences between foundations and multilaterals and on their respective comparative advantages lead to four overall conclusions regarding partnerships between foundations and multilaterals:

### [Comparative advantages are only valuable if they are recognised and used.](#)

Experience suggests that the obvious complementarities between foundations and multilaterals are often ignored or undervalued. The flexibility of foundations can be combined strategically with the scale and influence of multilateral agencies. This requires agreement on roles, responsibilities, and outcomes, along with a “partnership design” that is suited to all partners in the collaboration and their common goals.

### [Lack of understanding limits collaboration.](#)

Foundation and multilateral staff often spend more energy trying to change one another than understanding and negotiating their different points of view. If they combined their strengths, they could move the needle on a number of important issues. Both multilaterals and foundations need staff with the time and skills necessary to make partnerships work, and they should reward collaborative efforts when they occur.

### [Connections must be made between innovation and scaling up.](#)

The innovative “pilot” projects of foundations can and should form the basis of improved nationwide efforts. If progress at community level were linked with national decision-making, systems would be strengthened. Instead, local groups are confused by the preferences of different donors, each with their own application and reporting processes. In addition, there is often little coordination with national authorities, who lose face when they cannot continue what well-meaning external partners have initiated. Rather than engaging in behaviours that confound and disappoint their local partners, foundations and multilaterals should join hands to strengthen civil society in ways that guarantee sustainability.

### [Success should be celebrated and lessons should be shared.](#)

There are many examples of successful collaboration between multilaterals and foundations. These experiences need to be analysed, their lessons learned, and their results disseminated. Communication is key and should be focused on the achievements of the partnership rather than the contributions of the partners. At the same time, we often learn the most from failure, and these experiences must also be analysed and shared openly and without embarrassment or fear of retribution.

Partnerships between foundations and multilaterals hold great potential. Done well, they combine reach, access, flexibility and innovation in powerful and productive ways. While reaching this potential depends primarily on the partners, they do not exist in isolation.

Closer examination is needed of their interaction with governments and local groups, and of the types of three- and four- way partnerships that yield the best results. In addition, the involvement of other external actors – such as NGOs and bilateral aid agencies – needs more careful analysis. The partnership issues explored in this paper – mutual respect, understanding, leveraging strengths, and agreement on common goals – provide a solid foundation for these future studies.



**The Council on Foundations** is a national non-profit association of more than 1,800 grantmaking foundations and corporations. The Council strives to increase the effectiveness, stewardship, and accountability of the sector while providing its members with the services and support they need to advance the common good.

[www.cof.org](http://www.cof.org)



**The European Foundation Centre** is an international association of foundations and corporate funders dedicated to advancing the public good in Europe and beyond by creating an enabling legal and fiscal environment for foundations, documenting the foundation landscape, strengthening the sector's infrastructure, and promoting collaboration, both among foundations and between foundations and other players.

[www.efc.be](http://www.efc.be)



**WINGS** is an independent global network that brings together 145 associations and support organisations serving philanthropies in 54 countries. WINGS seeks to strengthen philanthropy and a culture of giving through mutual learning and support, knowledge-sharing and professional development among network participants, as well as by giving voice and visibility to philanthropy at a global level.

[www.wingsweb.org](http://www.wingsweb.org)