

BUILDING TALENT AND EXCELLENCE WITHIN FOUNDATIONS

**A Review of how the European Foundation Centre (EFC) could
enhance and further develop what it does to build capacity
within Foundations in Europe**

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ACKNOWLEDGEMENTS

This report explores how the people working within foundations, as staff and as Board members, could be assisted to become more skilled, knowledgeable and confident in what they do – and, as a result, improve the effectiveness and quality of the work of their foundations. The report identifies specific tasks, roles and priorities that the European Foundation Centre (EFC) could adopt and develop in its efforts to help build a comprehensive capacity building infrastructure for foundations working in Europe.

The report draws on consultations with over 100 people - meetings, email exchanges and telephone conversations with individuals and groups across Europe and beyond. Everyone with whom I spoke has been most generous with their time, patient with my questions and positive about the timing, purpose and potential of the report. I am very grateful for all this help. I'm also grateful to have been asked to carry out the work – it has been an intriguing exercise for me and I have learnt much.

The consultations were not based on formal questionnaires or surveys – rather, they took the form of conversations and discussion built round a number of open questions. I built up a picture of needs within foundations and practical possibilities for tackling them. As I did so, I tested the emerging ideas in subsequent discussions and meetings.

I hope the report and its conclusions do justice to the investment of time and effort so many people have made in assisting me. I hope, too, that the report will prove useful to the Capacity Building Committee of the EFC – which commissioned me to undertake the work – and help them to strengthen and enhance the capacity building resources available to the staff and Board members of foundations throughout Europe.

David Carrington
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CONTENTS

SECTION		PAGE
	REPORT SUMMARY	1-7
1	PREFACE	8-10
	Capacity Building – what is it?	8
	Capacity Building <i>within</i> Foundations	9
2	INTRODUCTION – THE REVIEW	11-12
	The EFC Strategic Plan	11
	The Review – Capacity Building within Foundations	11
	The Review Process	12
3	LOOKING FORWARD: HEADLINE OUTCOMES OF CONSULTATIONS & KEY ‘PRINCIPLES’ FOR FUTURE DEVELOPMENT	13-18
	Consultations – Outcomes	13-16
	EFC Capacity Building – a vision for the future	16-17
	EFC – Investment in its own Capacity	17
	Priorities for the EFC Capacity Building Committee	17-18
4	CHALLENGES	19-21
5	KEY COMPONENTS OF FUTURE EFC CAPACITY BUILDING PROGRAMME	22-26
	Materials and Sign-posting	22-24
	Learning Events and Fellowships	24-26
6	PRIMARY FOCUS FOR FUTURE EFC CAPACITY BUILDING	27-29
	Foundation Practice and Practitioners	27-28
	Foundation Leadership	28-29

BUILDING TALENT AND EXCELLENCE WITHIN FOUNDATIONS – A Review of how the European Foundation Centre (EFC) could enhance and further develop what it does to build capacity within Foundations in Europe

REPORT SUMMARY

1. PREFACE

Capacity Building:

What is it? Actions that improve effectiveness – the process of strengthening an organisation (and the people within it) to enhance skills, knowledge and confidence.

Where can it happen? Within a work place; between individuals or organisations with similar functions; within communities; within and across sectors.

What forms can it take? ‘Peer-to-Peer’ or shared learning; seminars and training programmes; research and evaluation projects; learning materials and guidance; on-line resources and ‘virtual’ activity.

Capacity Building *within* Foundations:

Despite high profile of foundation funding for capacity building within the organisations and communities they support, little comprehensive data exists about capacity building needs *within* foundations or about action taken to address them:

- How can a single capacity building agenda apply when foundations are so diverse – in organisation and purpose, background and culture, methods of work?
- There is ambivalence within many foundation Boards about the value of investment in the capacity of own organisation.

This report is based on the conviction that:

“building a knowledgeable, skilful and confident staff and Board are pre-requisites for creating and maintaining a foundation that is able to operate in practice to high standards, that gets the best from its own staff and Board, that provides an excellent service to those organisations and communities with which it works, that reflects on and learns from its own work and those of its partners, and that has good prospects of achieving the changes and outcomes to which it aspires.”

The report aims to show how the EFC can help make that happen.

2. INTRODUCTION – THE REVIEW

EFC Strategic Plan:

“Benchmarking and Capacity Building” is one of four strategic (and overlapping) objectives.

EFC Capacity Building Committee: set up in 2007 to “develop a concrete plan of activities.”

The Review: commissioned by the committee:

- to better understand needs, current provision, developments and trends

- to identify and contact other relevant organisations and potential partners in Europe (including members of DAFNE¹) and elsewhere
- to determine a Europe-wide 'niche' for EFC to fill – complementary to capacity building activities undertaken at a national level
- to define next steps for EFC including addressing:
 - what audiences should be targeted?
 - what type, focus and number of capacity building events should be organised?
 - can academic institutions become more involved?
 - could foundation capacity building activity be separated from the mainstream EFC Secretariat?

The Review Process: based on consultations with more than 100 people – individual EFC staff and committee members, foundation staff and Board members, DAFNE members, organisers of relevant university programmes, capacity building experts in Europe and elsewhere, participants in specially convened meetings at EFC Conference in Istanbul in May 2008.

Questions for all:

- Do foundations pay sufficient attention to building the skills, competence and confidence of their staff and Board?
- If not, what are the obstacles to them doing so?
- If foundations are working on this, what has been learnt about what works – and what doesn't?
- What could the EFC do (if anything) to help foundations across Europe enhance the quality of their own know-how and performance – at local, national and trans-national levels?

3. LOOKING FORWARD: HEADLINE OUTCOMES OF CONSULTATIONS & KEY 'PRINCIPLES' FOR FUTURE DEVELOPMENT

Outcomes of consultations

There is not enough accessible data available to enable a detailed and comprehensive 'map' to be drawn up of foundation capacity building needs or of current provision across Europe. However, seven issues were raised consistently throughout all consultations:

1. Concern that foundations are not investing enough in their 'human capital' – and that this has negative impact on performance quality and reputation.
2. Knowledge about exemplary existing capacity building activity within some foundations is not widely known.
3. The impact of the foundation capacity building work of DAFNE members could be strengthened.
4. Existing EFC capacity building initiatives are appreciated but seen as limited in scale and coverage, uneven in depth and quality, and insufficiently sustained.

¹ The Donors and Foundations' Networks in Europe (DAFNE) was established in 2006. It is an informal network that aims to link different Donors and Foundations' Networks (DFNs) in Europe that serve charitable foundations and other grantmakers at the national level: <http://www.dafne-online.eu/>

5. This Review and the setting up of the EFC Capacity Building Committee are timely – increased commitment by the EFC would be widely welcomed.
6. ‘Peer to Peer’ learning and knowledge sharing are seen to be effective – but need to be part of long term and sustained programme and to be more rooted in research and guidance on foundation practice. Products from GrantCraft and other specialist US organisations demonstrate that high quality provision is possible – and valued by practitioners.
7. EFC should distinguish between:
 - learning directed at understanding the programme and thematic priorities adopted as a focus of their work by foundations – the ‘what’ of foundation activity and
 - the learning, skills and knowledge staff need to acquire about the ‘how’ and ‘why’ of foundation work – what some described as the ‘craft’ or ‘art’ of philanthropy and
 - the leadership and governance of foundations.The consultations indicated that the Capacity Building Committee should concentrate on the second and third of these – lead responsibility for the first lying elsewhere within the EFC.

EFC Capacity Building – a vision for the future

Foundation capacity building should be at the heart of the work of the EFC.

Over the next 5-7 years the EFC should aim to:

- nurture, inspire and help develop talent and excellence within the practice of European philanthropy – including the support and appropriate training of experienced practitioners (among foundation staff and Board members) who are committed to helping others to learn
- build networks across Europe of mutual support between people with similar functions within foundations (recognising that many such individuals will be isolated in their work, whether because they work alone or are the only person within their foundation with a particular function)
- create space for leaders of European philanthropy to reflect (this ‘space’ could be virtual as well as physical)
- stimulate and generate momentum for innovative, creative, adventurous practice – excellence in philanthropic practice and governance
- help foundations across Europe by informing, convening and enabling efforts to construct and maintain a Europe wide capacity building infrastructure – always looking to achieve this wherever possible through partnership building and joint ventures with national and Europe wide institutions (including specialist university based centres) and networks (especially DAFNE), sometimes as lead coordinator, sometimes as active participant and promoter
- establish top quality web-based learning and signposting resources (and support specialist social networking) – again, working in partnership with other relevant providers at both national (within and beyond Europe) and global levels
- ensure that the capacity building potential of all EFC activities is recognised and reinforced – checking that the celebration and encouragement of practical capacity building is a prominent component and ‘brand’ across all EFC activities, publications and member services.

EFC – Investment in its own Capacity

One universal point made throughout the consultations was that, if the EFC was going to translate into action these aspirations and the objectives within its own strategic plan, it had to make serious additional investment in building its own capacity.

Priorities for the EFC Capacity Building Committee

The consultations suggest the Committee should concentrate on the following priorities, all of which are consistent with and reinforcing of the ‘Desirable Outcomes’ of the EFC strategic plan:

- A 5-10 year perspective
- ‘Tomorrow’s Leaders in European Philanthropy’
- Foundations as specialist and excellent providers both of philanthropic funds and resources
- Shared learning through activities which strengthen partnerships and mutual support between: individual foundations; EFC and the DAFNE membership; philanthropic and other funders; foundations and the organisations they support; foundations and policy/advocacy/research organisations or university based specialist centres
- Learning benefits enhanced by a Europe wide approach
- Sustainability and cost-effectiveness.

4. CHALLENGES

Challenges – together with suggested EFC action – identified during the consultations:

1. Ambivalence about the value of capacity building within foundations: “we invest less in ourselves than we insist the organisations we support invest in their own staff and Board members.”

Action:

- use all publications and services to celebrate and demonstrate value
- work with DAFNE members to develop capacity building templates that could be adapted and adopted by individual foundations.

2. Diversity of Foundations: The foundation sector contains organisations of immense diversity in ambition and mission, size, origins and source of funds, organisational structure and methods of work. How can EFC generalise about needs or develop universal provision?

Action:

- adopt narrow focus
- trans-national provision only when benefits over local or national provision are clear.

3. Exclusive to EFC members – or open to all foundations? Some of the potentially most effective peer to peer linkages may be between member and non-member.

Action:

- adopt an inclusive approach wherever possible.

4. Why just for foundations? “Surely foundation staff would gain from being exposed to a wider range of perspectives and experiences?”

Action:

- signpost capacity building opportunities and resources beyond foundation sector

- bring non-foundation people into EFC activities when to do so would enrich content.

5. Cost and time: reluctance by foundations to invest in capacity building reinforced by doubts about cost effectiveness.

Action:

- demonstrate added value of multi-national activity
- sustain 'virtual' networks
- bursaries for smaller foundations.

6. Paucity of relevant literature and practical guidance: more needed that is of direct value to practitioners.

Action:

- enhanced sign-posting to what is available – globally
- explore distribution within Europe of best US (and other) materials and establishing joint ventures with their providers to produce versions suitable for European market.

7. Language: reliance on English can dilute value of guidance materials and some events.

Action:

- work with DAFNE membership to develop templates and materials which could then be translated.

5. KEY COMPONENTS OF FUTURE EFC CAPACITY BUILDING PROGRAMME

- The provision of information and guidance materials and a signposting service to other resources and service providers.
- The organisation of series of learning events and of fellowship and exchange opportunities.

The EFC has already undertaken extensive work of this kind. The Review endorses the value of such activities – but proposes that each would benefit from a greater investment in long-term planning, range and focus, integration with other EFC services and activities and a further development and strengthening of partnerships with other organisations (nationally, Europe wide and global) that, in combination, could contribute to an enhanced capacity building infrastructure for foundation staff and Board members across Europe.

Materials and Sign-posting

EFC to:

- become a 'repository' of learning resources – case studies, samples, research, links to other resources
- produce (jointly with DAFNE) Capacity Building Templates – to share current 'state of the art' excellence practice; and coordinate production and circulation of 'Calendar of Events' – learning opportunities across Europe
- celebrate (in *Effect* etc) successful capacity building by individual and groups of foundations
- develop European GrantCraft type materials

- become increasingly proactive in ‘spotting’ new needs, trends and possibilities for capacity building innovations; supporting (and drawing on) ‘alumni networks’ of participants in events; ‘connecting’ to other capacity building networks within and beyond Europe
- nurture and build practitioner trainer capacity
- encourage work placement and ‘shadowing’ opportunities.

Learning Events

EFC to organise a limited (and closely targeted) number of learning events – preferably each being done in partnership with a DAFNE member and/or University – but should aim:

- to plan such events at least 12 months ahead
- with their co-host, to organise the event with a small practitioner planning group
- aim for a participant group which is 50% from within the host country and 50% from elsewhere in Europe.

International Fellowships

EFC to maintain the International Fellowship Programme for Learning and Exchange in Philanthropy (IFP) and also publicise availability of other fellowship and exchange schemes from which foundation practitioners could benefit.

6. PRIMARY FOCUS FOR FUTURE EFC CAPACITY BUILDING

The conclusion of the Review is to propose that the EFC Capacity Building Committee focus on 2 primary aspects of foundation management:

- Foundation practice and practitioners – promoting excellent performance
- Foundation leadership – now and for the future.

Foundation practice and practitioners

The aim would be to promote excellence in foundation practice through a concentration on the ‘craft’ or ‘art’ of a foundation’s work that goes beyond the process of basic grant-making.²

The EFC to become the coordinating centre for the creation for (and by) foundation practitioners of learning opportunities and resources that would be enriched by a trans-national approach e.g:

- Strategic planning and theories of change
- Analysis of a foundation’s own learning needs and the development of its human capital
- Use of funds – including going beyond grants; endowment asset management; using foundation funds to generate social and other policy changes
- Use of philanthropic resources – going beyond funding to initiate policy research, advocacy, convening activity
- Negotiating and brokering skills to help foster operational and cross-sector partnerships and generate joint ventures
- Impact and effectiveness
- Building engagement with applicant and funded organisations and partners.

²The Committee may find that the GrantCraft ‘Map of the Craft’ provides a useful agenda on which to build <http://www.grantcraft.org/pdfs/mapofthecraft.pdf>

Foundation Leadership

The aim would be to strengthen the foundation sector throughout Europe by helping to build top quality leadership and governance, targeting four specific groups:

- The 'next generation' – tomorrow's leaders
- Directors of Finance or Chief Investment Officers
- Senior or Chief Executives
- The Chairs of Boards and Foundation Committees

Each of these groups could benefit from shared learning with people with similar roles within foundations from different countries. They are also groups that could form ongoing mutual support and shared learning networks of long term duration, serviced by – but also a resource to – the EFC. Close engagement with DAFNE members on these activities would be essential and productive, as would close linkage between work with these groups and other EFC activities, including networking opportunities within and alongside the EFC Annual General Assembly and Conference.

1. PREFACE

Capacity Building – what is it?

As any web search reveals, Capacity Building is a term used in many sectors (international development, governance, private, public and ‘non-profit’ sectors). A large scale ‘industry’ has emerged globally of organisations that are engaged in capacity building activities, undertaking research and academic study, producing practical guidance materials and providing consultancy and training.

Within the non-profit and civil society sectors, foundations have been active in supporting capacity building within the organisations and communities which are the focus of their programmes. This work has been especially active in the USA and has also led there to the development of several specialist agencies, university centres and an extensive literature. Within Europe, foundations have also been giving increasing attention to capacity building within their own programmes, seeking to strengthen the organisations and the communities they wish to support. A variety of organisations have also been established (often with assistance and encouragement from foundations) within the non-profit and civil society sectors to develop capacity building services – to help nonprofits build up their “organisational muscle” as McKinsey has described³ the process.

Within the non-profit and civil society arena, capacity building is most commonly summarised as being about “actions that improve non-profit effectiveness⁴” or as “the process of developing and strengthening the skills, instincts, abilities, processes and resources that organisations and communities need to survive, adapt and thrive in the fast-changing world⁵.” This is an immense agenda. Moreover, as Barbara Kibbe (a founder of Grantmakers for Effective Organisations⁶ and the former Director of Organisational Effectiveness and Philanthropy programme at the David and Lucile Packard Foundation) has commented⁷ “the field is characterised by diversity – with no common language or conceptual framework to define or categorise capacity building approaches.” The research about which she was commenting had identified “more than 100 variables to describe the capacity building initiatives of just the eight funders” in the study – including “organisational size, maturity, speciality, community need, recent stresses (such as changes in leadership...) and external context.”

Capacity building also has both an organisational and an individual dimension:

- for an organisation, capacity building can relate to any action which helps it improve its ability to achieve its mission. This could include strategic planning, governance and leadership, administration and financial management, data management, programme development and implementation, evaluation, partnership working and collaboration, policy advocacy, communications
- for individuals, capacity building is about extending and enhancing personal skills and knowledge, competence and confidence across the whole range of functions and tasks they undertake – their continuing professional development (CPD).

³ McKinsey & Company *Effective Capacity Building in Nonprofit Organisations* Venture Philanthropy Partners 2001

⁴ Barbara Blumenthal *Investing in Capacity Building* Foundation Centre 2003

⁵ Ann Philbin *Capacity Building in Social Justice Organisations* Ford Foundation 1996

⁶ Grantmakers for Effective Organisations (GEO): www.geofunders.org

⁷ Barbara Kibbe *The Capacity Building Challenge: a Funder’s Response* – commenting on: Paul Light & Elizabeth Hubbard *The Capacity Building Challenge: a Research Perspective* Foundation Centre 2004

Capacity building can take place across an extensive spectrum of possible 'locations' or places; for example:

- within a single work place
- between individuals with similar functions (e.g. Finance Directors or Board members) in different organisations
- within and between groups of organisations that have similar functions (e.g. donor and foundation networks; or philanthropic and public funders)
- within communities defined by physical location
- within sectors (e.g. operational non-profits and NGOs working with funding organisations) and across sectors.

It can also take many forms; for example:

- peer-to-peer or shared co-learning
- facilitated seminars and meetings
- training programmes
- research and evaluation projects
- the production and provision of learning materials and guidance.

New technologies and web-based social networking developments also make it increasingly possible for learning to take place on-line or virtually and for people to engage together but remotely in shared learning activities and peer to peer mutual support.

Capacity Building *within* Foundations

The literature on Capacity Building in the non-profit and civil society sectors is extensive⁸ and investment in this activity by foundations globally is substantial – but there is little specialist literature on capacity building *within* foundations in Europe. There is also a lack of data about learning needs within foundations or easily accessible information about current efforts to address them. Little has been done within Europe to examine the “process of developing and strengthening the skills, instincts, abilities, processes and resources” that foundations themselves need “to survive, adapt and thrive in the fast-changing world.”

This may, in part, be a reflection of the challenge of the rich diversity of foundations across Europe. How can generalisations be made about organisations that are so different from each other? The EFC membership – and the wider foundation 'community' – include organisations that are very different from each other, for example, in:

- purpose, ambitions and mission
- values and perceptions of society and, within it, of the role of philanthropy
- organisational structure
- size
- background, age and founding history (whether by individual, family, corporate entity, public or governmental body, religious institution)
- geographical focus – a specific neighbourhood or city, region or country, or global.

⁸ See, for example, the *Resource List* in Meg Abdy & Margaret Bolton *Foundations for Organisational Development Practice in the UK and USA* Baring and Northern Rock Foundations 2007 and the section on *Capacity Building (Nonprofit)* in the Free Management Library™ at www.managementhelp.org Authenticity Consulting

Above all, within Europe, there are significantly different types of foundation, reflecting national philanthropic, cultural, political and social traditions, regulations and context. Most obviously, there is the distinction between what is sometimes described as the 'Anglo-Saxon' type of foundation, which is usually an organisation that achieves its mission exclusively through funding other independent non-profit and community organisations and institutions, and those foundations which are themselves operational, using their funds to commission projects and to create and/or manage organisations which are designed to carry out the foundation's mission. Others are 'hybrid' organisations, combining both these forms. As Luc Tayart de Borms asserts⁹, "Foundations play a number of roles simultaneously, from simple charity to the more complex role of catalyst of social and/or policy change" and argues that they can also play a vital role within Europe as "an engaged member of civil society" – as convenors. With such diversity – how can a single capacity building agenda be conceived and applied?

During the preparation of this report, moreover, a commonly expressed view was that the Boards of many foundations made little investment in capacity building their own staff – or themselves as Board members; indeed, an ambivalence about such investment within some Boards was reported, either based on a view that nothing should be taken away from programme funding or that the skill set required by Foundation staff could not be 'taught' but should be acquired individually 'on the job.'

The commissioning of this report – and the responses to the consultations on which it is based – are a challenge to those views; they start from an assertion that building a knowledgeable, skilful and confident staff and Board are pre-requisites for creating and maintaining a foundation that is able to operate in practice to high standards, that gets the best from its own staff and Board, that provides an excellent service to those organisations and communities with which it works, that reflects on and learns from its own work and those of its partners, and that has good prospects of achieving the changes and outcomes to which it aspires.

⁹ Luc Tayart de Borms *Foundations – Creating Impact in a Globalised World* Wiley 2005

2. INTRODUCTION – THE REVIEW

The EFC Strategic Plan

The current Strategic Plan of the European Foundation Centre (EFC) sets out four main objectives through which it aspires to achieve its mission “to strengthen the independent funding element of European philanthropy through robust cooperation with an array of partners.” One of the four is “Benchmarking and Capacity Building”, the other three (which, the plan acknowledges, all cut across each other) being:

- Creating an enabling environment
- Communicating and documenting European philanthropy
- Network Building.

Benchmarking the sector and “boosting the professional capacities” of independent funders are described in the plan as being a “key to strengthening the European philanthropic infrastructure.” Specifically, it is intended that this work should be built round:

- a set of principles of Good Practice
- the identification of standards against which progress and performance can be measured
- the communication of standards through capacity-building events and publications
- capacity building within foundations by “developing skills and sharing knowledge on trends and issues affecting their work.”

In 2007, committees of EFC members were established to steer work on each of the four objectives and to develop “a concrete plan of activities.” The EFC Capacity Building Committee defines capacity building as referring to “the development of the professional skills and capabilities of foundation staff and board members through peer-learning opportunities and training exercises.”

The Review – Capacity Building within Foundations

To assist the Committee develop its work and to expand EFC capacity building activities, a Review was commissioned with the following goals:

- to better understand relevant capacity building developments and current trends in the sector, including the needs of foundations in Europe (specifically EFC members)
- to identify and make contact with other institutions and organisations in the same field, both in Europe and elsewhere
- to determine a ‘niche’ in the sector that the EFC could fill, in relationship to (and to be complementary to) the training and capacity building activities undertaken at a national level by EFC members
- to define next steps that the EFC may take to implement conclusions of the review.

The review was defined by the Committee as having two stages:

1. A mapping exercise which:
 - identifies capacity building and professional development needs among EFC members
 - outlines programmes carried out at a national level by members of The Donors and Foundations' Networks in Europe (DAFNE)
 - provides details of potential partners among, for example, European universities
 - describes the resources and work done by national and global organisations in other parts of the world such as WINGS, GrantCraft and the Centre for Effective Philanthropy.

2. The development of recommendations for the Committee to consider, addressing the following:
 - What role could the EFC play in future capacity building activities? what 'niche' might the EFC fill well?
 - What audiences should new initiatives target?
 - What type of events should EFC capacity building activities feature; addressing what issues; how many events are useful?
 - Can academic institutions become more involved?
 - Could capacity building activities be effectively separated from the mainstream of EFC Secretariat work?

The Review Process

The Review was undertaken over 14.5 days between April and September 2008 and was based on extensive consultations with more than 100 people:

- email and telephone conversations or individual meetings with:
 - EFC staff and committee members
 - staff of foundations (including but not exclusively EFC members)
 - members of DAFNE
 - organisers of university based programmes for foundation staff
 - staff of specialist agencies such as GrantCraft, WINGS, the Centre for Effective Philanthropy and Grantmakers for Effective Organisations
 - individuals in Europe, Australia and the USA with proven expertise in capacity building within foundations and in the professional development of foundation staff and board members
- a meeting of Foundation staff convened as a pre-conference event prior to the EFC Annual General Assembly and Conference in Istanbul in May
- a session within the meeting of DAFNE in Istanbul in May.

In all these consultations, the starting point for discussion has been the assertion that:
“Many foundations across Europe have focused resources on helping non-profit and civil society organisations to strengthen their organisational capacity and the knowledge and skills of their staff and Board members – the evidence being that a confidently managed organisation that gives priority to its own learning will be more resilient and better able to deliver its mission effectively.”

Followed by the questions:

- Do Foundations pay similar attention to their own capacity and learning needs? – to the skills and development of their own staff and Board members; to helping build their competence and confidence so that they become more effective in their daily work?
- If not, what are the obstacles to them doing so?
- If foundations are working on this, what has been learnt about what works – and what doesn't?
- What could the EFC do (if anything) to help foundations across Europe enhance the quality of their own know-how and performance – at local, national and trans-national levels?

This brief report brings together the results of those consultations and draws on them to make recommendations to the EFC Capacity Building Committee.

3. LOOKING FORWARD: HEADLINE OUTCOMES OF CONSULTATIONS & KEY 'PRINCIPLES' FOR FUTURE DEVELOPMENT

Consultations - Outcomes

In commissioning this report, the EFC Capacity Building Committee hoped that it would be possible to carry out a comprehensive 'mapping exercise' of capacity building needs within Foundations and of the resources and provision that exists to meet those needs, nationally, across Europe and globally. It proved impossible to carry out such a comprehensive task, primarily because of the very variable quality and quantity of easily accessible and relevant data. However, throughout the consultations, several similar views were put forward consistently about the present situation. In summary these are:

- 1. Investing in foundation 'human capital':** there is widespread concern that many foundations are not investing sufficiently in the skills and knowledge of their staff – and that this can impact on the quality of their work. Performance standards and creativity could be enhanced, it is widely argued, if foundations paid more attention to strengthening and extending the skills, knowledge and confidence of their 'human capital' – their staff and their Board members. Moreover, it is in the interests of all foundations that the work of their staff should be of high quality – poor quality practice or unacceptable behaviour by one foundation can pose a reputational hazard and risk for others as it can influence perceptions of the foundation sector generally.
- 2. Existing Excellence:** it is recognised that there is excellent staff (and Board member) development going on within some foundations but this is perceived as exceptional rather than general practice – and more needs to be done to celebrate and inform others about this high quality work, so that it can be a source of learning and potential emulation elsewhere. In particular, it was argued, the EFC should give special priority to demonstrating what can be done to tackle the capacity building needs of foundations with one or only a few staff. The larger foundations are seen as being better equipped to tackle many of their own capacity building needs internally – though their staff and Board members were also seen to provide a potentially important resource for assisting in the strengthening of the skills and knowledge of the smaller foundations. They were also likely to have greater opportunity to participate in and to benefit from trans-national capacity building programmes that bring together foundation personnel from various countries within and beyond Europe.
- 3. DAFNE's growing impact:** at a national level, the efforts of members of The Donors and Foundations' Networks in Europe (DAFNE)¹⁰ to help foundations enhance the quality of their work are expanding and gathering strength. Commentators suggested, however, that:
 - more could be done for individual DAFNE members to help them learn from each other's practical experience of mounting capacity building programmes
 - the EFC could do more to help facilitate the production of templates for learning programmes that could then be adapted and delivered nationally

¹⁰ The Donors and Foundations' Networks in Europe (DAFNE) was established in 2006. It is an informal network that aims to link different Donors and Foundations' Networks (DFNs) in Europe that serve charitable foundations and other grantmakers at the national level: <http://www.dafne-online.eu/> The EFC lists DAFNE members in 19 countries within Europe: <http://www.efc.be/membership/nads.htm>

- the EFC could work with individual DAFNE members on developing 'joint venture' programmes that were either, on their own, beyond the capacity of the individual member or that could be provided in countries without an established foundation capacity building programme.
- 4. EFC Capacity Building efforts to date:** the EFC efforts to date to provide and to support capacity building and professional development across Europe (through the Philanthropy Institute Programme (PiP)¹¹, the International Fellowship Programme for Learning and Exchange in Philanthropy (IFP), Thematic Funders Networks, the provision of knowledge resources and standard setting documents such as the *Principles of Good Practice* (2006) and *Accountability in International Giving* (2005)¹² and other member services) are appreciated but are seen as limited in scale and coverage, uneven in depth and quality and insufficiently sustained.
- 5. EFC Capacity Building Committee – a timely initiative:** the new focus of the EFC on this issue and the setting up of the Capacity Building Committee are welcomed and seen as very timely as they occur when new resources and interest in how best to equip the staff of foundations for their work are emerging throughout Europe – within individual foundations, national associations/networks and universities. An active lead and increased commitment from EFC would be widely welcomed.
- 6. What works?** 'Peer-to-peer' learning and knowledge sharing are widely seen to be the most effective way of building individual capacity and of strengthening continuing professional development (CPD) among foundation staff (and Board members). The consultations also revealed:
- a strong emphasis on the value of establishing and maintaining long term relationships – too many existing learning opportunities were said to be structured as 'one off' events and their potential to help build action learning networks and continuing mutual support have not been sufficiently realised
 - a recognition that more needs to be done to underpin all co-learning opportunities that are focussed on foundation practice with evidence based research and literature combined with increased investment in materials documenting good practice in all aspects of foundation work¹³.

Many of those consulted also spoke very positively of the value of practical guidance materials of the kind produced by GrantCraft (*'Practical Wisdom for Grantmakers'*)¹⁴ and the potential for adapting (and translating) these for use in

¹¹ <http://www.efc.be/about/whatweoffer.htm>

¹² <http://www.efc.be/codex/default.htm>

¹³ Significantly, given some aspects of the Review brief, the consultations did not reveal any consensus on whether the foundation sector should be seeking to develop accredited training designed directly for the foundation work force – though, at a national level, there does seem to be growing interest in accredited training about philanthropy and also programmes targeted at staff of funders of all kinds (not restricted to foundation staff) that will secure an accredited qualification for participants

¹⁴ GrantCraft offers a range of publications and videos about practical issues in grant making. It is an open website that anyone can access and it provides "a body of practice and reflection in the field that is grounded in the experiences of real world grantmakers and how they function. It conveys the grantmaking experience in ways that are practical and real, rather than abstract" <http://www.grantcraft.org/>

Europe.¹⁵ The collaborative process that GrantCraft has adopted for producing its guides (drawing on the experience of groups of foundation practitioners to work jointly on the production of each guide) was also seen to have positive capacity building outcomes for those involved.

The work of several other organisations specialising in foundation effectiveness (such as Grantmakers for Effective Organisations¹⁶, the Aspen Institute¹⁷, the Association of Small Foundations¹⁸ and the Centre for Effective Philanthropy¹⁹) were also commended by many as of intellectual and practical value, even though they are targeted at the USA foundation sector – suggesting that similar initiatives within Europe are overdue for development.

7. Focus on Capacity Building within EFC: there is general recognition that a distinction needs to be made within EFC planning between:

- learning directed at understanding the programme and thematic priorities adopted as a focus of their work by foundations – the ‘what’ of foundation activity
and
- the learning, skills and knowledge staff need to acquire about the ‘how’ and ‘why’ of foundation work – what some described as the ‘craft’ or ‘art’ of philanthropy
and
- the leadership and governance of foundations.

The consultations indicated (and the review supports) that the priorities for the EFC Capacity Building Committee should be to concentrate on the second and third of these.

Work on supporting foundations in the development of and learning about programme themes is, rightly, a priority concern of the EFC. Primary responsibility for such activities, however, lies elsewhere in the EFC structure.

There was a widespread view among those consulted that there has been insufficient focus to date on the practical ‘craft’ aspects of foundation work and specific operational functions – “what it is to be a funder” as one consultee put it. Much more attention, it was argued, had been given to programme content and

¹⁵ Several GrantCraft guides have already been translated to assist the work of foundations in Germany by Bertelsmann Stiftung <http://www.bertelsmann-stiftung.org>

¹⁶ Grantmakers for Effective Organisations has more than 1400 individual members representing 350 grantmaking organisations and “researches and promotes practices which lead to grantee effectiveness” <http://www.geofunders.org/>

¹⁷ The Aspen Institute’s Nonprofit Sector and Philanthropy Program (NSPP) “seeks to improve the operation of the nonprofit sector and philanthropy through research, leadership education, and communication initiatives focused on critical nonprofit issues. NSPP’s Nonprofit Sector Research Fund awards research grants to support studies that examine the nonprofit sector and philanthropy” www.aspeninstitute.org/nspp

¹⁸ The Association of Small Foundations (ASF) is a membership organization of more than 3,000 foundations with few or no staff. ASF provides members with peer learning opportunities, resources and a collective voice in and beyond the philanthropic community www.smallfoundations.org/

¹⁹ The Centre for Effective Philanthropy provides data and insight “so philanthropic funders can better define, assess, and improve their effectiveness and impact” www.effectivephilanthropy.org/

policy issues – sometimes to the neglect of the challenges and importance of practical implementation and operational effectiveness.

Excellence in leadership, organisational development, financial and asset management and governance of foundations was also seen as something that was of substantial importance to the work of all foundations and the contribution they make to positive social change and the strengthening of civil society.

The Capacity Building Committee was urged, therefore, to concentrate their focus on those two aspects of foundation management.

EFC Capacity Building – a vision for the future

A vision of the sort of role the EFC could play in its efforts to help build capacity, skills, knowledge and confidence among foundations across Europe emerged from the consultations.

In summary, this is that the EFC should aim over the next 5-7 years to:

- nurture, inspire and help develop talent and excellence within the practice of European philanthropy (including the support and appropriate training of experienced practitioners among foundation staff and Board members who are committed to helping others to learn)
- build networks across Europe of mutual support between people with similar functions within foundations (recognising that many such individuals will be isolated in their work, whether because they work alone or are the only person within their foundation with a particular function)
- create space for leaders of European philanthropy to reflect (this ‘space’ could be virtual as well as physical)
- stimulate and generate momentum for innovative, creative, adventurous practice (promoting excellence in philanthropic practice and governance)
- help foundations across Europe by informing, convening and enabling efforts to construct and maintain a Europe wide capacity building infrastructure – always looking to achieve this wherever possible through partnership building and joint ventures with national and Europe wide institutions (including specialist university based centres) and especially the membership of DAFNE, sometimes as lead coordinator, sometimes as active participant and promoter
- establish top quality web-based learning and signposting resources (and actively support the development of specialist social networking opportunities) – again, working in partnership with other relevant providers at both national (within and beyond Europe) and global levels (e.g. WINGS)²⁰
- ensure that the capacity building potential of all EFC activities is recognised and reinforced – checking that the celebration and encouragement of practical capacity building is a prominent component and ‘brand’ across all EFC activities, publications and member services²¹.

Throughout the consultations on which this report is based, the potentially positive role of the EFC at the centre of foundation capacity building across Europe was forcefully

²⁰ WINGS (Worldwide Initiatives for Grantmaker Support) <http://www.wingsweb.org/>

²¹ For example by always carrying features in ‘Effect’ that celebrate effective capacity building practice within individual foundations; and by enabling capacity building networks to meet as pre-events to the annual EFC Assembly and Conference

endorsed – at all levels: in informing and inspiring individual foundations, in the support of and assistance to national DAFNE members, through Europe wide initiatives and activities, and through its links to resources, networks and institutions beyond Europe.

Capacity building activities were seen by all consultees as mainstream to the EFC's core services. Potential for partnerships and joint ventures should always be explored in all such activities, it was universally argued, but there was no support for EFC capacity building efforts being separated from the rest of its work. On the contrary, it was widely argued that capacity building should be at the heart of all EFC work. All recognised that EFC could not be expected to have in-house expertise on every aspect of foundation management – but that was further encouragement for the EFC to build up its own networks and signposting knowledge and skills so that it could easily link members to high quality resources and capacity enhancing opportunities.

EFC – Investment in its own Capacity

One universal point made by almost all those involved in the consultations was that, if the EFC was going to translate into action these aspirations and the objectives within its own strategic plan, it had to make serious investment in building its own capacity.

If capacity building is to be a central focus of the EFC's work, then full time executive leadership will need to be established which has the authority and resource backing to be able to negotiate and forward-plan with potential partners. Significant additional investment in web-based resources and expertise is also likely to be necessary.

A sustained focus and active coordination and leadership over an extended period of time will be necessary ingredients of the successful implementation of any comprehensive strategy – reinforcing the important role the Capacity Building Committee will have within the EFC structure if this vision of foundation capacity building is to become a reality.

Priorities for the EFC Capacity Building Committee

In taking this work forward, the consultations suggest that the Capacity Building Committee should concentrate focus and resources on:

- **A 5-10 year perspective:** the committee should identify and work towards long term outcomes with the various component parts planned well ahead (one rueful – and typical – comment emerging in the consultations about some aspects of recent EFC capacity building efforts was that the impact and value of some events had been diluted by planning being too 'last minute')
- **'Tomorrow's Leaders in European philanthropy':** – giving priority to investment in future leaders ("emerging practitioners") and to building communications and learning networks between them
- **Foundations as specialists:** focus on the skills needed for foundations to be specialist suppliers of philanthropic funds and resources (not only skilled and creative funding practice but also going beyond funding – convening, knowledge management and dissemination, influencing etc) – and on achieving excellence in the practice of each
- **Shared learning and Partnerships:** initiatives which rely on and strengthen 'peer to peer' shared learning at all levels – through activities which strengthen partnerships, joint ventures and mutual support between:
 - individual foundations or
 - EFC and the DAFNE membership or

- philanthropic and other funders or
- foundations and the organisations they support or
- foundations and partners within other parts of the non-profit sector or policy/advocacy/research organisations or specialist university centres.

The consultations recorded a strongly expressed conviction that shared learning of this kind is itself a stimulant for and a driver of new and enhanced operational collaboration

- **Europe wide benefits:** demonstrating the measurable gains that EFC trans-national initiatives or programmes can achieve by engaging participants from several countries – this may be because the subject is one that can be particularly productively approached on a Europe wide basis (e.g. IT, Investment practice, international or global funding, matters relating to the EU) or where the process of combining perspectives from different countries and philanthropic traditions is likely to add special value to the learning (e.g. impact evaluation, strategic planning, interaction with funded organisations, partnership working). When a Europe wide initiative is judged not to be appropriate, the EFC can actively support and promote initiatives taken at a local, national or regional level by DAFNE members or groups of foundation practitioners
- **Sustainability:** ensure that, unless there is clear justification for a 'one-off' initiative or event, any EFC led capacity building activity contributes to 'alumni' participant network building and is the basis for foundations (and their personnel) to make a sustainable investment in continuing learning
- **Cost-effectiveness:** keeping costs to members down where possible (but without dilution of quality or planning); helping (for example DAFNE members) to minimise 'reinventing the wheel' by the avoidance of unnecessary duplication; and by the use of web-based and virtual learning and 'signposting' when feasible.

This vision and outline of priorities is consistent with and reinforcing of the 'Desirable Outcomes' the EFC has already identified within the four objectives of its strategic plan.

4. CHALLENGES

Within the consultations on which this report has been based, many challenges were identified that will have to be met if EFC efforts to help build capacity and professional excellence within foundations are to succeed.

These challenges are set out in this section – together with suggestions, also made within the consultations, for how they could be tackled in practice.

1. **Ambivalence about value of Capacity Building:** as already acknowledged in the Preface to this report, there does seem to be widespread ambivalence within the leadership of many foundations about the value of and ‘return’ on investment in the ‘human capital’ of foundations²². This was strongly expressed, especially by younger and less experienced staff, many of whom reported that they had been offered little induction (“I had to go straight in at the deep end – it was ‘sink or swim’” was a typical comment). Even where basic induction was organised, continuing professional development and performance appraisal was reported often as being non-existent or rare. Staff spoke of the incongruity of Board members referring to the ‘difficulty’ of giving money away wisely, yet not investing in the people who were employed to help them do it.

Another commonly expressed view was that “we invest less in ourselves than we insist the organisations we support invest in their own staff and Board members.”

The consultations revealed some excellent examples of in-house staff induction/orientation, co-learning, performance appraisal and continuing professional development (CPD) – in almost every case, however, these had been built from scratch, sometimes drawing on experience acquired in other sectors, but seldom based on practical experience obtained from within other foundations.

Action: in all its publications and services, the EFC could celebrate and demonstrate the value of high quality staff and Board member support and capacity building – emphasising the impact on the quality of a foundation’s work and the relationships with a foundation’s partners and the organisations it supports.

The EFC could also (with DAFNE members) develop templates for induction of staff and Board members and for CPD that could be adopted and adapted by individual foundations.

²² This ambivalence may extend beyond foundations themselves. Char Mollison, formerly responsible for member services both at the Council on Foundations and the Independent Sector in the USA, when emphasizing how important it is for capacity building initiatives to be of high intellectual as well as practical quality, also offered a cautionary observation, reporting “a downside to the basic concept of a grantmaker with more confidence and competence. I know that sounds odd, but gradually the idea of a ‘profession’ or ‘craft’ emerges. In the US people in the field are called ‘philanthropoids.’ They are said to get a disease called ‘grantmakeritis.’ They think they know more about how to solve societal problems than the applicants for funding. They create their own initiatives as an expression of their confidence and competence and impose their funder-designed solutions on non-profits. They decide NGOs aren’t good enough or compliant enough, so the grantmakers decide to run their own programmes. The rise of critics of philanthropy on both the right and the left is in part a response to what these adherents see as ‘too much professionalism.’”

2. **Diversity of Foundations:** as has also been acknowledged in the Preface, the diversity of foundations across Europe poses a significant challenge to the creation of a capacity building strategy by the EFC. The foundation sector contains organisations of immense diversity in ambition and mission, size, origins and source of funds, organisational structure and methods of work. How can EFC generalise about needs or develop universal provision? One questionnaire evaluation report alone from within the EFC's PiP programme listed 24 distinct learning topics.

Action: the EFC should focus its efforts narrowly, assisting and supporting access to other learning opportunities at local and national level when that is more appropriate and likely to enable a greater focus on common, shared learning challenges.

In capacity building activities initiated by the EFC itself, it should always concentrate on issues and aspects of foundation practice for which a trans-national focus will be especially relevant. It can also encourage communication and network building within different foundation sub-sectors across Europe.

3. **Exclusive to EFC members – or open to all?** This is a dilemma throughout much of the EFC's work – but it is especially resonant for capacity building as some of the potentially most effective peer to peer linkages may be between member and non-member.

Action: while it is clear that EFC must in much of its work give priority to member foundations, it does seem that adopting an inclusive stance on capacity building is likely to have benefits for quality of that capacity building provision as it will enable a wider and 'richer' range of activities and perspectives to be included than would be the case if all such programmes were restricted only to participants from member foundations. It may also encourage non-member participants to join the EFC!

4. **Why just for foundations?** Several of those consulted expressed doubts about capacity building programmes that were restricted to people working within foundations. What, they asked, is so special about the learning needs of foundation staff and Board members – in what ways are the skills and knowledge they need so different from those required by people working for other funders, or in other non-profit organisations? Surely, they asked, foundation staff would gain from being exposed to a wider range of perspectives and experience? The depth and breadth of the learning would be enriched – and, if resources for capacity building are limited, surely it would be more cost effective to organise learning opportunities for a larger pool of potential participants than foundations could provide? Yet the training and capacity building providers from outside the foundation sector who were consulted as part of this review reported that few foundations staff took up places on relevant seminars and training events.

Action: EFC could be a valued source of information for foundations about relevant learning opportunities available outside the foundation sector – and an equally valued advocate of foundation capacity building needs with training providers within other sectors.

The EFC should always test the legitimacy of the need for exclusivity and encourage inclusive learning opportunities when appropriate and feasible.

It could also, as a matter of general practice, bring non-foundation people into EFC programmes and learning networks when to do so would enrich the content.

5. **Cost and time:** any reluctance to invest in capacity building will be reinforced if there are doubts about the cost effectiveness of the provision on offer – the more so when participation involves cross border travel and extended time away from the job.

Action: if the EFC proposes an event or programme that requires cross-border travel, it is clearly important that it can:

- forcefully demonstrate the added value of the learning that it is intended will result
- be very clear about the target group in its marketing
- aim to help enable virtual networks (and aides to communication and networking such as *listserve* type systems and newsgroup forum) to be established for sustaining subsequent commitment at no or minimal cost where that is appropriate and feasible.

The EFC (or some of its larger members) could also provide some bursary type financial help for smaller foundations to ensure that it is not only the largest member organisations that have access to trans-national learning opportunities.

6. **Paucity of relevant literature:** many consultees reported having had difficulty finding guidance or literature that was directly relevant to their work and the operational challenges faced by foundations. More is certainly needed (and some of the resources now available to foundations in the USA may provide useful and encouraging models of what can be achieved) but it also seems likely from the consultations that not enough foundations are making use of information resources and sign-posting services that already exist – for example within the EFC itself as well as at a national level in the wider non-profit sector.

Action: the discussion of the enthusiasm for peer to peer learning in the previous section acknowledges the potential value of guidance materials such as those produced by GrantCraft – and the steps already being taken in Germany to make some of these available in translated and adapted versions suitable for foundations in that country. The EFC could work jointly with existing suppliers, for example GrantCraft, to distribute and/or promote relevant materials within Europe. It could also encourage and/or initiate the preparation (and translation) of similar practical materials within Europe.

The EFC could also lead efforts within Europe to explore the creation of other services geared to assisting foundations test, compare and enhance the effectiveness of the ways they work (for example, a European version of the Centre for Effective Philanthropy) – and to promoting and celebrating successful initiatives by individual foundations to monitor and evaluate the effectiveness of their working methods.

7. **Language:** the primary language of the EFC is English. This can create problems for some foundation practitioners and can also dilute the value of some EFC activities for some participants and limit the potential impact of some of the knowledge resources that can be accessed from the EFC through printed materials or web based information.

Action: through close partnerships with DAFNE members, the EFC could share templates for successful capacity building and continuing professional development materials, programmes and events which can be translated for local and national consumption.

5. KEY COMPONENTS OF FUTURE EFC CAPACITY BUILDING PROGRAMME

The Review has concluded from the consultations on which it is based that there are likely to be two key components of any approach to capacity building undertaken by the EFC:

- The provision of information and guidance materials about foundation practice and a signposting service to other resources and service providers
- The organisation of a series of learning events and of fellowship and exchange opportunities.

The EFC has already undertaken extensive work of this kind. The Review endorses the value of such activities – but proposes that each would benefit from a greater investment in long-term planning, range and focus, integration with other EFC services and activities and a further development and strengthening of partnerships with other organisations (nationally, Europe wide and global) that, in combination, could contribute to an enhanced capacity building infrastructure for foundation staff and Board members across Europe.

Materials and Sign-posting

The Review suggests that this aspect of EFC capacity building activity should be made up of the following:

A ‘repository’ of learning resources: by building on the information services and knowledge resources it already provides, and then promoting their availability vigorously, the EFC can become increasingly acknowledged and heavily used as a ‘repository’ of valued and tested learning materials and samples of proven good practice, research and other studies, case studies, and links to relevant literature on philanthropy practice.

Capacity building templates: the EFC could develop – in collaboration with DAFNE members and small groups of experienced foundation practitioners – templates on the core capacity building activity that individual foundations can then use themselves, adapting the templates to be appropriate to their own circumstances e.g. general induction packs and procedures for new staff and Board members; or specialist materials for finance staff. These can draw on existing good practice already developed by individual foundations (within EFC or DAFNE member organisations) – thus ensuring that current ‘state of the art’ excellence is widely shared and unnecessary duplication is avoided. Once in use, the templates can be regularly reviewed to take account of user experience and changes in the wider environment and amended/updated accordingly.

A similar template approach could be coordinated by EFC to share details of capacity building programmes and learning events that individual members of DAFNE have introduced for their members – again enabling DAFNE members and foundations in other countries to benefit from established and successful practice that has been developed elsewhere in Europe.

The EFC could also coordinate the provision – to its members and through DAFNE member information services – of data about learning opportunities throughout Europe, helping, by so doing, to open up cross border access enabling foundations in one country to benefit from and participate in capacity building opportunities in another. The EFC could, for example, coordinate the production and circulation of a ‘Calendar of Events’ bringing together details of learning activities relevant to foundations throughout

Europe. Such a product would help substantially to improve the availability of data about current and new learning opportunities.

Celebration of successful capacity building: the EFC could ensure that reports and descriptions of successful capacity building activity that is organised within individual foundations or by collaborating groups are widely disseminated – for example including such material in every issue of *Effect*²³ focussed on how foundations can develop their own human capital – demonstrating what is achievable in practice.

European GrantCraft: the EFC could:

- arrange with GrantCraft at the Ford Foundation to ‘import’ some of the guidance material that have already been produced, adapt them for the European context and disseminate them to foundations across Europe through mailings and on the website, co-branding as appropriate
- link up with individual DAFNE members (or leading foundations in countries without an established foundation national network) to produce versions of some of these guides translated from English – again co-branding the materials appropriately
- initiate new GrantCraft type products – using a similar peer/peer development process to that²⁴ which has proved so successful and valued in the USA
- consider developing other ‘joint venture’ approaches to the dissemination within Europe of useful guidance material – for example with the Foundation Centre.²⁵

Adopting a proactive leadership role: the EFC Capacity Building Committee and the staff working to it could take on a proactive leadership role in the further development of the foundation capacity building infrastructure across Europe – through active engagement with members, EFC and other learning networks, links with universities etc:

- spotting learning needs and seeking out opportunities for meeting them – whether by EFC led initiatives or by joint ventures, by directly commissioned work or by the encouragement of other institutions to take action
- supporting alumni mutual support networks of individuals who have participated in EFC capacity building activity. These individual practitioners may then be called on or volunteer to provide shadowing, mentoring and specialist on-call practical assistance to colleagues in other foundations and other countries, to facilitate or contribute to the content of Board or staff retreats, and to take on leading roles in future EFC learning events
- targeting specific groups with specially tailored web-based information, newsletters and networking initiatives. The website support for the Transatlantic Community Foundation Network (TCFN)²⁶ and the (former) International Network on Strategic Philanthropy (INSP) were quoted as exemplary examples by several commentators. Much of the material would be common to several networks but the special

²³ EFC's “flagship publication about and for European foundations, with a particular emphasis on EFC members” was launched in 2007 and is published three times per year in hard copy and pdf,

²⁴ GrantCraft in USA estimate that over 600 foundation practitioners have already participated in the preparation of their products – these collaborations have proved to be useful learning and capacity building opportunities for the participants

²⁵ The Foundation Centre connects “nonprofits and the grantmakers supporting them to tools they can use and information they can trust” and “operates research, education, and training programs designed to advance philanthropy at every level” <http://foundationcenter.org/>

²⁶ TCFN: “provides a platform for the exchange of experience and expertise among community foundations” and support organisations in Europe, Mexico and USA <http://www.tcfn.efc.be>

'tailoring' and branding would give them and their content a special immediacy and relevance

- representing EFC to and with global and other European networks and other on-line knowledge resources through which further capacity building and continuing professional development opportunities could be generated (e.g. WINGS²⁷, the European Venture Philanthropy Association²⁸ and Board Source²⁹) and links to other global or national agencies that work in this same arena to which reference has already been made (e.g. Centre for Effective Philanthropy, Grantmakers for Effective Organisations).

Nurture and build practitioner trainer capacity: the EFC (and DAFNE members) already have access to many experienced practitioners who have demonstrated a willingness to participate as facilitators, speakers or leaders of capacity building events. If the quality and depth of the capacity building infrastructure is to be maintained and further enhanced, it will be important to nurture and build practitioner trainer capacity and skills as an investment in a long term resource to the sector. The people making up that resource can then be called on with confidence not only by EFC for its own initiatives and events but by DAFNE members and other organisations.

Work Placement/Shadowing Introductions: the EFC is well placed to assist foundations seeking work placement or shadowing opportunities for their staff (or Board members) in other countries and to support national networks to do the same within their own countries – drawing on that experience for arranging cross border placement opportunities. Such an informal 'introductions' service would be a useful complement to the more formal fellowship and exchange schemes described in the next section.

Learning Events and Fellowships

The experience of the EFC to date – and the findings from the consultations undertaken for this review – indicate that there is a market for Europe-wide learning events and for fellowship opportunities. The total number of foundations, however, that are willing to use their own resources to send staff or Board members to events in other countries is not huge – programmes designed for them will have to be narrowly and precisely targeted, organised cost effectively and with a content/leadership which clearly demonstrates the added value of the learning experience having a 'multi-national' dimension.

Learning Events and 'Academies': Feedback within the consultations from participants in recent EFC Summer Academies and CEO programmes was positive. The combination of intellectually demanding and exciting input with a firm focus on practical implementation that these events are intended to provide was especially welcomed. So, too, was the value of sharing experience 'peer to peer' with people working in different cultural, political and social environments. All participants who were consulted, however, felt that the focus and content of these events could have been even better if there had been greater (and much longer term) investment in planning and preparation.

²⁷ WINGS: the "global network that seeks to strengthen philanthropy and a culture of giving through mutual learning and support, knowledge sharing and professional development among grantmaker associations and support organizations" <http://www.wingsweb.org/>

²⁸ EVPA – the European Venture Philanthropy Association <http://www.evpa.eu.com/>

²⁹ Board Source "building effective non-profit boards" <http://www.boardsource.org/>

The consultations also suggest that the practice of EFC developing individual events in partnership with another organisation (individual foundation, DAFNE member or University³⁰) was welcomed but could also be further developed and, if long term planning becomes ‘the norm,’ such events could have a significant role in strengthening the foundation capacity building infrastructure across Europe. The EFC should, it is argued, always:

- plan such events at least 12 months ahead
- together with their co-host (individual EFC member or DAFNE member or University) organise the event with the collaboration from early in the planning phase of a small (probably largely ‘virtual’) practitioner planning group
- aim for a participant group which is 50% from within the host country and 50% from elsewhere in Europe.

The justification for this strategy is not only to be able to plan and promote an event well ahead but also be able to ‘root’ EFC events within the setting of the country within which it is taking place and engage ‘local’ foundations with EFC activity – promoting the possibility of further connection subsequently. When a co-host is an individual foundation or an institution other than the national DAFNE member for that country, the EFC should involve the DAFNE member throughout the planning and delivery phases, thus reinforcing the operational partnership between EFC and DAFNE members and strengthening the DAFNE member’s own position within the European foundation capacity building infrastructure.

Care will need to be taken by the organisers to ensure that the participants in any one event are not too far apart in their range of experience – several participants in past EFC events reported that at each there had been a minority of participants who had not yet built up sufficient personal experience of foundation work to engage effectively with the programme, reducing its value and making the whole event a rather frustrating experience for them.

In the next section, it is suggested that EFC led events should be targeted at a limited number of specific staff and Board functions and roles. They should become highly prized and valued events (sometimes organised on a ‘by invitation’ basis) – the programme of events being celebrated for quality not for scale.

International Fellowships: Feedback within the consultations about the value of fellowship type schemes for enhancing practitioner confidence and understanding was also positive and encouraging. In addition to participants in the EFC’s own IFP Programme³¹, participants in other international fellowship and exchange programmes contributed to the consultations. Such programmes have proved attractive and much

³⁰ A growing number of University based programmes that focus on philanthropy or foundations are developing in Europe (e.g. at Heidelberg, Basel, Bologna and the Cass Business School in London). The EFC already has close working contacts with some, as do the relevant DAFNE members. These links are likely to become increasingly fruitful within the capacity building resources available to foundations in Europe and to lead to a variety of joint ventures and partnerships with EFC

³¹ The International Fellowship Programme for Learning and Exchange in Philanthropy (IFP) aims “to strengthen leaders in and boost international cooperation of European foundations and NGOs.” The programme was initiated and is funded by the Robert Bosch Foundation in cooperation with other European and US foundations. It is now open to foundations from across Europe, each programme cycle providing for about 20-25 ‘fellows’ to spend up to 12 weeks within another organisation and to participate in two seminars with other fellows

valued by foundation staff and Board members of foundations of all sizes – albeit participation by small foundations has usually been dependent on subsidy support from larger foundations.

Extended work placements with other foundations and exchange programmes between foundations can be of lasting value not only to the individuals involved. Others within both the ‘sending’ and ‘host’ organisations report the benefits to their work and knowledge of the new perspectives such experiences can generate.

Though the EFC focus is likely to be on exchanges and fellowships primarily involving foundations, work on this aspect of capacity building for foundations is likely also to enable foundation practitioners to learn about and have the chance to participate in exchange opportunities not only with organisations in other parts of the non-profit sector but also within other sectors.³² The EFC could provide members with useful signposting information about international fellowship and exchange schemes from which foundation practitioners might benefit.

The IFP fits well within the vision of capacity building set out in this report. Operating throughout Europe (and bringing together people from foundations and NGOs) it can become a ‘flagship’ EFC programme, providing unique learning opportunities for people working within foundations of all sizes and aims. It is also very relevant to the ‘emerging practitioners’/‘tomorrow’s leaders’ focus that is recommended in the next section of the report as a future priority for the EFC capacity building programme. It does need, however, to operate at a scale which makes it widely accessible and relevant – continued and long-term resourcing for it is therefore essential. The EFC should aim to maintain the programme and to promote it more vigorously.

³² Programmes such as “SeitenWechsel” (Changing Sides) that operates in Switzerland and Germany

6. PRIMARY FOCUS FOR FUTURE EFC CAPACITY BUILDING

The conclusion of the Review is to propose that the EFC Capacity Building Committee considers focussing the EFC's capacity building programme on 2 primary aspects of foundation management:

- Foundation practice and practitioners – promoting excellence in the performance and effectiveness of foundations
- Foundation leadership – now and for the future.

By using the methods and long-term approach outlined in the previous *Key Components* section, the EFC could make a significant impact on these two areas of learning and development and, through so doing, strengthen the 'infrastructure' and quality of foundation capacity building across Europe.

1. Foundation Practice and Practitioners

The aim would be to promote excellence in practice through a concentration on the 'craft' or 'art' of a foundation's work that goes beyond the process of basic grant-making. The 'Map of the Craft'³³ that has been developed by GrantCraft was created by asking people working in US Foundations "What helps you get beyond the basics?" In its US form, it is targeted at practitioners within foundations that are primarily grantmaking organisations, rather than the rather more diverse range of operational organisations that make up much of the European foundation sector. Nonetheless, the 'map' provides a useful agenda on which to build. It lists seven challenges that foundation practitioners face along with the practices and skills needed to meet them:"

- Planning My Work
- Organising for Impact
- Working with Grantees
- Finding Allies
- Designing the Grant
- Understanding My Role
- Leading on the Inside

The EFC could become the coordinating centre for the creation for (and by) foundation practitioners of learning opportunities and resources of all kinds that would be enriched by a trans-national approach and dimension, for example on:

- Strategic planning and theories of change
- Analysis of a foundation's own learning needs and the development of its human capital – from induction and orientation to the continuing professional development of specialist functions – and how/where best they could be met
- Use of funds – going beyond grants to examine and explore all options for creative and effective financing of non-profit and civil society organisations; the further development of positive endowment asset management; and the entrepreneurial use of foundation funds as leverage to generate policy changes and new opportunities within society
- Use of philanthropic resources – going beyond funding, for example to initiate and support policy research, advocacy, convening activity
- Negotiating and brokering skills to help foster operational and cross-sector partnerships and generate joint ventures
- Impact and effectiveness

³³ <http://www.grantcraft.org/pdfs/mapofthecraft.pdf>

- Building and maintaining different types of relationship and engagement with applicant and funded organisations and partners.

2. Foundation Leadership

The aim would be to strengthen the foundation sector throughout Europe by helping to build top quality leadership, organisational change skills and governance. The Review recommends that four specific groups of people should be targeted:

- The 'next generation' – tomorrow's leaders
- Directors of Finance or Chief Investment Officers
- Senior or Chief Executives
- The Chairs of Boards and Foundation Committees

For each of these groups, opportunities to share learning opportunities with people with similar roles within foundations from different countries are likely to be especially valuable. They are also groups that, once established through a specific event or series of learning activities, could form more or less formal ongoing mutual support and shared learning networks of long term duration. These could be serviced by the EFC but could also become a resource to the EFC and the wider foundation community – "it would be so much better if there was 'life beyond the first seminar'" as one PiP participant put it.

The suggestion that the EFC concentrate attention on **emerging practitioners/future leaders** is especially important. A sustained investment in and relationship building with these individuals from across Europe will create a core network of committed foundation practitioners who are familiar with the benefits and potential of cross-border learning and peer to peer support opportunities.

Not only would EFC led trans-national support for these people be valued as they develop their own individual experience and apply their learning within their own foundation's practice. It will itself have a positive impact on the infrastructure of capacity building across Europe – they will become 'ambassadors' for and advocates of such capacity building activity because of the benefits they have gained through it in their own growth and professional development.

Even if not all choose to stay within the foundation sector, they will carry with them into whatever other part of the non-profit and civil society sector they move (or other career path they take) the knowledge and in-depth understanding of foundations, philanthropy and funding that they acquired on the EFC programme – an indirect benefit to the wider understanding of foundations within society.

The suggestion that the EFC focus attention on the **chief executive and senior finance posts** within foundations also reflects the professional benefits each could gain from shared learning with people from different countries and the opportunities to apply the resulting different perspectives within their own individual situations. It also reflects the fact that these two executive functions can have the greatest impact on the management, direction and quality of foundation practice, on the performance of and investment in foundation human resources and on the management and application of foundation assets. A variety of approaches may need to be adopted to take full account of the diversity of origin, scale and financial assets of foundations – some network groups developing separate identities and programmes though some 'universal' activities are also likely to be valued.

The consultations revealed that many efforts to engage **Board members** in capacity building activity had proved to be unsuccessful or to reach only a very small proportion of potential participants. The suggestion that EFC makes a long term investment in the individuals who chair foundation Boards and committees is, nonetheless, felt to be of critical importance to the success of the EFC strategic plan. It is important to tackle the ambivalence among Board members about the value of investing in capacity building that the consultations exposed. The direct engagement of individual Chairs in high quality shared learning experience will help with that as they become beneficiaries of and advocates for such experiences. Their own performance and example within individual foundations will also provide positive celebration of the value of EFC capacity building activity to the leadership, conduct and governance of the whole foundation. Over time, this individual and collective experience will help strengthen the whole EFC effort to build a robust and creative foundation capacity building infrastructure across Europe.

In targeting Board and committee chairs, the EFC will have to draw on the personal connections and influence of individual chairs. Direct approaches from the EFC as an institution are unlikely to be as effective as a personal peer to peer approach and invitations being made by one chair to another, the encouragement to get involved, therefore, being made at a personal level. Working with DAFNE members to gather information about new appointments, the EFC could ensure that every new foundation Board chair is personally welcomed and provided with information about and connections into this aspect of the EFC's work – a further reinforcement of the EFC's role as a resource on all aspects of the foundation sector.

EFC would need to work especially closely with **DAFNE members** on this part of the capacity building programme, looking to them for suggestions for participants within each target group, promoting the groups through individual DAFNE member mailings and supporting the parallel activities targeted at similar groups within each country that are already taking place or may emerge. EFC led activities should always clearly be seen to complement and add value to more localised programmes.

For individual participants in all the groups, engagement with **other EFC activities** should be encouraged – for example through ensuring that information reaches all of them personally about Thematic Funder Networks, exchange and fellowship opportunities and developments in EFC Knowledge Resources. Opportunities could also be created for each group to have network events in the days immediately before the EFC Annual General Assembly/Conference, providing a further incentive for them to attend the AGA/Conference and a cost effective opportunity for the networks to meet.