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A Study on Philanthropy and Official Development Assistance

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Better together? A Study on Philanthropy and Official Development Assistance

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Abstract

Based on a survey among philanthropic foundations (N=55) from all continents with a total annual budget for charitable goals of approx. 10,2 billion USD in 2015 (N=44), this study sheds light on the relationship between foundations and official development assistance (ODA), on strategies, size and intervention principles used by these foundations and identifies barriers and common ground for building mutually empowering relationships.

Results show that foundations tend to focus on vulnerable groups (women, youngsters) in the poorest regions of the world. Most support takes the form of pro-actively searching for local partners in the global South to make grants aimed towards education, health, economic and community development. However, it should be noted that a significant percentage of the budget for charitable support is spent in the country that is home to the foundations.

Experience in collaborating is mostly positive, perceived benefits outweigh the downsides and this perception becomes stronger as collaboration increases. Improved scalability is the most important benefit, increased bureaucracy and loss of flexibility most cited as perceived downside. Perceived gaps in collaborations are mutual agreement on expectations and accountability, degree of commitment to the partnership, communication, and the alignment of strategy, mission, and values.

Ways to improve collaboration could be to match tasks with structures, and to focus on alignment of culture and values. A suggested typology, in which foundations were classified by their founders, motives and historical background, can be used for developing relationships with foundations.

Keywords: Philanthropy, Private foundations, Official Development Assistance, Cross-sectoral collaboration, International Giving

JEL Codes: D64, F35, F63, L31, N30, O19, P33.

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Better together?

A Study on Philanthropy and Official Development Assistance

This study was commissioned by Agence Française de Développement and conducted by the Center for Philanthropic Studies at VU Amsterdam, the Netherlands.

Contents

1. Introduction	2
2. Typology of foundations and their role in development aid	5
2.1. Introducing foundations	5
2.2. Role of private foundations in development aid.....	10
2.3. Towards a typology of foundations supporting development aid	17
3. Foundations supporting development aid	22
4. Conclusion: To get to know each other, meet and, where appropriate, collaborate	50
References	57
Annex I Profile of the 55 foundations included in the sample	62
Annex II Focus continents and issues.....	75
Annex III Data collection procedure	79
Appendix IV Interviews	83
Annex V Surveys.....	84

1. Introduction

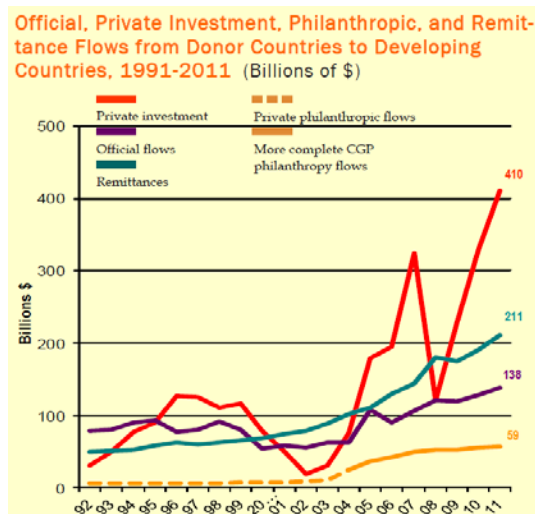
Official development assistance (ODA), in absolute terms, has been on the rise since the 1990s, even despite the cuts in aid budgets caused by the global economic crisis (Van Oijen, 2016). OECD (2015) reported that in 2014, ODA reached an all-time high, with 137.2 billion US Dollars moving from donor countries to developing countries.

Luckily, another important income stream for developing countries has been on the rise recently, namely from private philanthropic initiatives such as foundations and fundraising NGOs (Van Oijen, 2016). Economic prosperity and 'surplus wealth' in the US, Europe, China, and Singapore encourage wealthy people to establish foundations. Their founders are motivated by values of global citizenship and societal accountability. Large endowments and social investments become – and will become – available for development work.

In 2013, the Hudson Institute's Centre for Global Prosperity estimated various monetary flows from OECD countries to developing countries. In 2011, ODA of the included countries was estimated at 138 USD billion, while philanthropy accounted for 59 USD billion. However, these figures only include figures from the 29 members of OECD and are likely to be an underestimation as the results of voluntary reporting and a lack of systematic, consistent measurement. Also, philanthropic flows are conceptualized as giving by corporations, households, foundations and the gifts to national NGOs which then transfer money overseas. The numbers on foundation giving to ODA related goals vary from report to report. An indication is given by Development Initiatives, which reported 11 USD billion in foundation giving to development assistance, of which 3.9 USD billion was in collaboration with NGOs (Development Initiatives, 2013).

Philanthropic foundations in particular, are on the rise. There is not just an increase in the size and number of players involved in development aid, but funding, delivery channels/instruments and strategies are diversifying as well (Van Oijen, 2016).

The emergence of this new, important monetary flow to the international development arena raises the question how the foundations involved in private philanthropy relate and position themselves with regard to the actors involved in ODA. More and more (international) official agencies (ODA) and national governments meet these new social players. A consciousness of interdependency between them grows.



Graph 1.1. Monetary flows moving from donor countries into developing countries between 1991 and 2011. Source: Hudson Institute, 2013

Aims of the study

This study aims to shed light on their perceived relationship to the more traditional donor community involved in international aid, on the strategies, size and intervention principles used by these foundations and hopes to identify barriers and common ground for building mutually empowering relationships.

In order to do so, this study, commissioned by the Agence Française de Développement or French Development Agency (AFD) is conducted at the Center for Philanthropic Studies (Vrije Universiteit Amsterdam). The study is empirical, inventory and descriptive in nature, addresses three main topics. First, the study provides a general operational typology of the socio-economic-political models regarding foundations and the role of philanthropy and foundations in particular play in development aid. The study will elaborate and discuss existing models explaining the role of foundations and their relationship vis-à-vis the government. Second, in order to get a better understanding of foundations, the study provides a quantitative mapping of foundations in development aid with regard to their founders, grantmaking, funding, tools, mission, operating style, target issues and groups, and transparency. Finally, the study will address the topic of (the potential of) collaboration between foundations and ODA organizations

Methodology and study sample

A typology of foundations is primarily developed by an extensive literature review on the topic, complemented with desk research. To map the different aspects of foundations, the study relied on a survey sent to a specific sample of 55 of the world largest (known) foundations. The foundations were selected based on their annual budget for charitable support of over one USD million; next, to include foundations from all continents, foundations were selected based on their geographical spread across the globe, with an oversampling of foundations that were not based in the United States (US). Reason for this oversampling was that if we would focus on the largest foundations only, the majority of the foundations included in this study would come from the US. Diversity was thus preferred over covering the largest sum in terms of available budget for charitable support. Finally, to develop the topic of the potential collaboration between foundations and ODA organizations, the study makes use of theories on collaboration, survey data and additional interviews.

It should be noted that foundations, if it comes to collecting information and survey participation, are considered to be a 'though crowd' (van Ooijen, 2016). Positively, the response of this study exceeds the results of former recent studies. The search of the most important foundations that support development aid activities globally, resulted in a sample of 55 (see table 1.1.) non-fundraising foundations. Based on desk research, these foundations were traced, classified according to the typology developed in this study (see chapter 2.3 for an explanation of the typology), and described (see Annex I for a short profile of each foundation). (Best) estimations of total budget for charitable support for 2015 were provided for 44 of these 55 foundations. Together, these 44 foundations accounted for 10.2 USD billion in available budget for charitable support (including development assistance and other charitable goals) in 2015.

The survey that was conducted among the 55 foundations included in the sample resulted in 28 foundations participating by providing answers to an extensive questionnaire. Finally, five foundation representatives participated in an in-depth interview.

Foundation name	Country	Established in	Budget for charitable support 2015 (USD millions)	Foundation type
Aga Khan Foundation	Switzerland	1967	*32	Ideological
Al Maktoum Foundation	United Arab Emirates	1997	n.a.	Ideological
Alcoa Foundation	USA	1953	*18	Corporate
Alwaleed Philanthropies	Saudi Arabia	1980	n.a.	Traditional
Avina Foundation	Panama	1994	*27	Ideological
Axis Bank Foundation	India	2006	20	Corporate
Bertelsmann Stiftung	Germany	1979	60	Traditional
Bill and Melinda Gates Foundation	USA	2000	5470	Entrepreneurial
Bloomberg Philanthropies	USA	2004	*148	Entrepreneurial
C&A Foundation	Switzerland	2011	43	Corporate
Carlos Slim Foundation	Mexico	1986	n.a.	Entrepreneurial
Caterpillar Foundation	USA	1952	46	Traditional
Children's Investment Fund Foundation	UK	2002	220	Entrepreneurial
Conrad N. Hilton Foundation	USA	1944	107	Traditional
Equity Group Foundation	Kenya	2008	n.a.	Corporate
EURASIA Foundation	USA	1992	*7	Ideological
Fondation Mérieux	France	1967	15	Traditional
Ford Foundation	USA	1936	536	Traditional
Friedrich Ebert Stiftung	Germany	1925	159	Ideological
H&M Foundation	Sweden	2013	21	Entrepreneurial
Higher Life Foundation	Zimbabwe	1996	n.a.	Ideological
Howard G Buffet Foundation	USA	1999	142	Entrepreneurial
IKEA Foundation	Netherlands	1982	*138	Corporate
Innocent Foundation	UK	2004	1	Entrepreneurial
Institut Pasteur	France	1888	*12	Corporate
John D. and Catherine T. MacArthur Foundation	USA	1978	321	Entrepreneurial
Kavli Fondet	Norway	1962	*117	Traditional
Konrad Adenauer Stiftung	Germany	1955	120	Ideological
Lao Niu Foundation	China	2004	*30	Entrepreneurial
Li Ka Shing Foundation	China	1980	**322	Entrepreneurial
Lien Foundation	Singapore	1980	*8	Entrepreneurial
Macquarie Group Foundation	Australia	1985	22	Corporate
Mo Ibrahim Foundation	Sudan	2006	n.a.	Entrepreneurial
Motsepe Foundation	South Africa	1999	n.a.	Other (Indigenous)
Novartis Foundation	Switzerland	1979	*2	Corporate
OCP Foundation	Morocco	2007	n.a.	Corporate
Odebrecht Foundation	Brazil	1965	49	Traditional
Omidyar Network	USA	2004	55	Entrepreneurial
Open Society Foundation	USA	1993	544	Ideological
Robert Bosch Stiftung	Germany	1964	85	Traditional
Rockefeller Foundation	USA	1913	*115	Traditional
Sawiris Foundation	Egypt	2001	*6	Other (indigenous)
Shell Foundation	UK	2000	*30	Corporate
Sigrid Rausing Trust	UK	1995	33	Entrepreneurial
Silatech	Qatar	2008	n.a.	Ideological
Skoll Foundation	USA	1999	*15	Entrepreneurial
The Heineken Africa Foundation	Netherlands	2007	1	Corporate
The Mastercard Foundation	Canada	2006	*175	Corporate
Total Foundation	France	1992	20	Corporate
Trust for Social Achievement	Bulgaria	2012	2	Ideological
Van Leer Group/Bernard van Leer Foundation	Netherlands	1949	32	Ideological
W.K. Kellogg Foundation	USA	1930	268	Traditional
William and Flora Hewlett Foundation	USA	1966	400	Entrepreneurial

* Other year
** Other year and lower bound estimation
n.a. Not Available

Table 1. Foundation sample by country, year of establishment, available budget for charitable support and type of foundation

2. Typology of foundations and their role in development aid

This chapter provides an introduction to foundations and their *raison d'être*. What is considered to be a foundation? Where do they come from? What makes these organizations different from other actors? Also, a perspective on potential less positive aspects of foundations is provided. After this introduction, this chapter zooms in more specifically on what previous research tells us about the role foundations have in development aid. Finally, the chapter ends up with a typology that can be used to classify foundations supporting development aid.

2.1. Introducing foundations

The term 'foundation' covers a variety of philanthropic organizations. The main distinction is between 'endowed or corporate foundations' like the Wellcome Trust in London or the Gates Foundation from the USA and 'fundraising foundations' like the Red Cross or the World Wildlife Fund. Larger fundraising bodies also create their endowments to ensure the continuity of their organizations, but are primarily dependent upon their annual fundraising. In this study we limit the scope to these endowed or corporate, non-fundraising foundations, and moreover, the largest and middle-sized ones (see insert). From here on, this study will use the term "foundations" when speaking of endowed or corporate, non-fundraising foundations.

Endowed foundations contribute to social goals out of existing assets, the returns on their investments and even by investing their assets (mission related investments). Corporate foundations often receive yearly income from their affiliated corporation.

A generally accepted definition is formulated by the European Foundation Center (2003) in Brussels: "Foundations are independent, separately constituted non-profit bodies with their own governing board and with their own source of income whether or not exclusively from an endowment. They have been irrevocably attributed goods, rights and resources for the performance of work and support for public benefit purposes, either by supporting associations, institutions or individuals, etc., or by operating their own programs. Foundations have no members." (EFC, 2003).

Foundations may be known (for example, information available on websites and/or in foundation registers) or they can be anonymous (these foundations are active but have some reasons for not going public).

Foundations may take different grant making roles with regard to the projects which they support. Roughly speaking, there are three roles foundations can ascribe themselves as a grant maker:

- a. 'gift – giver'; granting on request
- b. 'investor', long-term (venture) philanthropic support following up on (social) returns)
- c. 'collaborative entrepreneur', when the foundation consciously seek collaboration and co-production with project and actors they support.

Foundations are oftentimes erected by wealthy people. In the past, the term 'mecenas' was coined for these people. The term stems from Gaius Maecenas, the wealthy Roman who was the patron of writers such as Virgil, Horace and Propertius. He played an important role in Augustus' culture policy. Indeed, we can find plenty examples of foundations that have been created by the rich and famous. For example, in France, the famous "Hospices de Beaune" dating from the 15th century, was founded by Nicolas Rolin and his wife Guigone de Salins. Religiously committed to the less fortunate they also created a "revolving fund" by the exploitation of vineyards located in the direction of Meursault. Most of the foundations at that time were established by individuals, inspired by religious – catholic, protestant or Jewish – beliefs.

The pooling of wealth was an important source for the creation of foundations throughout history. Several cities witnessed the creation of 'mutual insurances' for professional groups in the Middle Ages. Later on, these mutual insurances were transformed into funds with an endowment. Also, the upcoming international trade in the 17th century; the industrial revolution in the 18th and 19th century; the colonial wealth of the 19th and the early 20th century and also today: fortunes made out of new technologies favored some business people and companies which then proceeded to establish foundations, family foundations or corporate foundations. Indeed, all periods of economic prosperity – in the past, today (and most likely in the future) – give rise to the creation new foundations. Recently, the high tech boom accelerated foundation growth. For Europe, the glory days of the stock-markets in the '90s of the 20th century boosted the foundation sector in the European Union. Nearly three quarters (72 %) of foundations that support research and innovation today have been established since the year 1990 (Gouwenberg et al., 2015).

Raison d'être

The existence of foundations and the launch of new foundations expresses – in essence – citizenship. Evoked by religious or humanistic values, people decide to contribute to their group, community, society or to world. Today, many High Net Worth Individuals (HNWI's), like businessmen who sell their enterprises, as well as corporations, intend to make a difference and to make the world a better place, and the range of goals that receive their support is broad. Indeed, climate change, ecological issues, cultural heritage, medical research, poverty relief, social cohesion, these goals all attract philanthropic efforts. For sure, this is the world of philanthropy, and this world very close to the world of public provision. Keep in mind that the shortest definition of philanthropy is "voluntary action for the public good" (Payton, 1988). Providing support for public goals, but free of choice. Free to act, free to change, free to take responsibility. But why do people enter this kind of activities nowadays?

A twofold answer can shed light on this question. Firstly, the foundation market resembles a free market. Foundations belong to the freest institutions of the world (Anheier and Leat, 2006). Secondly, the world of foundations is a playground for entrepreneurial philanthropists who are eager to introduce business principles into the NGO sector (Rath & Schuyt, 2014; 2015). What triggers them? This answer is simple: giving is not just giving something away. Giving is investing. This makes foundations a vehicles for free and a potential limitless vehicle capable of taking risks and venturing into (personally preferred) philanthropic projects, with the ultimate aim of providing solutions to the social problems most pressing to these foundations.

Next to being an expression of freedom, Anheier (2005) provided a typology of the motivation to set up foundations. According to Anheier, motivations to set up a foundation might be:

- Value based motivations (i.e. political beliefs, concern with specific issues or communities, desire to repay society, sense of social responsibility, religious heritage).
- Instrumental motivations (i.e. flexibility of foundations compared with other charitable options, tax incentives, lack of heirs, memorial or dynastic motives, and/or establishing a vehicle for systematic giving).
- Social motivations (i.e. norms and peer pressure, fashionability, reputation).
- Selfish motivations (i.e. personal satisfaction, control over assets).

Additionally, Fleishman (2009) related the high net worth individual's decision to set up a foundation to the lack of finding an organization with congruent goals, a lack of trust in other organizations, the desire to avoid passing on excessive wealth to heirs or taxes and the desire to be engaged and in control. In a survey among German founders of foundations, value driven motivations such as duty ranked more highly than selfish motivations (Adloff, 2009, pp. 1193-1195). However, many did say control over assets was an important motivation. Social motivations seemed to be less prominent, with almost half seeking anonymity.

Positioning foundations vis-à-vis public organizations

Foundations do not operate in a vacuum. In other words, they have to be analyzed in relation to the context they operate in. Free foundations active in development assistance immediately meet ODA organizations and governmental policies, made by politicians and based on politics. Governments have always accommodated and incentivized, in one way or the other, foundations, by offering them fiscal facilities and favorable fiscal laws. This supportive policy dates back from 1601 when Elisabeth the 1st of England enacted the first Charity law which provided tax-deduction for gifts to religion, poverty relief and education. Taking this into account, how do foundations relate to these politics?

“Foundations are among the freest institutions in modern societies: free in the sense of being independent of market forces and the popular political will. This enables them to ignore political, disciplinary and professional boundaries, if they choose, and to take risks and consider approaches others cannot.” (Anheier & Leat, 2006).

According to Prewitt (1999) foundations enhance pluralism in society. "Philanthropy is distinct from politics, not because it rejects politics but because, for the philanthropy sector, the political route is not the only way to achieve goals for the common good in a democratic fashion". Bob Payton, advocate and founder of the academic discipline "philanthropic studies" had high expectations: "The future of free, open, and democratic societies is directly linked to the vitality of the philanthropic tradition in those societies" (Payton & Moody, 2008).

Democracy does not have to be limited to parliamentary democracy, as there are also forms of direct democracy. The democratic content of such forms lies in the responsibility and accountability towards the government, which allows fiscal facilities, and towards the public at large. Many foundations, therefore, practice full transparency. But there are also other reasons. Effectiveness for example. Applicants must know which foundations match their applications. Foundations on their part seek cooperation with other foundations to increase their impact. Therefore, "private foundations" can be seen as a coin with two sides, private and a public.

As stated in the introduction, there is a tendency that ODA and foundations supporting development assistance meet more frequently. Indeed, both contribute to the public good, but they differ with respect of values, methods and constituency, at least theoretically. Therefore, and because of their independency (only bound by law), foundations are free to operate and possess specific 'assets', which make them potential 'change agents'. These 'assets' are:

1. Foundations have 'free money to spend'
2. Foundations are able to react flexible and immediate to issues or problems
3. Foundations can take risks
4. Foundations are free to experiment
5. Foundations can invest in long-lasting projects

Therefore, according to Anheier and Leat, "Foundations are among the freest institutions in modern societies: free in the sense of being independent of market forces and the popular political will. This enables them to ignore political, disciplinary and professional boundaries, if they choose, and to take risks and consider approaches others cannot." (Anheier & Leat, 2006).

Now, if ODA organizations, being public organizations, and foundations, want to meet – and perhaps to join efforts - what do they have to know from each other? If the characteristics of foundations are compared with the way governments (and ODA organizations) function, a following scheme arises, which may be used to identify possible hurdles to establish successful collaborations.

Table 2. Characteristics of public (ODA) organizations versus foundations

	Public (ODA)organizations	Foundations
Goal	Public Good	Public Good
Legitimacy	Political control	Control by direct democracy and by law
Grants	Universalistic: without discretion power	Selective; with discretion power; arbitrariness
Project characteristics	Political achievable and accountable	Room for experiments and risk- taking
Funding	By planned budgets	Free, flexible money
Timeframe	Political cycle (4-6 year)	Long term opportunities

These differences in legitimacy, nature of the grants, project characteristics, funding and timeframe of projects imply that foundations can play a different role compared to public organizations. Theoretically, foundations can take a supplementary stand: foundations are seen as granting the request for public goods that governments fail to meet sufficiently. This would imply that, if governments were to take more responsibility for providing public goods, less money would have to be collected by means of voluntary, communal contributions. Second, foundations can take a complementary stand. In this case, foundations act as government partners in the provision of public goods that are financed primarily by governments. If government expenditure declines, they boost financing by means of an increase in the foundation activity (others would name this a substitutional role). Finally, foundations can take an adversarial stand. In this situation, non-profit organizations encourage governments to change public policy and to leave responsibility with the public. Sometimes, they initiate projects and will advocate for public organizations to take over once a project has a proven track record. On the other hand, for their part, governments try to influence the conduct of non-profit organizations by regulating their services and by reacting to their defensive initiatives. These three perspectives are not mutually exclusive (Young, 1998). Another role that can be played between both actors might be a competitive role, in which both actors deliberately compete for projects. In general, this role is less frequent among non-profit organizations.

A critical remark

The independent position and role of foundations also has its drawbacks. Were the previous section shed light on the unique characteristics of foundations, critics of foundations point out several 'negative characteristics'. Without pretending to be exhaustive, several arguments can be provided for stating that all that glitters is not gold.

Most frequent, critics of foundations argue that foundations are (only) vehicles created for tax avoidance. Indeed, the founding of a foundation can serve as a vehicle for reducing the tax bill. In the United States this is referred to as 'deferred money'. In the 1930s, the wealthy Ford Foundation was set up at the time when President Roosevelt wanted to introduce sharp increases in taxes on family-held shares, in order to fund his New Deal policies. Within a week, Henri and Edsel Ford had put their shares into this newly-created foundation (Sutton, 1987).

“Philanthropy serves as a way to define social distinctions and social classes. Philanthropy always has something to do with power and the shaping of the future of society” (Adam, 2004).

Also, the famous “giving pledge” of the super wealthy people in the US may also be analyzed as strategy to prevent the threat of extra taxation. The pledge has been communicated as the ultimate act of “giving back to society”. The initiators Bill and Melinda Gates and investor Warren Buffet served as example and started inviting others to join. Indeed, a more sceptical explanation that the pledgers try to legitimate their exorbitant wealth towards a growing poor population and an awaking treasury holds equally true.

Another argument that speaks against foundations is the lack of democratic control, their potential threat to democracy, their exertion of power and arbitrariness. In most countries – after societal and political deliberations – political bodies, the legislature and the tax authorities ultimately determine what may or may not be considered philanthropic. Nevertheless, foundations are independent institutions. They are regulated by law, but not politically controlled. A critical note is provided by Adam (2004): “Philanthropy serves as a way to define social distinctions and social classes. The donor provides money, time and ideas for a project, which he or she alone, or in connection with other donors, attempts to control. Philanthropy always has something to do with power and the shaping of the future of society” (Adam, 2004). In this respects, Rogers speaks of ‘unequal policy influence and prioritization’ (Rogers, 2011). Indeed, the term ‘philanthrocapitalism’ is well-known and sufficiently clear. Closely related, philanthropists are being accused of ‘abuse of power’ (Edwards, 2008). Finally, arbitrariness is another essential feature of philanthropy. However, by serving the public good many wealthy philanthropists favor their own private interests or goals: museums, universities, medical centers, and ecological projects. So far philanthropic arbitrariness is equivalent to private interest in disguise, but know entitled as “public good”.

2.2. Role of private foundations in development aid

An increasing global focus

During the centuries, philanthropy has changed. Barclays Wealth/Ledbury Research (2009) distinguishes four ages of philanthropy, all driven by the creation of wealth at that time. The successive stages move from highly concentrated local giving to global giving. The first age initiates during the renaissance in the 16th century, with the second stage initiating in the 18th century through joint stock companies and the third stage following the UK/US industrial revolution, giving rise to the philanthropy giants such as Rockefeller and Carnegie. Respectively, these three stages moved the philanthropic focus from local giving, to community giving and subsequently giving with a national focus. After World War II, states started getting involved in international aid, driven by a combination of humanitarian, post-colonial and geopolitical motivations (Szirmai, 2005). However, this did not crowd out the 4th age of philanthropy, driven by the technical and communication revolution. With the exponential emergence of information and communication technology, borders started to disappear and these foundations erected by entrepreneurs profiting greatly from the tech boom directed their focus to global giving, giving rise to the

involvement of private philanthropy in international aid. Indeed, Pharaoh and Bryant (2012) identify increasing globalism and the success of international entrepreneurs as important drivers of the support for international aid by foundations. Additionally, many of these nouveau riches had affinity with data, focusing on the world's most pressing problems, which were oftentimes prominent overseas, directing their giving to a global focus.

The contribution of private philanthropy

The rise of philanthropy and its increasing tendency to focus overseas is reflected in figures. About 40 years ago, government aid constituted for 80% of the financial flows into developing countries. Today, the opposite is true, with 80% having a private origin and less than 20% being government aid (Hudson Institute, 2013). Private philanthropic flows are usually conceptualized as giving by corporations, households, foundations and the gifts to national NGOs which then transfer money overseas. In 2011, private philanthropic flows were estimated to be at 43% of total ODA. However, in the UK, the funding for development aid provided by foundations was estimated to provide about 4% of what UK's ODA provides (Pharaoh and Bryant, 2012). Estimations of the quantity of private aid moving to developing countries from foundations vary between reports, but all estimations of private giving towards development are thought to be an underestimation. OECD makes a conservative estimation at 32 billion US dollars, reported directly by the countries included. Development Initiatives (2013) reports that the monetary flow of private philanthropy from OECD countries into development aid is growing more strongly than that of ODA. They estimated that in 2011, 45.4 billion US Dollars was provided to development aid by private development assistance in the form of NGOs, foundations and corporate giving. Foundations were estimated to be responsible for 7.1 billion US dollars of that total sum, and for another 3.9 US Dollars in partnership with NGOs. The Hudson institute estimates the total monetary flow moving from private giving to development aid at 59 billion US Dollars, but does not make estimation on the proportion provided by Foundations. Kharas & Linn (2008) make a rough estimation of about 60 billion US dollars moving from private philanthropy into developing countries. Another cue that the before mentioned figures are likely to be an underestimation is that Lawrence & Mukai (2010) estimated that US Foundations alone provided 4.3 Billion US Dollars for international aid.

In total, foundations in Europe and the US are both estimated to be responsible for about \$55 – 60 billion in annual giving overall (Foundation Centre, 2016; McGill, 2015). In Europe, foundations in Germany are responsible for about one third of total annual foundation expenditure, followed by Italy, Spain, France, The Netherlands, UK and Switzerland (Fondation de France, 2015). The US as a country thus seems to be the world's leader in terms of annual foundation giving, but the Fondation de France (2015) note that European Foundations tend to be more dynamic, with a higher expenditure to assets ratio (12.7% compared to 8.6%). From prior research on foundations, we know the Pareto principle is strongly applicable in most countries, with a small set of foundations being responsible for the majority of the giving (Gouwenberg, Karamat Ali, Hoolwerf, Bekkers, Schuyt & Smit, 2014; Development Initiatives, 2013).

Trends and regional differences in international aid

An important trend to note is that these foundations are increasingly concerning themselves with the world's most pressing issues, given that international giving as a percentage of total giving is on the rise (Development initiatives, 2013). About 20 – 25% of grants made by US Foundations went overseas between 2008 and 2011, while this was only 5% in 1982 (Lawrence & Mukai, 2010; Foundation Center, 2011). These grants are primarily coming from independent foundations, with about one tenth of the grants originating from corporate foundations. Community Foundations play only a minor role in international aid giving. In Europe, the EFC estimates that less than 5% of foundations interest themselves in international development, although data on the percentage of grant going overseas is unknown and might be different. A study by Pharoah and Bryant (2012) however, shows that international aid is gaining popularity as a funding theme for UK foundations, receiving and increasing proportion of total grant making, currently at 9%. The United States is responsible for the majority of the private development assistance, providing 30.4 billion US Dollars in 2011 alone. Also, the share of foundations in the total development assistance is largest in the USA, at almost 25%, although it must be noted that many European countries use a larger percentage of tax payer money to contribute to international aid through ODA. NGOs are the most prominent source of private development assistance in almost all countries.

There are many factors that affect a country's tendency to have a high degree of outgoing international aid. The legislative context seems to have a strong effect on the percentage private development assistance is responsible for as part of a country's total outgoing development assistance (Development initiatives, 2013), illustrated by high percentages in the USA, Australia, Japan and the Netherlands. But also in countries such as China, Saudi Arabia, Turkey, UAE, Brazil, China, India and South Africa, private giving is manifesting itself more profoundly, and although the giving is often focused at local development initiatives, the level of overseas giving is gaining in relative importance (Hudson institute, 2013; Development Initiatives, 2013). The Hudson Institute (2015) reports that the ease of national and international giving tends to be related to the development of a country, with some exceptions. Historic culture, religious beliefs and changing political powers often explain between-country differences in the nature of philanthropy (Johnson, 2010).

Private giving from Asian countries to other countries is estimated to be low, given the lack of philanthropic infrastructure, the tendency to focus on local giving and relatively restrictive legislation (Development Initiatives, 2013). The World Bank (2007) estimates total giving by Asian foundations at about 400 million US Dollars, considerably trailing USA's and Europe's yearly 50 billion US Dollars. International giving by foundations located in India seems to be more prevalent, but these often lack transparency. Although philanthropy in the Middle East is profound, especially by royal families and high net worth individuals, only a very minor part of that giving is done through official institutions such as foundations. International development flows originating in Africa primarily originate from South Africa, but overall, regional philanthropy is limited to a lack of resources. Private development assistance from Turkey and Russia moving through foundations, despite present wealth, is scarce, due to overwhelmingly locally focused giving and the lack of an incentivizing legislative context. Latin American giving is rising, with Brazil leading the way, estimated to provide 868 million US Dollars for development of the region (Development Initiatives, 2013). Also, giving in Latin America has traditionally been very informal, but

more organized giving is gaining in popularity (Van Oijen, 2016). Economic power has become more diffuse and shifting away from a concentration on the G7.

BRIC was a term coined for Brazil, Russia, India and China, four major emerging economies. As we saw earlier in this chapter, spurs in economic prosperity are often coupled with spurs in philanthropy, being no different in the BRIC countries. This has given rise to an increasing philanthropic infrastructure, as can be seen by organizations that provide services and support for these foundations and NGOs such as foundation centers (Spero, 2010). Although accurate estimates of private philanthropy from these countries still remain scarce, philanthropy from BRIC countries is quickly become a philanthropic flow to account for. Together with an increase in philanthropy, giving from developing countries is increasingly institutionalizing, helped by the opening up of political space, the shifting roles of state, market and civil society and the increased visibility of philanthropy (Johnson, 2010).

Foundation giving for development aid is very clearly focused at the health sector, with giving for the humanitarian, educational, environmental and agricultural sector being secondary recipient sectors (Development Initiatives, 2013; Lawrence & Mukai, 2010). Indeed similar focus issues are also found among the foundations included in the sample (see table). The secondary recipient sectors combined do not even receive what the Health sector received alone. In the UK, health and education are most popular among foundations, followed by general social welfare and sustainable economic and agricultural development, increasingly aligned with the priorities of government support (Pharoah & Bryant, 2012). More and more, foundations are focusing their efforts away from the effects of poverty, towards tackling root causes, aiming to maximize impact. Malnutrition, human rights, health access, and education of women and children have thereby become key focus topics (Pharoah & Bryant, 2012). In Europe, more than a third of the foundations has grants specifically targeting programs with a focus on women and/or their empowerment (Foundation Center, 2011), which is also where most of the human rights funding originating in the US goes to (Foundation Center, 2016) Also, funding into projects prioritizing children and environment are also gaining popularity (Barclays Wealth / Ledbury Research, 2009). In the UK, children and youth (37%) are the most popular beneficiary group, followed by the impoverished, disabled and women (all at 18%). Foundations often have a more strategic focus on development, with less than 5% of the support going to humanitarian support, which is often done by individual givers instead. Giving to human rights from the US focusses mainly on the equality of rights and freedom of discrimination, followed by freedom of violence, sexual and reproductive rights and well-being rights (Foundation Center, 2016).

Although giving by foundations is focused at specific institutions instead of countries, it is interesting to note that the top 10 of recipient developing countries are very different for foundations, compared to NGOs. For NGOs, sub-Saharan countries and Pakistan, Iraq and Afghanistan make up the top 10. For foundations however, India and China lead as top recipient countries, and Middle Eastern countries are completely absent. US foundations appear to focus proportionally more on emerging economies instead of the poorest countries, which the World Bank (2007) attributed to the difficulty of implementing assistance in the poorest countries. Larger foundations in the UK appeared to direct about 37% of their funding to Africa, and about 23% to Asia (Pharoah and Bryant, 2012), which is reasonably consistent with

the findings of other studies (Van Oijen, 2016). Also, in the UK, the geographic priorities of bilateral aid and foundation support seem to align, with most funding going to Africa (44% by bilateral aid, 37% Foundations), then Asia (28 and 23%) and then the Americas (2% and 13%), in that order. In Africa, most funding goes to the eastern countries (Kenya, Ethiopia, Mozambique, Rwanda, etc.), while in Asia, focus is placed on the southern countries (Afghanistan, Bangladesh, India, Pakistan, Nepal, etc.) (Pharoah and Bryant, 2012). However, the emphasis of support for the South Asian region from the UK might be disproportionate to different countries, given the historic connection the UK has to the region.

Over the years, the paradigm used to look at development aid has changed drastically (Ritzen, 2005). Current issues that affect development cooperation and priorities of donors and recipients are the possible effects of economic/financial/refugee crises on the extent of donor support and width of focus, persisting gaps between (MDGs and SDG) commitments and actual implementations, decreasing dependability of recipient countries and thereby increasing pickiness and lastly, increased questioning of results and effects of the international aid (Van Oijen, 2006).

The increasing critical reflection on the effectiveness and results of international aid has pushed the accountability of interventions forward. Albeit more slowly in philanthropy among developing countries, giving is increasingly being aimed specifically at achieving the highest social change (Johnson, 2010). Next to measuring, monitoring and communicating results being key issues for development aid interventions, a number of core principles have emerged to the forefront, which aim to improve the quality of aid in the first place and thereby guide the funding of international development aid. These also illustrate the lack of consistent implementation procedures and measurement (requirements) between different development aid actors. These principles were construed during the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Busan Partnership Declaration (OECD, 2010; 2011), and state that:

- Developing countries ought to have ownership over prioritization of goals and interventions
- Donor support and developing country priorities ought to be harmonized and aligned, minimizing the costs of delivering and receiving aid
- The development aid ought to be results-focused and both measure results and utilize information available to improve decision making
- Mutual accountability needs to be improved with both donor and recipient countries fostering transparency.

Kharas & Linn (2008) are skeptic about the state of many of these objectives. In the face of disappointing aid flows from ODA, focus is placed on increasing aid effectiveness by attending to the five key principles of ownership, alignment, harmonization, managing for results and accountability. However, less than 25 percent of aid recipients in the developing world have actionable development strategies. Less than 10 percent have sound frameworks to monitor results and less than half of aid is accounted for properly. Kharas & Linn (2008) propose two solutions to the too slow progress towards aid effectiveness: pay more attention to the allocation of official aid and filling the large gaps in the aid architecture by focusing on the role of private institutions. Also, fragmentation should be counteracted by having joint initiatives with specialist focus, rationalizing aid, and placing emphasis on investigating and scaling up what works.

The new reality of international aid and collaboration between ODA organizations and foundations

International aid is not just increasing, but it is also diversifying. For example, issue specific initiatives are arising which are hybrid in nature, containing both public and private funding, such as the Global Fund to Fight Aids, Tuberculosis and Malaria, and the Global Fund for Vaccines and Immunization. Fengler and Kharas (2010; 2011) speak about a 'New Reality of Aid', in which aid no longer flows bilaterally from rich to poor countries, but where it flows through multiple channels and patterns, with different actors working together. Together with the commitment to transparency, accountability and effectiveness, the Busan Partnership declaration (OECD, 2011) combines the goodwill declared by official and private aid actors to increase co-operation and thereby the effectiveness of international aid endeavors. Indeed, a growing number of foundations have recognized that the goals they pursue often converge with those of development agencies, national governments and civil society. Despite these shared goals however, there still a wide communication and collaboration gap exists (OECD NetFWD, 2014). Although the role of foundations is growing in importance and its methods of delivering aid are diversifying, the research on these actors is lacking. Van Oijen (2016) argues that although intervention modalities differ between and even within foundations, the nature of their support resembles most closely that of ODA, both in terms of the type of interventions supported and how (long) the interventions are supported. However, literature on comparisons between ODA and private aid is scarce, with to our knowledge only Desai and Kharas (2009) conducting a pioneering study comparing internet-based private aid initiatives with ODA, concluding they are complimentary but different in the actors they support, concluding with "Official aid supports countries, private aid supports people". Van Oijen (2016) however, expects the comparison between foundations and ODA to be far more complex.

To cite Kania and Kramer (2011): "large-scale social change comes from better cross-sector coordination rather than from the isolated interventions of individual organizations". The pooling of resources is expected to accelerate development aid progress, and partnerships between foundations and ODA is emerging as an important agenda topic. Pharoah and Bryant (2012) report that UK foundations are increasingly working together with multiple stakeholders to scale up their impact, which coined additional funding, influence expertise and access to networks as possible benefits. Also, partnerships were said to provide a stronger basis for sustainable long-term change, because risks and learning are shared and resources can be increasingly tailored to changing needs. Lewis (World Bank Group, 2013) pointed out the mutual benefits for both sides in the case of collaboration between the World Bank and a set of foundations: "Partnering with foundations makes the World Bank Group stronger, smarter and more inclusive. For the foundation community, the Bank Group brings global reach, with over one hundred offices on the ground, strong research teams producing world class data and statistics, the potential to scale up pilot projects, and the ability to influence policy by bringing governments to the table". A study by UN Global Compact, Bertelsmann Stiftung and UNDP (2011) pointed out that these collaborations open the gate to dealing with challenges that are too complex for being addressed by one actor alone. Metcalf and Little (2010) emphasize that foundations have a challenge in maintaining their independence, appetite for risk and flexibility in partnerships. Also, a House of Commons report (2012) emphasizes that foundations bring more than just money to the table, also having technical expertise, coining the term 'funding plus'. Also Foundations can be incentivized by finding a partner which could provide an

opportunity for scaling up, sustainability, and the identification of most pressing issues (Lundsgaarde, 2013). Saul, Davenport & Ouellette (2010) came up with a number of benefits to starting an alliance, namely:

- Possibility to increase scale
- Improving effectiveness by benefiting from mutual expertise
- Increasing efficiency by having each partner focus on what they do best
- Increasing sustainability by working around mutually beneficial goals
- Being able to create systematic change by surpassing previous bottlenecks

Leat (2009) mentions a number of similar benefits to foundations and a number of benefits to governments for working together. For foundations, these encompass the ability to scale up an intervention, the increased sustainability of projects, legitimacy, policy and agenda influence and increased access to people and organizations. For governments, foundations allow access to risk capital, funding, expertise, flexibility, knowledge of the voluntary sector and access to networks. To grantees, foundations tend to be slightly less predictable and reliable given sometimes sudden changes in priorities, and although they seem to have lower reporting requirements, tend to be more impatient. Foundations do tend to be more flexible and are known to oftentimes provide expertise and networking, try new approaches and engage more extensively in lobbying (Van Oijen, 2016). In Liberia, the government has actually established an entity with the aim of bringing together different supporting actors, with the aim of fostering and improving the quality of the aid given to the country. This however, seems to be a rare case, with grantees or recipient countries rarely aiming to build bridges between supporting actors.

Given foundations have a smaller budget available to them; they often seek different ways to be of value instead of using their funds for global-level, 'mainstream international aid' (Pharoah and Bryant, 2012). Often, they seek to be innovative by investigating effective ways of supporting neglected or marginalized areas. Here, they evolve new approaches in neglected areas or among new needs, by being more risk-taking and flexible than government agencies are when providing aid, and aim to develop capacities within the field. An important difference between foundations and government aid is the extent to which the support is provided through civil society organizations, which receives only 9% of UK's ODA, for example (Pharoah and Bryant, 2012). Working more extensively with these civil society organizations provides benefits to foundations, such as the issues that can be addressed, the role civil society organizations have in building up local political, educational and economic capacity and monitoring local government accountability. Also, working with civil society organizations allows them to empower local causes, freed of political agendas, and to work more flexible and with less bureaucracy. On the other hand, it does often mean that recipient governments lose autonomy over the needs and strategies that deserve priority.

2.3. Towards a typology of foundations supporting development aid

The synthesis report of the European Foundations for Research and Innovation (EUFORI) Study encompasses socio-politico-economic models of EU foundations, suggested by Anheier (2006). His typology mainly represent the insights gathered in a former international study, 'Global civil society', conducted by Salamon, Anheier himself and others (1999).

Each model groups countries based on different relations between the state, the corporate sector, non-profit organizations and foundations themselves. These models may not only provide a framework of explanation for the different objectives, activities and importance of foundations, but they also serve to articulate the position of foundations and, thus, the specific opportunities and challenges they encounter in each country. According to Anheier, six models shape the subsequent analysis of developments in Europe's foundation sector:

- In the *social democratic model* foundations either complement or supplement state activities. The model assumes a highly developed welfare state in which foundations are part of a well-coordinated relationship with the state. Foundations are important but their service-relative contributions in absolute and relative terms remain limited due to the scale of the welfare state. There are numerous smaller grant-making foundations that have been set up by individuals, large companies and social movements over time. The borderlines between foundations and businesses are complex and fluid. Country examples: *Sweden, Norway, Denmark, Finland*.
- In the *corporatist model* foundations are in a "subsidiary relation with the state" (Anheier and Daly 2007). Here they are part of the social or educational system and many combine grant-making and operative dimension. Foundations are important as service providers, but less so in terms of their overall financial contribution. In this model, borderlines with state and foundations are complex. The corporatist model can be further distinguished into three subtypes:
 - In the *state-centered corporatist model* foundations are closely supervised by the state. There exist only few grant-making foundations; foundations are primarily operating or quasi-public umbrella organizations. Country examples: *France, Belgium, Luxembourg*
 - In the *civil-society centered corporatist model* foundations are part of the welfare system. Grant-making foundations are somewhat less prominent. There are complex borderlines between state and foundations as well as between foundations and businesses. Country examples: *Germany, Netherlands, Austria, Switzerland, Liechtenstein*
 - In the *Mediterranean corporatist model* foundations are primarily operating. The development of grant-making foundations is much less pronounced, and complex borderlines exist between foundations and the state on the one hand, and, for historical reasons, with established religion, especially the Catholic Church, on the other. Country examples: *Spain, Italy, Portugal*

- In the *liberal model* foundations engage in parallel to the state. In this model, foundations “frequently see themselves as alternatives to the mainstream and as safeguards of non-majoritarian preferences” (ibid, p.17). Foundations are primarily grant-making, whereas operating functions less prominent today, and typically reach back to the Victorian era in the form of housing trusts or health and social providers. The boundaries between foundations, the state and business are well-established. Country example: *United Kingdom*.
- In the *statist model* foundations play a minor role both in terms of grant-making and service provision, and for a variety of historical reasons that include the role of religion, patriarchy and long-standing immigration patterns in the context of late economic development. The statist model can be further distinguished into two sub-types:
 - o In the *peripheral model* foundations primarily operate to compensate for the shortfalls of the provision of public goods by the public sector, but they do so at rather insufficient levels. Together, foundations have not reached an institutional momentum to become significant players. Country examples: *Ireland, Greece*
 - o In the *post-socialist model* foundations play minor roles as well. Operating foundations are dominant and work in parallel to public agencies. There are only few grant-making foundations. Complex borderlines between state and foundations, and foundations and business. Until the last decade, most philanthropic funds in the region came from either the United States or from Western Europe.

These models suggest that the prevalent institutional and legal environment is fundamental to the characteristics and development of foundations – along, of course, with other factors such as historical, economic and social aspects. The differences between these models are obviously not clear-cut; but they are rather ideal-typical constructions or descriptions of a much more complex reality. Clearly, the applicability of the various models remains to be fully tested, and their validity an empirical question as well as it also depends on the policies and laws in place, and the changes that might occur (Gouwenberg et al. 2015).

The explanatory factors and determinants mentioned by Anheier are all at the level of society as a system. His analysis offers fruitful insights in position and roles foundations take within European societies. However, Anheier’s systemic approach bypasses an analysis of the driving forces founders motivate to erect their foundations. What provoked the founders? This is particularly important in this study, in which the largest and larger foundations supporting development work are scrutinized. Their size, financial power, professional policies and boards, these characteristics make them to social players which cannot simply be categorized from a societal system context point of view. They also have to be considered as independent actors *as such*.

The EUFORI Study offers the following clarifying figures on the founders and sources of income of European foundations supporting research and innovation: “The majority of foundations in the sample are

set up by private individuals/families (54%). Corporations (18%), non-profit organizations (18%) and the public sector (17%) are also frequently mentioned as founder” (Gouwenberg et al, 2015). Also, “Foundations draw their income from a variety of sources. In Europe, 63% of the foundations can be regarded as a ‘classic foundation’, deriving income from an endowment. More than a third of foundations (36%) indicate to receive income from government. For some foundations, income from government is the most important source of income. Donations from individuals are mentioned by 31%, followed by donations from corporations by 29%. Proceedings from an endowment account for 48% of the total known income” (ibid, 2015).

The largest and larger foundations are managed by a board of trustees, sometimes chaired by their founders. Foundation might still have a large influence on foundation strategies. It makes sense to keep this in mind if ODA organizations invite them to the table.

The discussed typology covers Europe and aims to explain the determinants of the prevalence of a non-profit sector (including a foundation sector) in a certain country. The foundation models all reflect social-politico-economic contexts. However, the present study covers foundations globally. In addition, most foundations supporting development assistance are not operating in their home countries but abroad, coping with different socio-economic- political challenges of the targeted groups or projects. Finally, the previous models did not take into account the role of the founder, which is assumed to influence the work of the foundation.

Therefore, for the purpose of this study an alternative foundation typology is developed. Similar to Anheier, previous models and explanatory factors are used. In addition to Anheier’s analysis, attention is paid to an analysis of the background and motives of the founders of philanthropic foundations.

Hence, the following characteristics can be used in order to constitute the typology:

- a. Type of founder (i.e. Individuals, corporations, non-profits, communities)
- b. Motives (i.e. moral, mutual interest, commercial interest, political and/or strategic interests)¹
- c. Historical context: Pre-WW II, after WW II and the new players since 1990 (see 2.2.)

Traditional Foundations

This type of foundations were created by an endowment, mostly received in the beginning of the 20th century and by (owners of) corporations, such as the Ford Motor Company (Ford Foundation), the Rockefeller Oil Companies (Rockefeller Foundation) or the Kellogg company (W.K. Kellogg Foundation). The origin of business of their founders allows them to support all kinds of charitable goals and operate both national and abroad. These foundations do not solely support international aid related goals, but

¹ “Development cooperation started in particular after WWII driven by a mixture of humanitarian, post-colonial and geopolitical motivations. Szirmai (2005, pp. 582-585) pointed at a comprehensive list of motives in this regard, encompassing: *Moral motives* (humanitarian; egalitarian; international solidarity; reparation of past wrongs); *Mutual interest* (interdependence; global environmental problems; avoiding international conflicts; immigration); *Commercial interests* (export development); *Political and strategic motives* (foreign policy priorities/instruments)” (Van Oijen, 2016)

support a variety of goals. In terms of operating strategy, most of these foundations function as gift-giver and have a complementary role. Traditional foundations follow standard grantmaking procedures and particularly NGOs working in development aid apply for grants.

Entrepreneurial Foundations

The world of foundations is a playground for entrepreneurial philanthropists who are eager to introduce business principles into the NGO sector (Rath & Schuyt, 2014; 2015). Entrepreneurial foundations are a relatively new phenomenon. The origin of the business and ongoing involvement of their founders makes these foundations focused and strategic actors in development assistance. This type of foundations identifies themselves as innovators and/or experts. These foundations usually express particular values like “do it yourself”; according to this principle they favor matching agreements to stress the own responsibility of the target-groups abroad. Entrepreneurial foundations favor tight planning and financial control, whereas evaluation and impact measurement are regarded as important. Their founders are individuals that were successful in business, but their foundations are not (necessarily) linked to the business they owe their fortunes to, such as the Gates Foundation and the Skoll Foundation.

Corporate Foundations

The creation of most corporate foundations took place at the end of the 20th century and the beginning of the 21st century. They were founded by (international) corporations. Corporate foundations behave similar to the entrepreneurial type, but differ from them in one respect: the goals are ‘business linked’. If the foundation background relates to new technologies or IT, projects referring education and / the next generation usually attract attention. They are used to take the lead, to set the agenda for new issues: e.g. climate change, ecological issues and environment protection. On the other side, we find corporations that use their foundations as CSR instrument. The large Wellcome Trust in the UK, for example, grants pharmaceutical research and projects, linked to their core operations as a business. The H&M Foundation, on the other hand, invests in good labor conditions.

Value-driven Foundations

Some foundations are primarily driven by the values of the founders; and their motivation regards religious goals. These religious driven foundations combine traditional philanthropic efforts (poverty relief, education and health care) with promotion of their belief. These foundations often built on indigenous networks (volunteers) in their target countries that share similar values. World Vision may be a good example.

Solidarity Foundations

A particular group of foundations stems from social movements, like the labor movement. Also, in the past saving banks and mutual insurance networks created large endowments. Some of those institutes entered the stock-markets and had to create separate foundations to protect and manage their savings from the past. These foundations often focus on international solidarity programs: women emancipation, employee protection, etc. An example might be the Riksbanken Jubileumsfond.

Instrumental Foundations

These foundations foster political / commercial interests and ideas of their home-country. They offer helping hands and support to underdeveloped countries in order get a foot on the ground. Examples can be found globally, and the purposes vary from country to country. All do not primarily focus on solving societal needs, but engage in projects to export ideas.

Indigenous Foundation

These relatively young foundations are created by wealthy people from an emerging economy, or by business men and women who became successful abroad, and who returned to their home country or fund local goals from abroad (education, shelter, health care, emancipation).

The seven foundation types presented here formed the basis for empirical testing. We have to keep in mind that the typology in this study is strictly applied to foundation engaged in international aid only. The prevalence and characteristics of the foundation types may be different for foundation with other granting focus. Also, classification takes place based on an assessment of the characteristics that makes the foundation part of a specific category, which always includes a bias risk. Next, foundations also may have ambivalent goals, implying that these specific foundations might be classified as another type if focused on other characteristics.

Empirical testing showed the necessity to reschedule and diminish the number of types. Among the 55 foundations in the sample, three major types of foundations emerge: traditional, entrepreneurial and corporate foundations. Although different regarding the background of their interests, value driven, and instrumental foundations show similar behavior. Therefore, these three types have been combined into an 'ideological foundations' category. This type covers the religious, social movement, political and commercial intentions of the founders. Indigenous foundations were almost absent in the sample, and no solidarity foundation were found in the sample.

3. Foundations supporting development aid

This chapter provides an overview of 55 foundations² that were subject to this study. Which are the foundations are involved in development assistance? Where do they come from, what is their main focus? And why were these foundations created? Such an overview has not been available until date. Also, while the reports that were mentioned in the previous chapters gave some insights regarding the modus operandi of foundations, it remains unclear if these modi account for foundations in general or that foundations differ regarding their strategies. Finally, this chapter will present figures on foundations' experiences in collaborating with ODA agencies, their perception on collaboration and provide suggestions to better work together.

Typology of foundations

Foundations can differ in their founder, funding, age, goals, target groups, operating style and region of activity. In this study, four types emerge and each type shares common characteristics.

Traditional Foundations

This type of foundations was created by an endowment, mostly received in the beginning of the 20th century and by (owners of) corporations. The origin of business of their founders allows them to support all kinds of charitable goals, and operate both national and abroad. These foundations do not solely support international aid related goals. In terms of operating strategy, most of these foundations function as gift-giver and have a complementary role. Traditional foundations follow standard grantmaking procedures and particularly NGOs working in development aid apply for grants. Traditional foundations supporting development aid seem to work with NGO's, governments, official agencies and non-profits in the recipient countries. They mainly offer grants, entrance to their networks and their focus aims at the most vulnerable groups like women, youngsters and subsistence farmers. Most traditional foundations are found in North America and Europe. Finally, their budgets are substantial, reaching almost 150 million USD per annum on average³.

Entrepreneurial Foundations

These foundations are a relatively new phenomenon. The origin of the business and ongoing involvement of their founders makes these foundations focused and strategic actors in development assistance. These foundations usually express particular values like "do it yourself"; according to this principle they favor matching agreements to stress the own responsibility of the target-groups abroad. Entrepreneurial foundations favor tight planning; financial control, and evaluation and impact measurement are regarded as important. Expertise is highly valued. Their founders are individuals that were successful in business, but their foundations are not (specifically) linked to the business they owe their fortunes to. Entrepreneurial foundations contribute by grants and a variety of instruments (expertise, program related

² A more comprehensive profile of each foundation can be found in Annex I. Data collection took place by analyzing the websites, annual reports and financial statements as has been made available by the foundations. Next to analyzing secundair sources, a survey took place among the foundations and five foundations were interviewed.

³ Budget available for charitable support in 2015 if available, otherwise most recent available year is used.

investments, evaluations) and excel in matching grants. Next to charities, they support social enterprise, but also governments and non-profits. Also entrepreneurial foundations have substantial budgets available for support, with an average of 143 million USD per annum for the entrepreneurial foundations in the sample⁴. Regarding location, this type of entrepreneurial foundations is more common in North America and Asia, followed by Europe.

Corporate Foundations

The creation of most corporate foundations took place at the end of the 20th century and the beginning of the 21st century. They were founded by (international) corporations. Corporate foundations behave similarly to the entrepreneurial type, but differ from them in one respect: the goals are 'business linked'. They are used to take the lead, to set the agenda for new issues: e.g. climate change, ecological issues and environment protection. On the other side, corporations may use their foundation as CSR instrument. Corporate foundations may offer grants, but no entrance to networks and support non-profits and operating charities that have a close link to their business. Corporate foundations seem to have relatively lower budgets available for charitable support, which was on 41.5 million USD per annum for the foundations included in the sample. Corporate foundations are mainly set up by European companies.

Ideological foundations

This type covers the religious, social movement, political and commercial intentions of the founders. Common among these foundations is that development assistance is used as an instrument for these intentions. However, it should also be noted that, although be classified as ideological foundation, the relative importance of underlying motives compared to development assistance objectives differs from ideological foundation to another. Generally speaking ideological foundations are regularly less transparent regarding publishing their annual (financial) reports. Although the number of ideological foundations included in this study is limited, it seems that their budgets are substantial (above 100 million USD per annum). A large share of the ideological foundations in this study has their roots within Europe.

⁴ Please note that the Bill and Melinda Gates Foundation has been excluded in calculating this average.

Figure 3.1 Typology of foundations by region (N=55)

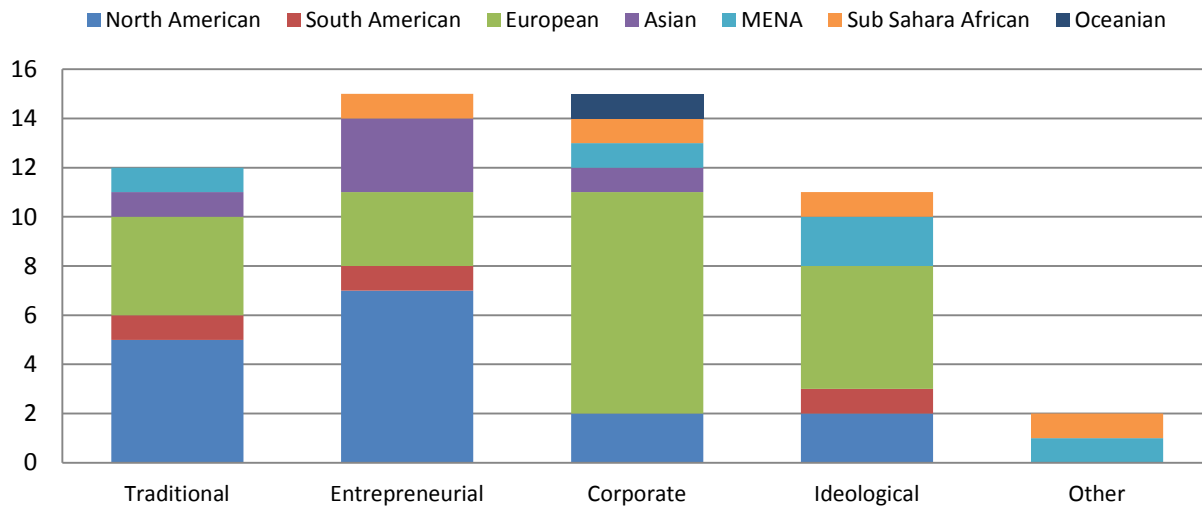


Figure 3.1 shows that among the world largest foundations, these four major types of foundations emerge. Traditional foundations are those who have been set up by the creation of an endowment – and the endowment remains the most important source of income for them. We find that these foundations are most common in the US, with five out of twelve foundations in the sample, followed by Europe, hosting four of them. On average, these traditional foundations have an annual budget available of 145 USD million. This budget is more or less similar to that of entrepreneurial foundations (143 USD million and BMGF excluded), larger than of ideological foundations (115.6 USD million) and much larger than the average annual budget of corporate foundations in the sample, who have estimated annual budget of 41.5 USD million. Interestingly, ideological foundations are more frequently found in Europe (5 out of 11). These foundations are mostly classified as ideological because of the political origin of these foundations. Also corporate foundations are more to be found in Europe than elsewhere (9 out of 15), while the entrepreneurial type of foundation is more common in the US (7 out of 15) and Asia.

It should be noted that what is classified as a ‘ideological’ foundation in the sample might be so for political, religious reasons and/or economic interest reasons and combines the ‘value-driven’ and

‘instrumental’ types as suggested in the typology of foundations in chapter 2.3. Also, the other types of foundations (i.e. ‘solidarity’ foundation and ‘indigenous’ foundation) are (almost) not present in this sample, with two notable ‘indigenous’ foundations (Motsepe Foundation) in Sub-Saharan Africa and the Sawiris Foundation from Egypt as exceptions.

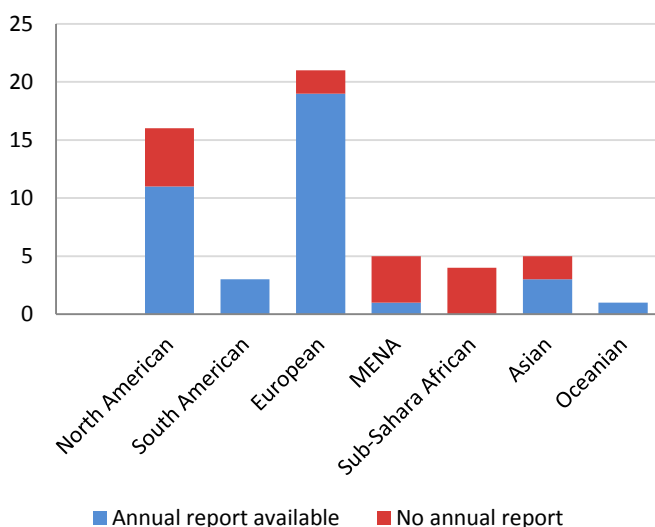
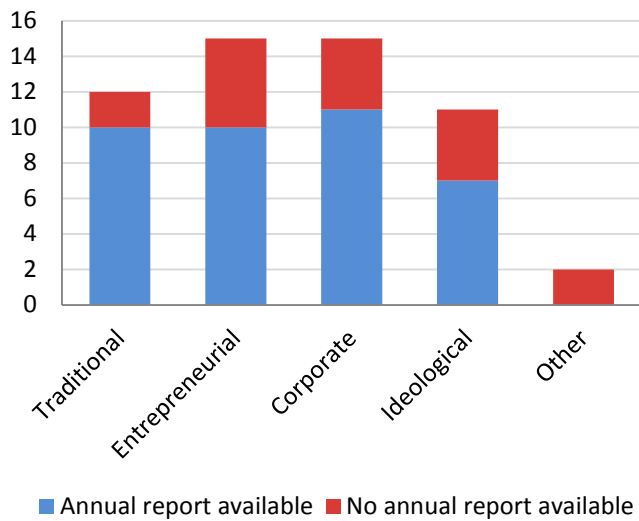


Figure 3.2. Publication of foundation annual reports, by region and type of foundation.

Transparency

One method of getting a better understanding of the work of foundations is accessing their annual reports. Publishing an annual report and corresponding financial accounts could also be considered as indicator to what extent foundations regard transparency by means of publishing their annual report as important. If we compare the transparency of foundations by regions and by type of foundations, it seems that that the South-American based foundations are quite transparent regarding publishing their annual reports. However, it should be noted that the Carlos Slim Foundation does publish an extensive annual report the output of the foundation, but that this report is lacking financial figures. Interestingly, we find that European foundations are quite transparent in terms of publishing their annual reports, followed by North American foundations. A closer look at the availability of annual reports, we find that only two

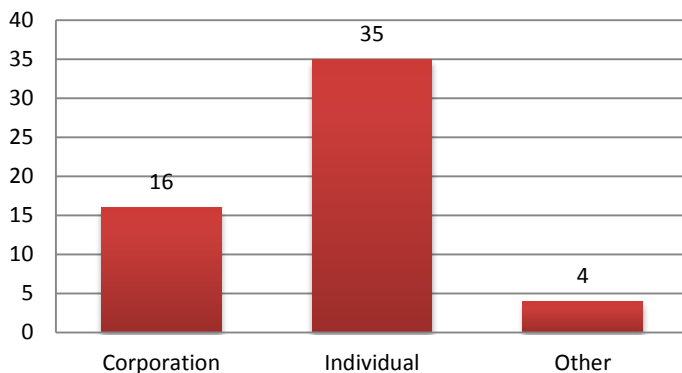


corporate foundations in Europe (Heineken Africa Foundation and Air France Foundation) do not publish their annual report, while all 19 others do. If we take this into account, we find that the low variety in transparency between the different types of foundations is mainly due to the behavior of these foundations. For example, out of the 11 ideological foundations in the sample, 5 are European based. Currently, almost two thirds of them publish their annual report. However, taking out the European foundations, this percentage would drop to one third of instrumental foundations.

Founders

Figure 3.3 shows that there are roughly two main categories that may establish a foundation, namely individuals and corporations. We also find two main funding sources are present among respondents: endowments (46%) and corporate funding (46%). Two foundations form the exception, one being funded by a different foundation and being funded by controlling the gambling market, profiting from its revenues. Regarding foundations that have been established by individuals, we can distinguish between

Figure 3.3. Foundation founders



two main sources of wealth that enabled the founder to establish a foundation. Most frequently foundations are established by individuals that have acquired their wealth through making a fortune in a variety of business. Across the sample we find examples of foundations that have been established this way. Typical, relatively older, foundations were established by wealthy US businessman, creating an endowment that still functions as the primary source of income of these foundations. The original founders are sometimes already deceased. On the other

hand, we find relative younger foundations that have been established by successful contemporary entrepreneurs, who have transferred a share of their company shares and/or regularly make a large donation to the foundation, continuously providing the foundation with new income sources. Other individuals able to establish a foundation eligible for this sample are royalties. The sample also shows that establishing a foundation by corporations is relatively a new phenomenon, with the largest group of corporations in the sample establishing a foundation in the late 20th or the beginning of the 21st century. Notable exceptions to being established by individuals or corporations are foundations that are established by political organizations and by law.

Budgets and sources of income

Even the world's largest foundations show a large heterogeneity regarding annual available budgets, ranging from 4 foundations (7%) with an available budget between 1 to 5 USD million per year, to 3 foundations (7%) of the foundations with annual budgets of over 500 USD million per year. It is interesting to find that the majority of the foundations (55%) have a budget of less than 50 USD million, while also a large share of the foundations have budget available of more than 100 USD million (38%). As a consequence, fewer foundations fall in the mid-range category of 50-100 USD million.

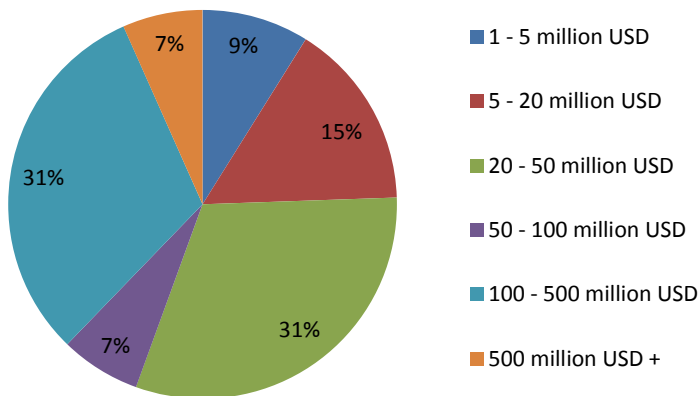
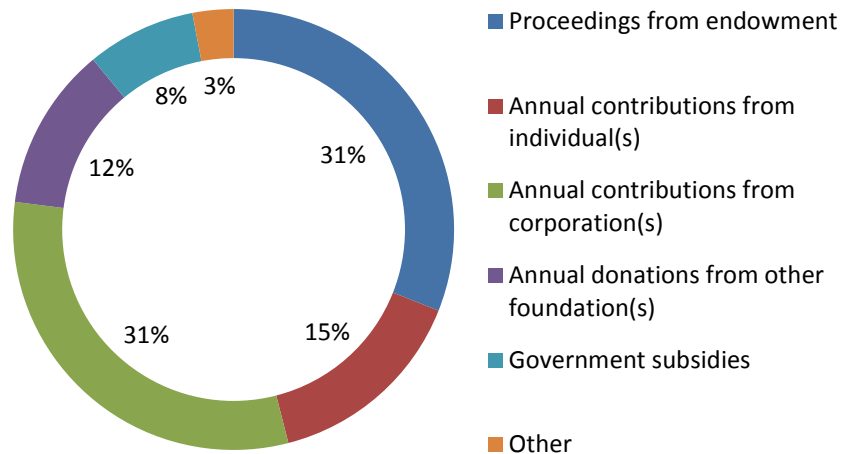


Figure 3.4. Budget available for charitable support in 2015* (in % of foundations) (N=46)

Endowed and corporate foundations are prevalent and this is reflected in the main income sources of the foundations from the sample. About one third is primarily dependent from the annual earning out of the endowment. More than half is dependent from donations, either from individuals, corporations or other non-profits. As we have seen in the foundation profiles, donations from both individuals as corporations exist out of continued contributions from the original founder. Few foundations actually raise funds among the general public as main source of income. A minor part is primarily dependent from governmental subsidies.

Figure 3.5. Main sources of income (N=28)

Naturally, the majority of corporate foundations depend on donations from their parent company, with a small proportion relying on its built-up endowment for the annual budget. These oftentimes indicate supplementing the endowment with corporate gifts and engaging in philanthropic activities by using the dividends of their investments. Among endowed foundations, the funding is more diverse. Earnings from the endowment are most prevalent, but still almost half mainly depend on donations from individuals, corporations or other non-profits.



For more than half of the foundations, the annual budget has grown with more than 10% in the past 5 years, and 25% of the foundations that participated in the study even reports that the annual budget is now 50% larger than 5 years ago. More than half of the foundations expect an increase of at least 10%, and less than one in eight foundations expect to have a smaller annual budget available to them in 5 years from now than they do today. On average, foundations have experienced a 45.9% growth in their annual

budget compared to 5 years ago, and expect an increase of 16.2%. Endowed foundations tend to have experienced a stronger increase in the evolution of their annual budget in the past 5 years (57.7%) than corporate foundations (35.3%) and expect a slightly stronger increase in the upcoming 5 years as well (18.3% compared to 15.2%). As for continents, the annual budget of European foundations has developed significantly more dynamically (75% increase) than that of North American (5.8% increase) foundations, and are expected to increase (12.7% compared to 7.5%) more strongly as well.

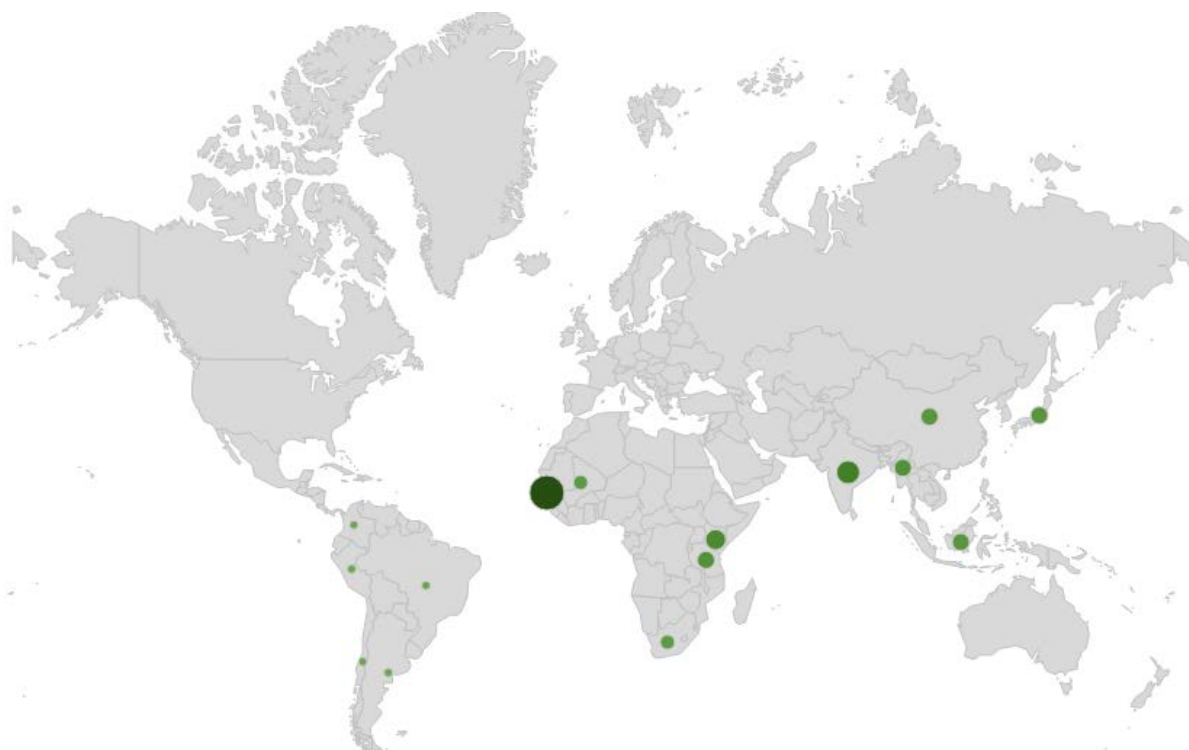
Instead of maximizing financial returns with the investments from their endowment, and maximizing social returns with their charitable activities, foundations report to find it important to make sustainable investments which maximize social returns as well, although they do not necessarily invest in the same geographic or issue areas as their charitable activities are focused on. Differences between endowed and corporate foundations are minimal.

Support provided

Regarding the average amount available for charitable support we see a difference between regions, but also regarding type of foundations. But first of all, it should be noted that the average budget available by the foundations in the sample (226.6 USD million) is much biased by the budget of the Bill and Melinda Gates Foundation (BMGF). If we take out their annual budget of 5,547 USD million, the average drops to 107.4 USD million. Their unique position is also made clear if we take a closer look at the budget available of foundations from different regions. North-American foundations (16) are the largest, with an average amount of 523.4 USD million, which drops to 193.5 USD million without the BMGF. The five (very) large Asian based foundations have an available budget of 136.17 USD million and European (20) foundations have on average 51.9 USD million available for charitable support.

The literature review in chapter three suggested a clear focus of development aid on Africa, followed by Asia and Central/South American countries clearly being the tertiary recipient. Our results are highly consistent with these studies in terms of the percentage of foundations that focus on specific continents. Figure 3.14 and 3.15 map the most popular recipient countries in Asia, Africa, Europe and South America combined with Central America. Figure 3.14 is based on the number of foundations focusing their support on specific regions, while figure 3.15 accounts for the size of the foundations focusing on these regions. The circles on the map depict the proportion of world wide support going to the countries. The map in figure 3.14 clearly shows how Eastern Africa and South-East Asia, the poorest regions of the world, are the most popular funding regions for development aid foundations. When controlling for the annual budget (figure 3.15) of the foundations supporting these regions, this notion largely holds, although Senegal and Mali in West Africa receive support from a number of large foundations. Senegal receives support from a small number, but large foundations, making them the largest international aid recipient in the survey. In South and Central America, Brazil is the most popular country to focus on, with more than half of all funding from foundations moving to Brazil. India, Cambodia and Myanmar are most popular for support in Asia. When accounting for annual budgets, China and Japan, who have a smaller amount but larger foundations supporting them, appear on the map as well. In Europe, Germany is the largest recipient, mainly from national foundations, followed by a set of Eastern European countries, Turkey, Greece and France.

**Figure 3.6. Most prominent
recipient countries (frequency)**



**Figure 3.7. Most prominent recipient
countries (annual budgets)**

Financial flow of foundations charitable support

Based on the financial distribution of support across regions of 44 foundations, figure 3.8 shows a financial flow chart of foundation charitable support, while figure 3.9 shows the same, but leaving out the financials from the Bill and Melinda Gates Foundation. These flowcharts have been comprised by combining the annual financial reports and, in case no financial were available, foundation support as identified through web analysis.

Comparing the two flow charts, it is difficult to underestimate the role of the Bill and Melinda Gates Foundation. Solely, this foundation accounts for more than half of the charitable support in the sample. Next, if we look on how the charitable support of foundations is distributed, figure 3.9 makes clear that by far the largest share of foundation support is derived from the US. About 27% of total financial flows is derived from US foundations (and one Canadian based foundation) and flows to Asia, while even 29.1% of total financial flows is derived from US foundations and flows to Sub-Saharan Africa. Combined with the amount of money these foundations spend in their own region, North American foundations in the sample account for over threequarters (75.9%) of the total financial support from foundations. In all, over four out of five retrievable foundation dollars come from the US. For their part, European foundations are active in most regions of the world but contribute only a fraction of their counterparts on the other side of the Atlantic. And, on the other side of the Pacific Ocean, Asian foundations also engage in charitable support, but are foremost focused on their own region (or country). Finally, the few foundations from Sub-Saharan Africa, the Middle East and North Africa and Oceania, put to little weight on the table to be included in this map, particularly because it was not possible to retrieve any financial details on their support, but even so would their financial contribution be very small compared to their North American counterparts.

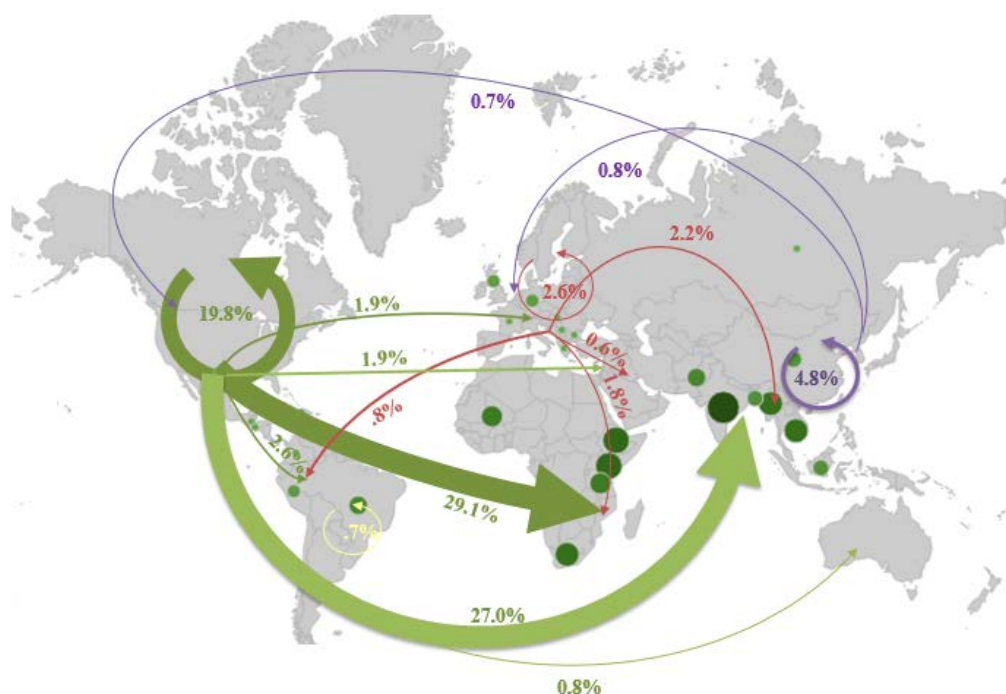


Figure 3.8. Regional flow chart charitable support from foundations* 2015, in percentages*** of total financial flows (N=44)**

Total budget for charitable support in 2015 :**

10,2 USD billion

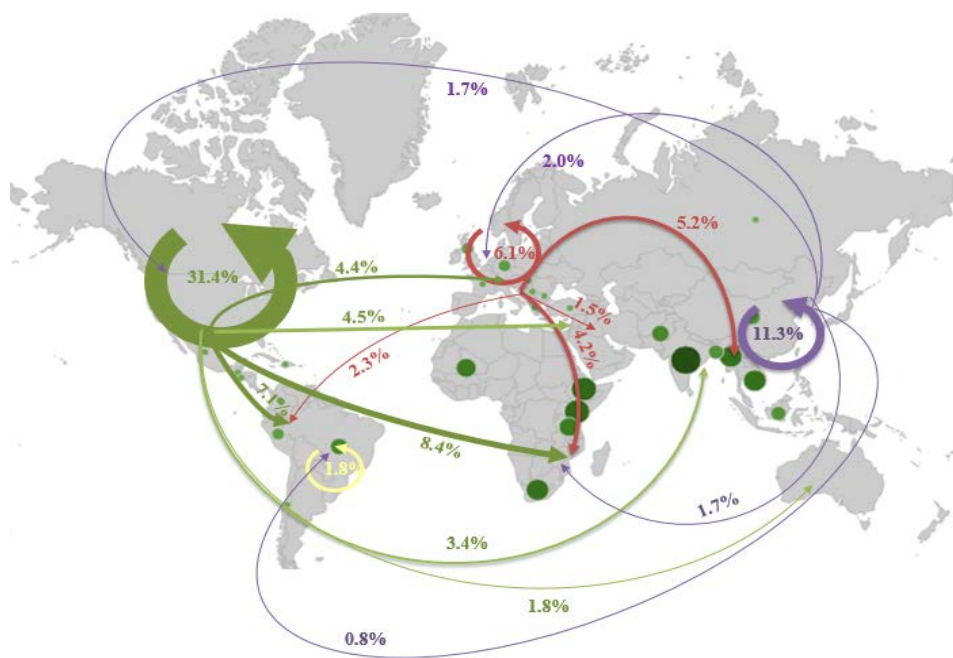


Figure 3.9. Regional flow chart charitable support from foundations* in 2015, in percentages*** of total financial flows, excluding BMGF (N=43).**

Total charitable budget for support in 2015 :**

4,7 USD billion

* Includes foundations with at least 1 USD million in charitable support.

** Figures refer to 2015 were possible, most recent year has been included if 2015 was not available.

*** Only financial flows accounting for at least 0.5% of total financial flows have been included.



Circle size indicating frequency country is mentioned by surveyed foundations as focus country

As stated, the picture changes enormously if we look at the foundations in the sample without the BMGF. Here, we see that the presumed focus of North American foundations on Asia and Sub Saharan Africa becomes much less visible. Especially for Asia the difference is huge. From being a continent receiving 27% of total charitable support from foundations, the percentage drops to a mere 3.4% if the BMFG is excluded. Instead, we see the remaining North American based foundations having a stronger focus on the North American region, but also paying relatively more attention to European countries, the Middle East and North Africa, and South America. As the total sum of charitable support is much smaller, a logical consequence is that the weight of European and Asian foundations increases. Indeed, we notice that European foundations play their part in Asia and Africa, now more or less comparable with their North American colleagues. Regarding Asian foundations, their role increases as well. And, although their main focus lies on their own continent, we slowly see their role in charitable support in Sub Saharan Africa and South America. Nevertheless, it is interesting to note that the Asian foundations in the sample spend more in Europe and North America than within these other two continents.

The Bill and Melinda Gates Foundation

The Bill and Melinda Gates Foundation was established in 2000 as a merger between the William H. Gates Foundation (established in 1994) and the Gates Library Foundation (established in 1997). Were the William H. Gates foundation primarily focused on global health, the Gates Library Foundation focused on bringing computers with internet connection to public libraries in the United States. This focus can still be found in the current work of the foundation, that has a focus on global development, global health, global policy and advocacy on the one hand, and a program focused on education in the United States on the other. In terms of allocated budget however, the global development and global health program receive the majority of support. The foundation aims to close all activities after 50 years after the deaths of their current trustees.

With an reported budget for charitable support in 2015 of over 5,47 USD billion, the Bill and Melinda Gates Foundation (BMGF) is the world largest private foundation by far. In comparison, in the same year the world second largest foundation, the health research focused Wellcome Trust (United Kingdom), had an available budget of around 925 USD million. Compared to the other foundations included in this study, the difference is even larger, with the Open Society foundation (544 USD million) and the Ford foundation (536 USD million) coming second and third. In its own, BMGF accounts for more than half of the available budget for charitable support of the foundations included in this study.

The unique role BMGF plays in the international development can also be exemplified by looking at the budget available for official development aid by donor countries. If we would look at BMGF as being a country, the foundation would rank 8th, just after the ODA budget of the Netherlands, but just before the ODA budget of Canada.

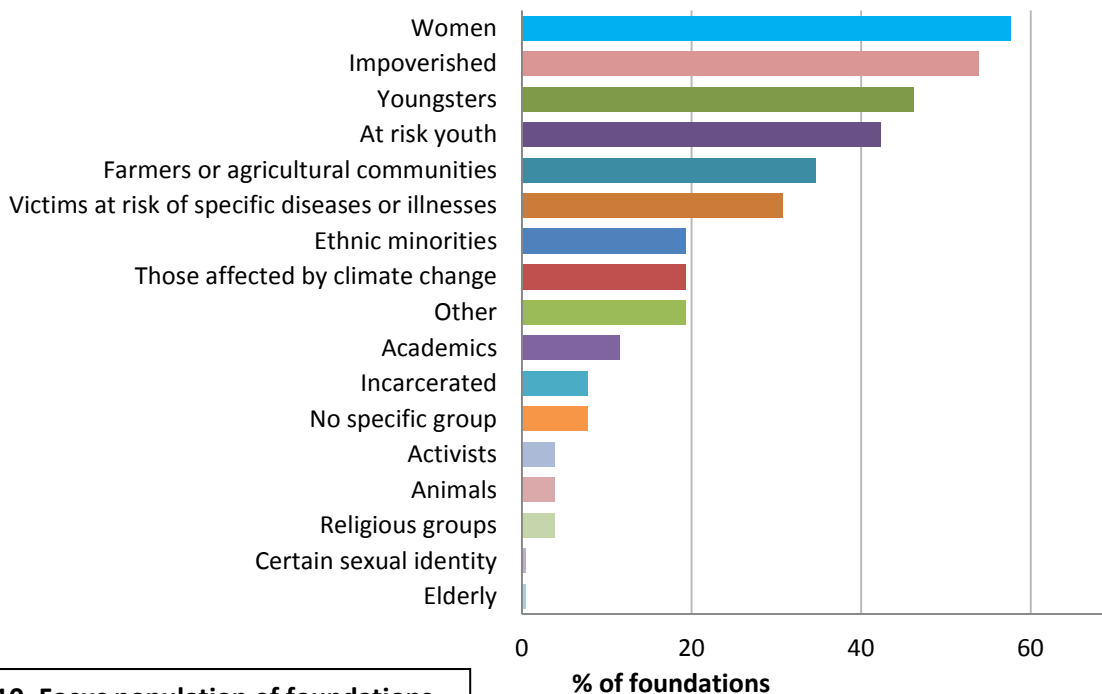
The majority of the foundations endowment (currently 39,6 USD billion) comes from donations by Gates, who donated over 26 USD billion to the foundation between 1994 and 2006. In 2006, Warren Buffet, founder of investment company Berkshire Hethaway, pledged a donation in shares worth around 31 USD billion, of which 5 percent of the remaining shares will be transferred to the trust that is managing the endowment of the foundation. Together with Bill and Melinda Gates, Buffet is one of the trustees of the foundation, shaping the directions of the foundation. Together they have pledged to give away the majority of their wealth (around 144 USD billion) to 32 philanthropic causes during their lifetime or after their death.

Major contributions of the foundations have been directed towards the eradication of polio, malaria and other infectious diseases of which the foundation believes that they receive (too) little attention from other actors in the field of development. The latter is a principle that guides the foundation in general. What areas are most burdened and where can we have the most impact. Core principle of the foundation is that all lives have equal value. The foundation aims to take risks where others, like governments and corporates, cannot.

In order to find vaccines for the mentioned diseases, the foundation funds basic research. The choice for vaccines can be traced back to the principles that drove Bill Gates at Microsoft, by asking the question of where can we achieve the most impact and by aiming to be data driven in all activities. This also implies that once there is proof that a solution of vaccine is working, much effort is being placed in scaling up and replicating, ideally with other actors. Since 2015, open access to data and research results is another guiding principle for the foundation.

The foundation is open to and searches for partners in achieving its aims and works together with others that share the similar aims and long term vision. Currently, this collaboration is mostly centered around foundations. Collaboration with governments or other ODA providers is in an early stage, time and experience will show whether operating models match. Also, some reluctance remains, as the financial crisis and political pressure for issues at home might change preferences and policies. Other constraints are practical, like distance, language and logistics. Nevertheless, there is an openness for collaboration and joint initiatives with other ODA providers, and time is needed to work on building mutual trust (Interview with Gates Foundation representative, 2015).

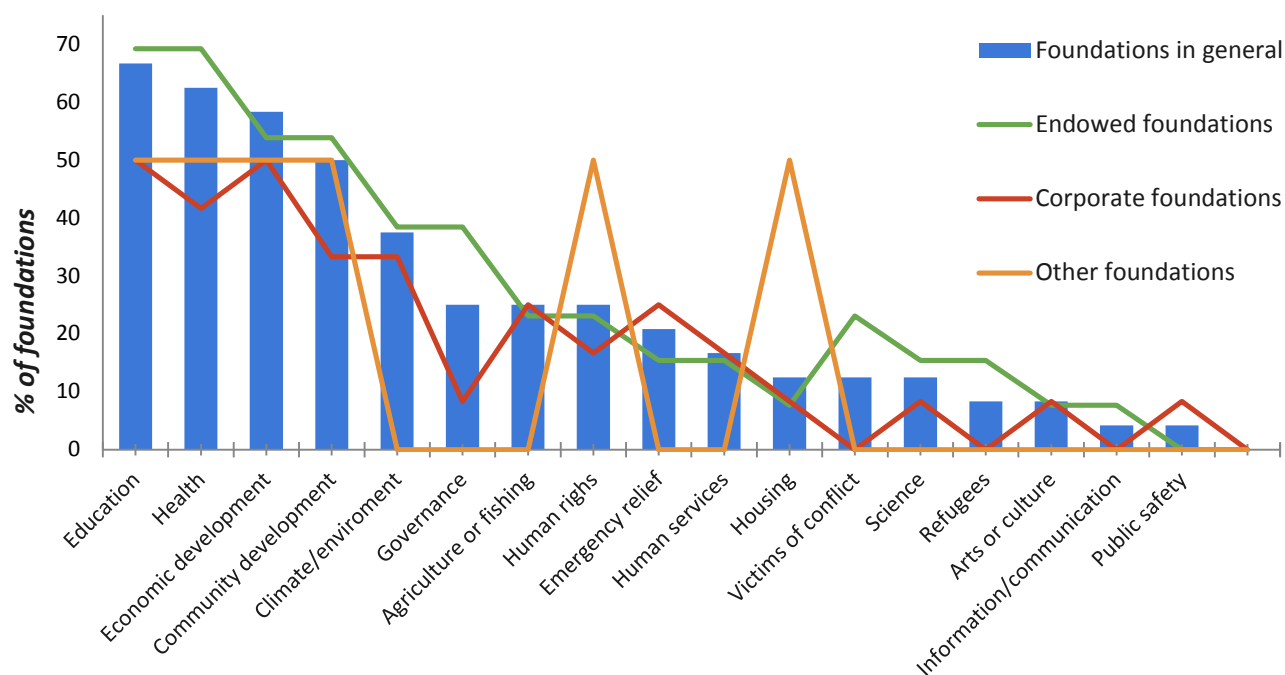
Based on the geographic focus of foundations, it seems that foundations focus on the most vulnerable on the world. This seems to be reflected by the population focus. More than half of the foundations specify impoverished communities as an important focus point, almost half focus on vulnerable youth and almost a third focus on communities vulnerable to diseases. The other main focus groups depicted in figure 3.10 below, women, youngsters and farmers might also be qualified as vulnerable.



**Figure 3.10. Focus population of foundations
(% of foundations) (N=28)**

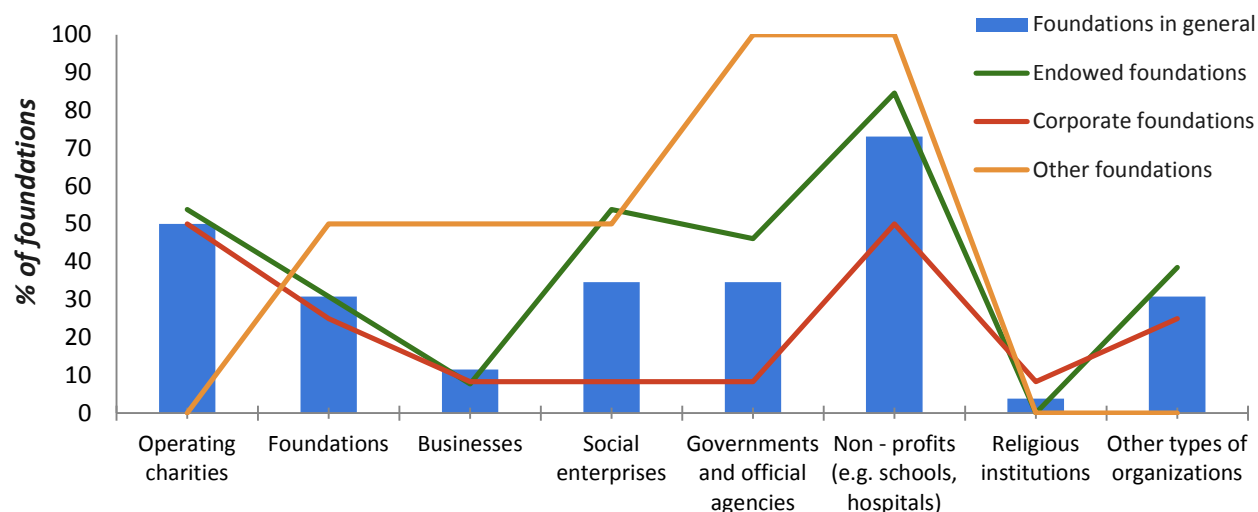
Four issues are clearly most prioritized by foundations, being education, health, economic development and community development, all being prioritized by more than half of the foundations. This corresponds with the focus issues that were obtained through web analysis. About a third of the foundations seem to do so with the sustainability or climate change as an issue in mind as well, although this was rarely selected as a sole focal issue. Figure 3.11 shows the percentage of foundations focusing on these issues. Endowed foundations clearly focus more on community development and government. Also, endowed foundations have a wider range of issues they focus on. On average, corporate foundations focus on 3.4 issues, while endowed foundations focus on an average of 5.1 issues. As seen before however, this might be caused by endowed foundations tending to have a higher annual budget than corporate foundations do, allowing them to have wider focus.

Figure 3.11. Issue focus segmented by the different types of foundations (N=28)



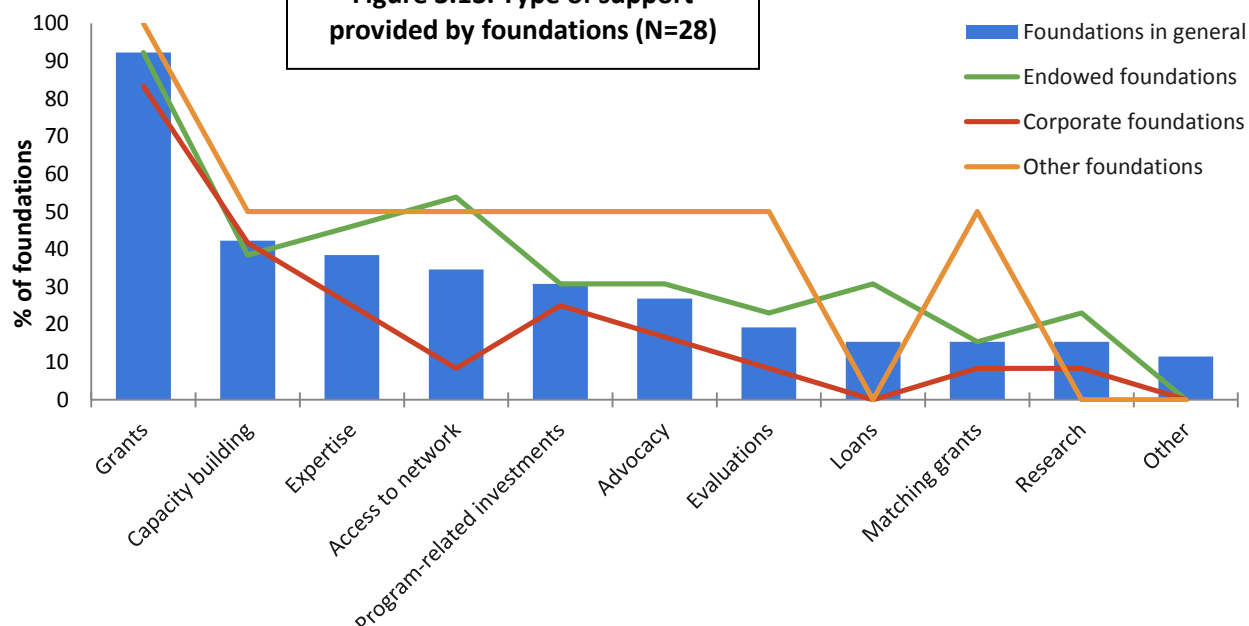
If we look at the type of organizations foundations tend to support, we surprisingly see that operating charities are not the most popular organization type for foundations, with only half of the foundation supporting operating charities. Among the foundations specifying what other organizations they support there were some answer which may be qualified as operating charities as well though. Three quarters of the foundations support non-profit organizations such as schools and hospitals. Around a third support social enterprises, governmental agencies, foundations or other types of organizations such as multi-stakeholder initiatives and international development projects, community institutions or affiliated operating charities. Corporations or religious institutions were rarely supported.

Figure 3.12. Type of organizations supported by foundations (N=28)



Naturally, almost all foundations provide support in the form of grants. A considerably smaller percentage of foundations help organizations by building their capacity, providing expertise and providing access to their networks, which endowed foundations tend to do more than corporate foundations, although again, corporate foundations are more focused on a smaller array of support types. Less popular types of support include guarantees, in-kind donations, contracts, financial expertise, agenda setting, bridge building and access to logistics, all being used by less than 10% of foundations.

Figure 3.13. Type of support provided by foundations (N=28)



The way in which foundations provide support is highly diverse. About one third does not extend its support past specific projects, while at the other end of the spectrum, another one third engages in long-term partnerships with the organizations they support. The last one third falls somewhere in between that

spectrum, providing support for the organizations as a whole, also covering support costs or engaging in joint endeavors.

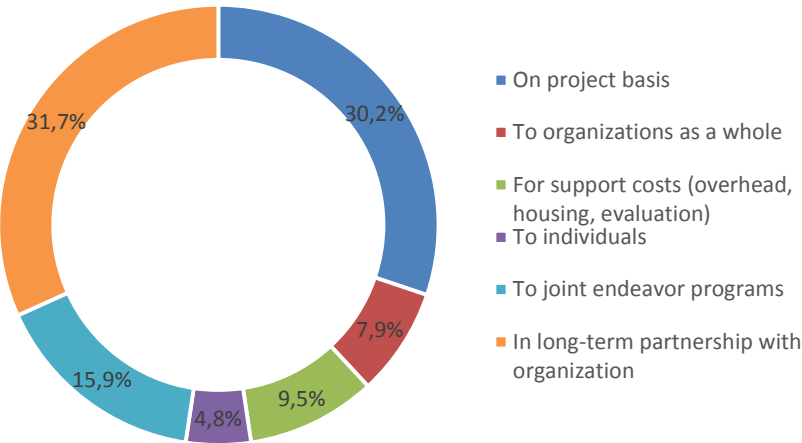


Figure 3.14. How is support provided by foundations? (N=28)

From an interview with a representative from a European foundation, we know that budget cycles can be a barrier in collaborating with partners, because requested and offered budget cycles do not match, and governmental agencies often have budget cycles for as long as the

respective office sits. The survey reveals that the typical budget cycle of a foundation’s support is between 2 - 6 years. Some foundations have budget cycles shorter than a year, but only very little organizations commit their support for longer than 6 years.

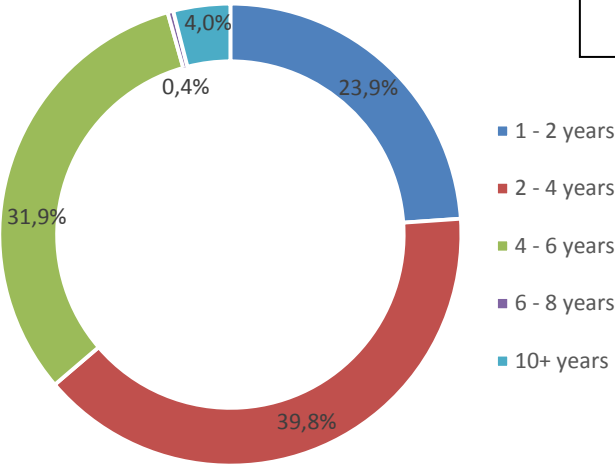


Figure 3.15. Typical budget cycle length of support by foundations (N=28)

Most foundations see themselves as collaborative gift-givers, meaning they provide the money but want to collaborate and remain involved in how the money is spent and used. Most will not force the organizations they support into a strategy, given the low percentage of foundations rating themselves as decisive gift-givers. Only 7.7% simply gives the grants to accepted grant proposals without remaining involved in the use of the grant. About one in ten

foundations conduct their own programs next to providing grants to other organizations and about one in eight foundations see themselves as capacity builders, supporting organizations financially but also on terms of expertise and knowledge. These results presented in figure 3.16 highlight that most foundations rely on the expertise of the organizations they support, but keep oversight and remain involved in the actual work instead of retracting after the grant was approved.

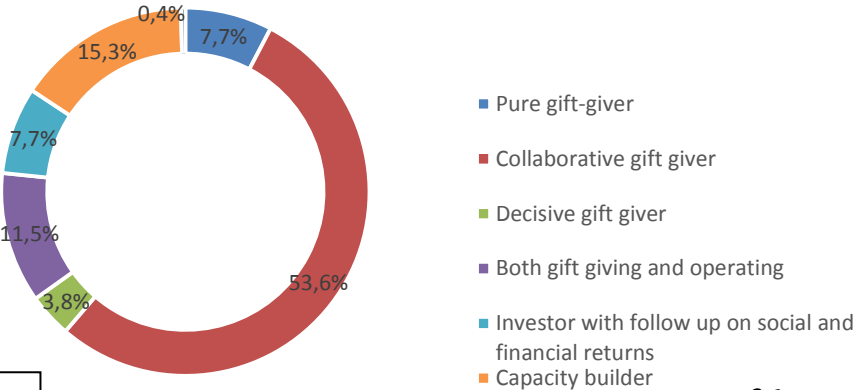
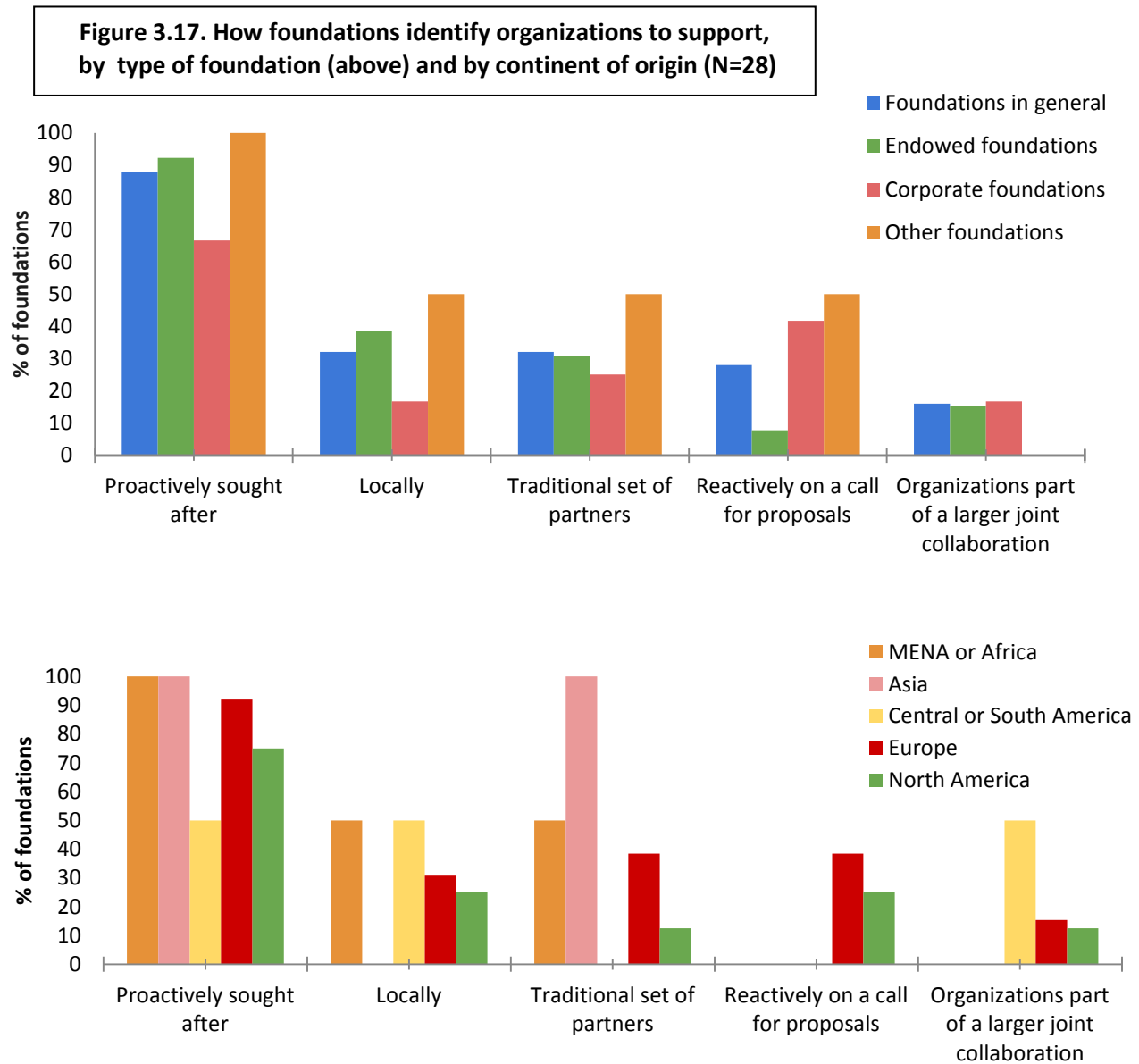


Figure 3.16. Self-perceived roles of foundations when providing support (N=28)

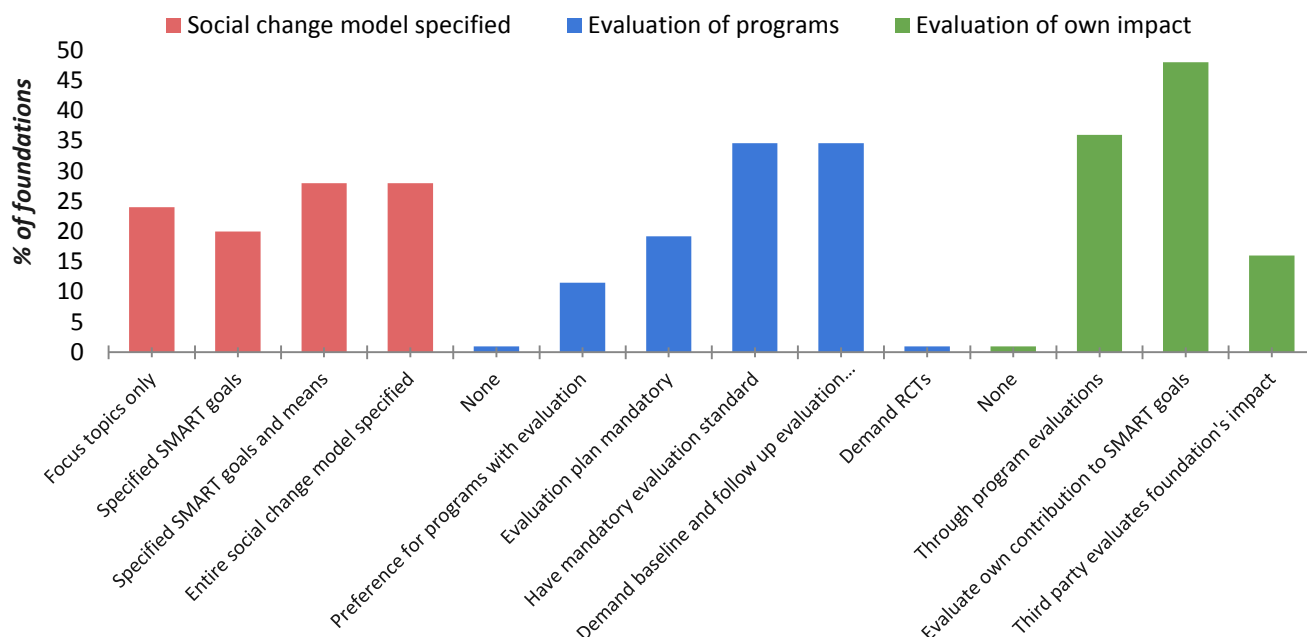
Now that we know where foundations focus, what they focus on and how the support is provided, it is interesting to see how they ambition to find the organizations that help them achieve the goals they have for these focal points. Almost all foundations proactively seek for organizations with aligned goals, missions and strategies to support. Corporate foundations tend to be more reactive and rely more often on a call for proposals to identify organizations to support than endowed foundations do. As specified in the second part of figure 3.17, Middle-Eastern, African and Asian foundations are more inclined to support local and longer-known traditional organizations compared to other continents.



After having found the right organization, as we have seen often proactively, which aligns with the mission and strategy of the foundation, the actual work will have to be implemented. Figure 3.18 below shows to what extent foundations then evaluate these programs, evaluate their own impact and to what extent they have specified their social change model in which they identify through what means they aim to achieve what outcomes/impact. Although these results are based on self-reports, the figure shows a

positive image of the foundations’ diligence when engaging development aid. More than half of the foundations have specified SMART goals and the way to achieve these. 66% have an evaluation standard in place to which the organizations they support are to comply and of the 66%, half even requests data at both the start and the end of the program. A small number of foundations have a third party evaluate their impact as a foundation, and almost half measure their own contribution to their specific SMART goals.

Figure 3.18. Importance of monitoring and evaluation procedures

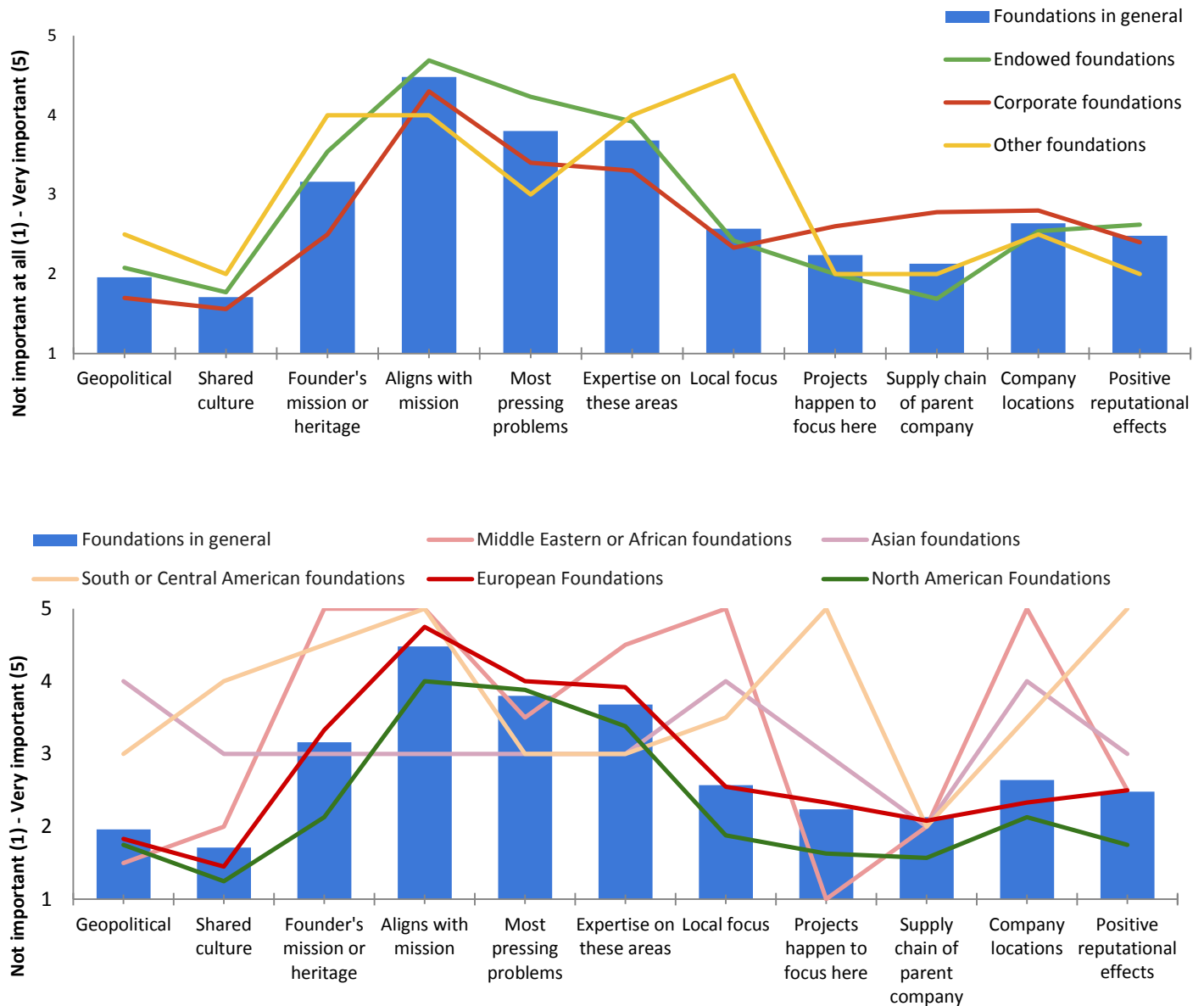


Motives and key actors

Figure 3.19 below provides a possible explanation for the dominant focus on East Africa and South-East Asia, the world’s poorest regions. Many foundations find it important to focus on the world’s most pressing problems, and many have mission in which they specify access to basic needs such as education, housing, health and income, which are most oppressed in these regions. Together with their built up expertise and the founders’ beliefs or mission, these are the four drivers of determining geographic focus. Endowed foundations tend to be more strongly motivated by their founder and the world’s most pressing problems. Although the locations and supply chain of parent companies for corporate foundations plays a larger role than for the other types of foundation, it still remains secondary to the focus on the most marginalized communities. For non-western foundation, a shared culture and a local focus are more important, and the founder tends to have a larger influence on the priorities of the foundation.

“Many foundations find it important to focus on the world’s most pressing problems, and many have mission in which they specify access to basic needs such as education, housing, health and income, which are most oppressed in these regions. Together with their built up expertise and the founders’ beliefs or mission, these are the four drivers of determining geographic focus.”

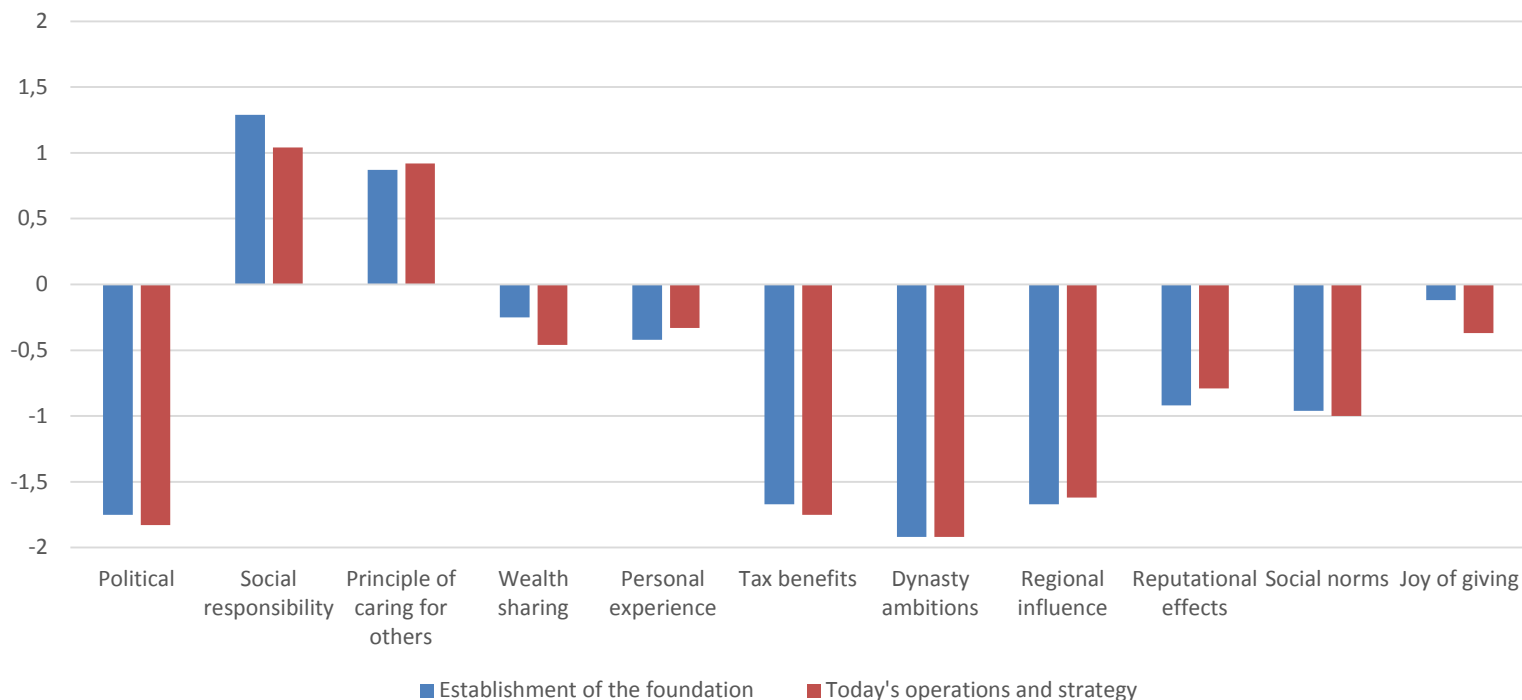
Figure 3.19. Reasons for geographic focus of foundations, segmented by type of foundation (above) and geographic location (below) (N=28)



Foundations were asked to indicate which motives drove the establishment of their foundation and who exerts influence on their strategies in the present. The results displayed in figure 3.40 show how what motivated the establishment of the foundation is very similar to the motives that still drive the foundation's activities and the strategy today. Motives such as tax benefits, reputational effects, political reasons or attaining regional influence are not (self-reportedly) of influence. What did seem to influence

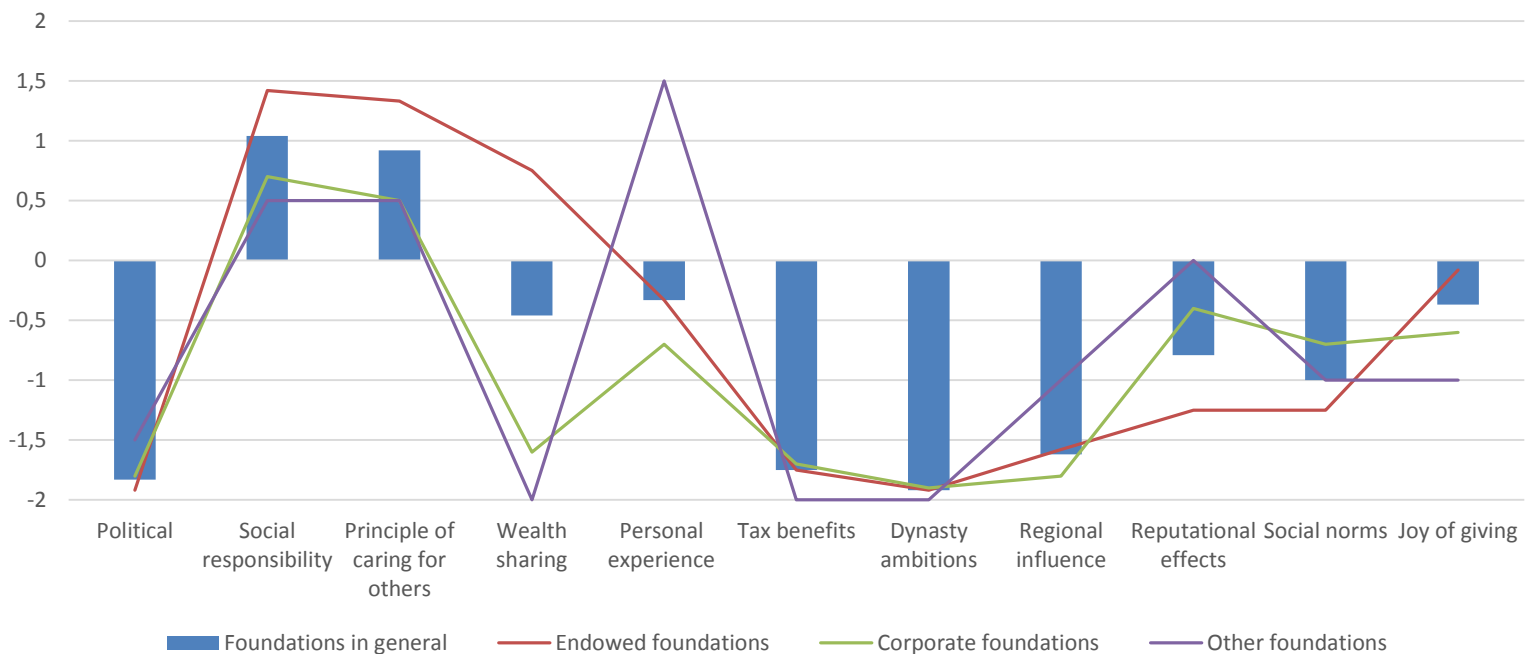
the foundations construction and still influences its strategies today are a feeling of social responsibility and a general principle of caring for the need of others. Sharing of wealth, personal commitment or experiences with the issue and the joy of giving are have somewhat influence, but are highly secondary to the social responsibility and principle of caring for other motives.

Figure 3.20. Motives underlying the establishment of the foundation and motives that direct foundation strategies today, ranging from very important (2) to not important at all (-2) (N=28)



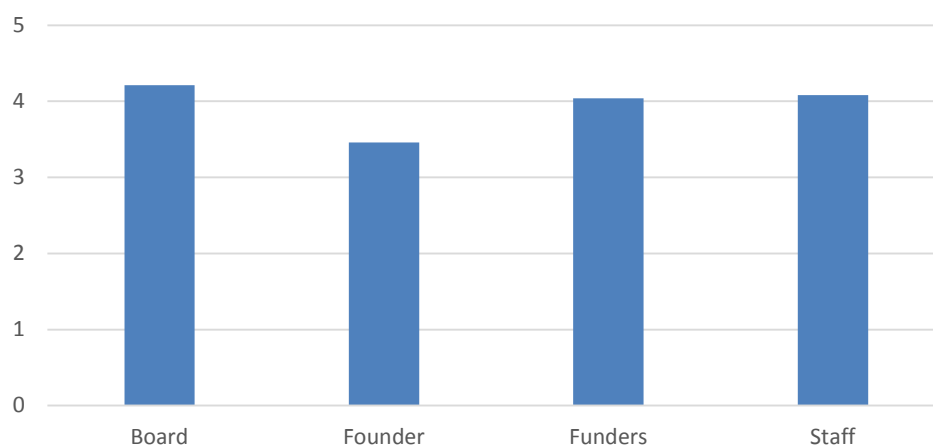
Motives and values somewhat differ between endowed and corporate foundations. For corporate and other foundations, reputational effects are slightly more important. Although for foundations the sense of having a social responsibility and the principle of having to care for others are stronger drivers than for the other types of foundations, the discrepancy in the influence of wanting to share wealth is especially remarkable. This seems to be a very important driver for endowed foundations, as depicted in figure 3.41, but not whatsoever for corporate or other types of foundations.

Figure 3.21. Differences in the extent to which specific motives exert influence on the strategy of the foundation, type of foundations, ranging from very important (2) to not important at all (-2) (N=28)



Next to motives, there are other actors within the foundation that may exert influence on its strategy, activities and policy. Foundations were asked which actors were most influential on its strategies and activities on a scale of not at all to very much, resulting in figure 3.23. The board, founder, funders and staff alike tend to have at least some influence on the strategy. The board, funder and staff all have a lot

Figure 3.23. Actors exerting influence on activities and strategy of the foundation, ranging from very important (2) to not important at all (-2) (N=28)



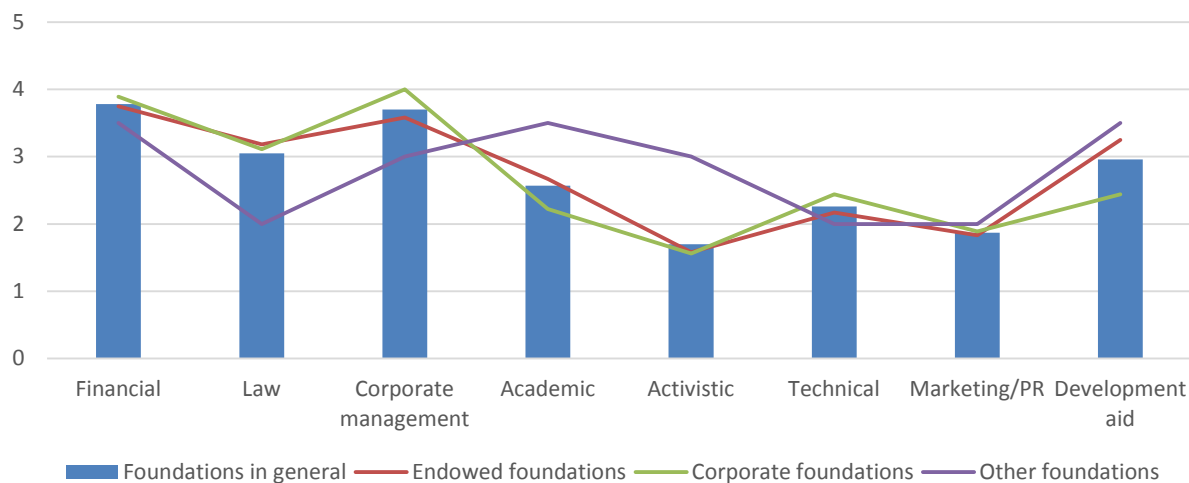
of influence, while the founder does so to a lesser extent.

Figure 3.23 shows that the board has the strongest influence on the activities and strategy of the foundation. The composition of these boards is expected to play a role in the kind of influence it exerts on the strategy.

Therefore, the foundations were asked about composition of the foundations to get a better sense of how these boards steer the direction of the foundation into a certain direction. It appears that board members with expertise in financials or corporate management are most strongly represented among the

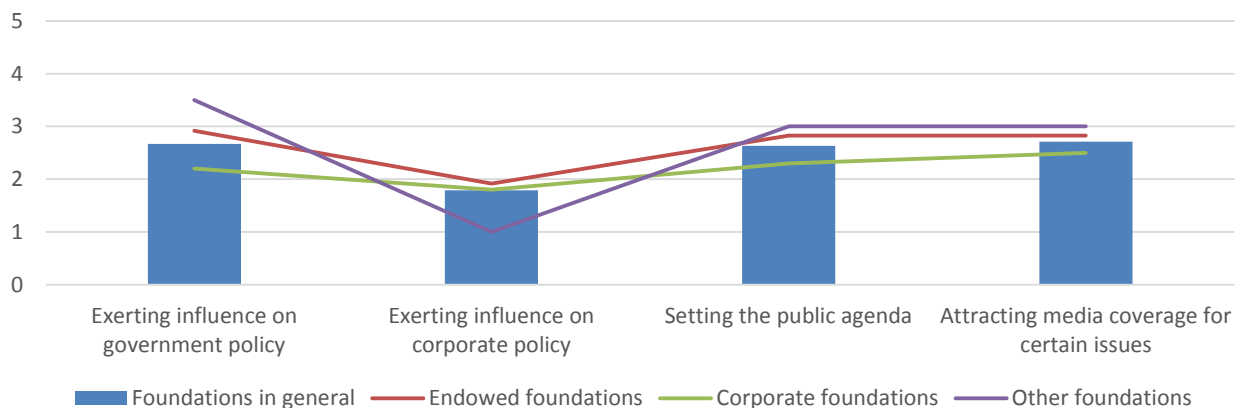
foundations boards, followed by board members with a background in law or development aid. Academic, activist, technical or marketing backgrounds are far less common.

Figure 3.24. Composition of foundation boards, ranging from not represented (0) to strongly represented (5) (N=28)



In the earlier chapters there seemed an indication that advocacy was not among the most popular types of support foundations provide. To still get a sense of any influence foundations aim to exert without that being in the form of direct financial support, we asked to what extent they aimed to influence government policy, corporate policy, the public agenda or media coverage indirectly. Although differences between foundations exist, generally, as seen in figure 3.25, foundations report this not to be an important goal for the most part. Although they do somewhat try to exert influence on government policy and aim to attract the public or the media's agenda for certain issues, the extent to which they do this is relatively low. They do not seem to be deliberately aiming for changes in any corporate policies.

Figure 3.25. Importance of influencing others, ranging from not at all (1) to very much (5) (N=28)



Collaboration: Past experiences and expectations

In the previous sections, an overview was provided of the type of foundations included in the sample and what their focus and strategies are. These results can be compared to the strategy of ODA organizations to see whether they match or not. But are foundations interested in collaborating with official

development agencies? Do they already collaborate in the first place, and what perspective for the future? Generally, organizations will behave (and change their behavior) if the positive outcomes of the behavior outweigh the negative outcomes. Next, the opportunity to start and/or strengthen the relationship is dependent on the degree in which collaboration is facilitated (or barriers are

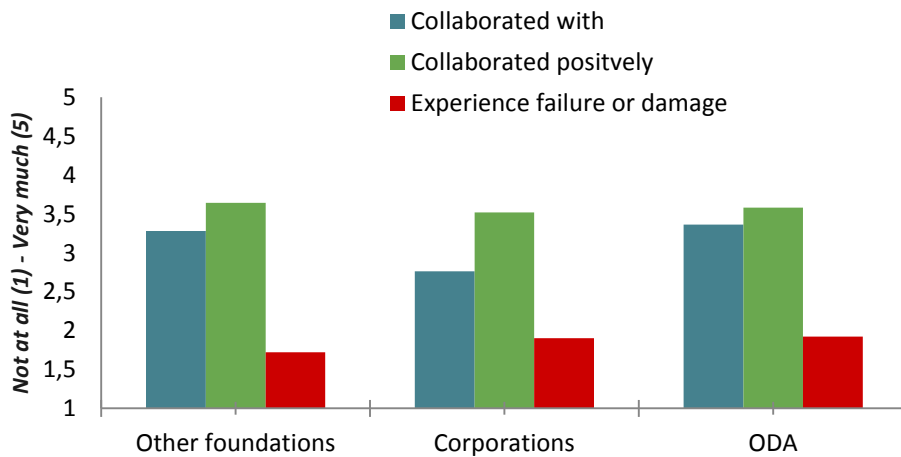


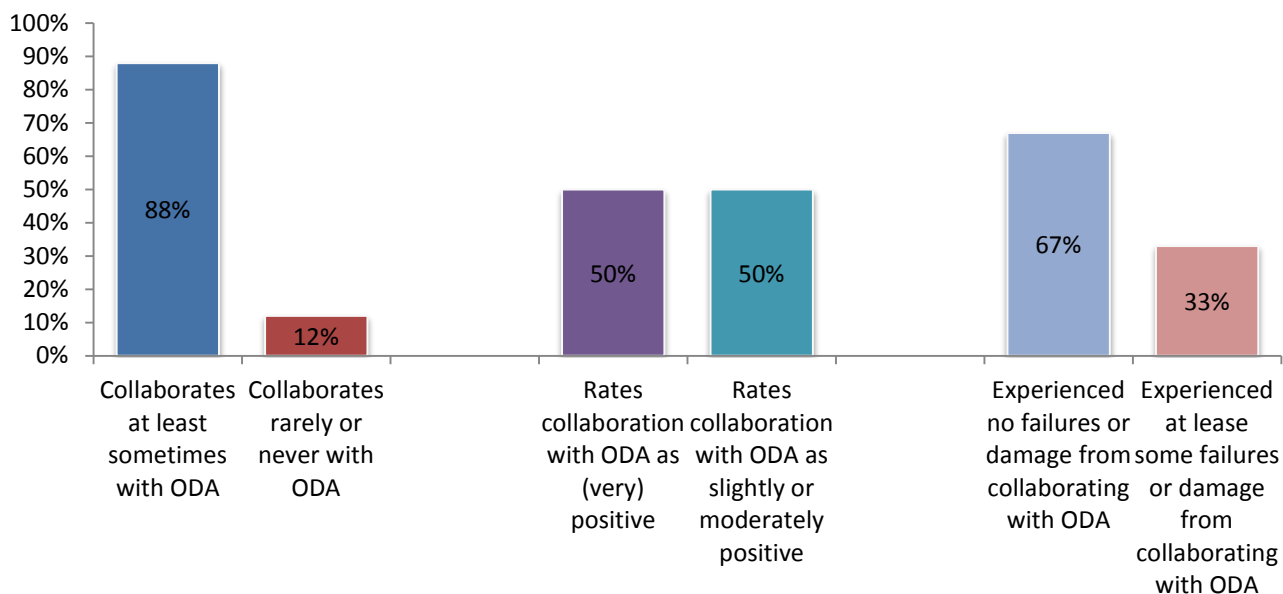
Figure 3.26. Prevalence of collaboration between foundations and others and experiences (N=28)

The results in this chapter illustrate the stance foundations have to collaborating, provides insight into benefits and negatives for collaboration from the perspective of foundations and identifies remaining gaps remain to be bridged to open the door to the full potential collaboration has for foundations.

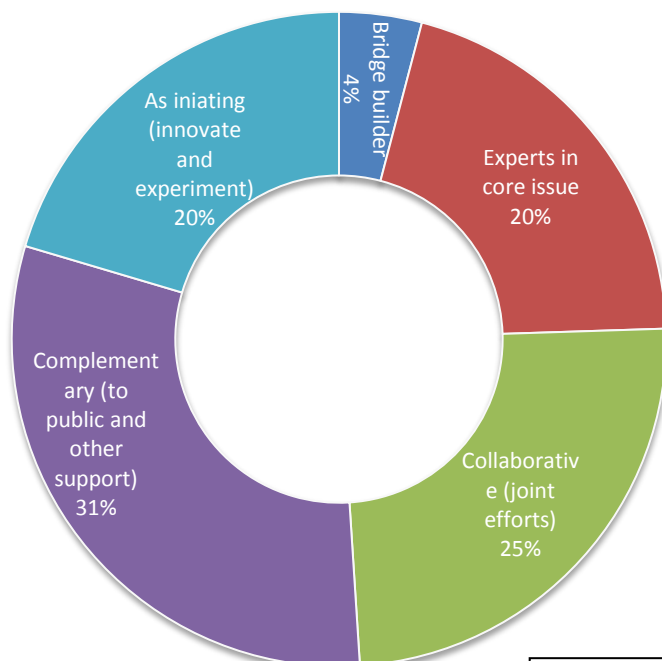
Figure 3.26 shows the extent to which foundations have collaborated with other foundations, corporations and official development agencies, and to what extent the collaboration was to their liking or whether they experienced failure or damage in doing so. Foundations tend to cooperate somewhat with other foundations and official development agencies, and these experiences are often positive and very rarely negative. Corporations are collaborated with less often, but when they do collaborate, the experience tends to be deemed as positive as well.

In figure 3.27, these figures are displayed in percentages, showing the proportion of foundations having collaborated with official development agencies, the proportion for which this was a positive experience and the proportion for which this was a failure or damaging experience. The figure shows how more than 80% of the foundations have collaborated with official development agencies in the past and collaborating with official development agencies was a positive experience about half the time.

Figure 3.27. Collaboration between foundations and ODA organizations (N=28)



Foundations were asked to elaborate on how the experience of collaborating with these actors was enriching or maybe a failure. Reasons for positive and/or negative experiences are diverse, and also the aims of collaboration vary. Some foundations have collaborated with multilateral ODA organizations, while other closely work together with national ODA organizations. As one foundation representative indicates: *“We have a standing and significant co-investment relationship with USAID and a prior one with UN Foundation, meant to steer our grantees through the UN system.”* Or, to cite another: *“Our foundation has a longstanding relationship with the [national, red] government. We manage funds on their behalf and develop joint project proposals. This works for us because we speak the same language and fulfill the reporting standards in our country. Also, many people that work for the foundation had previously by employed by the ministry”.*

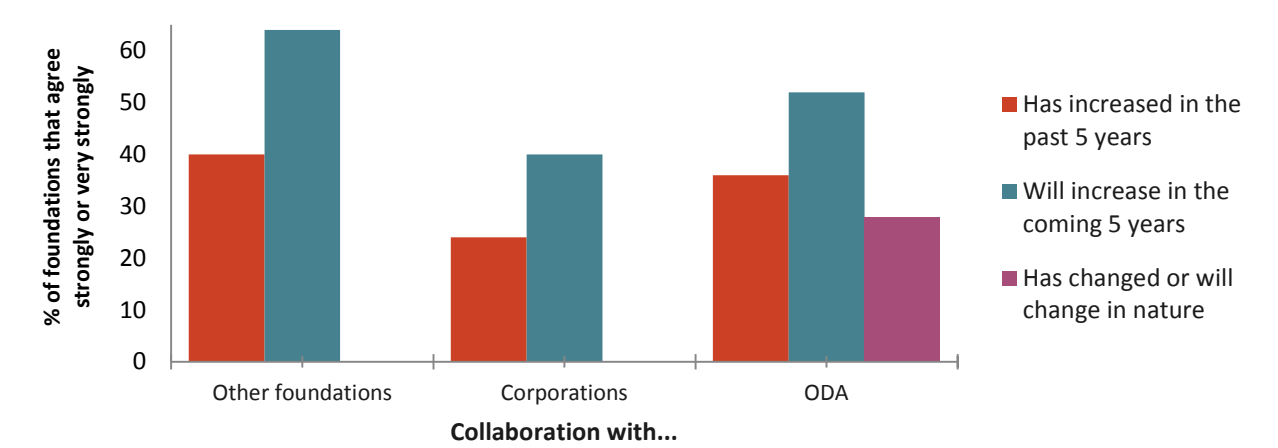


The openness to collaborate is reflected in the roles foundations ascribe themselves (. More than half sees themselves as complementary to or collaborative with the other actors in the development aid. This typically means they seek partners to work together on joint initiatives, investigating how they can strengthen one another and where their help is needed. However, the other half ascribes themselves a completely different role, seeing themselves as experts or innovators, taking the lead on core issues with innovative pilots so others can jump in and scale up once there is ‘proof of concept’. None of the foundations rated their role as substituting public or other support, or as competitive to other initiatives.

Figure 3.28. Self-perceived roles of foundations

Most foundations strongly expect that collaboration with other actors will increase more intensively than it has for the past 5 years. Especially cross-foundation collaboration is expected to increase, but almost half expect an intensified collaboration with official development agencies as well. Less than a third of the foundations have seen the nature of collaboration with official development agencies to change, with most reporting this has remained relatively the same in the past years. Regarding type of change, foundations have difference expectations. For example, one foundation respondent indicated that he expects that the relationship will change from funding partnerships/interests in the past two years to more emphasis on knowledge sharing. Also the timescale and type of joint support are expected to change by some; *“We [at the foundation] expect a shift towards larger-scale projects, long-term institutional partnerships and, whenever relevant, new financing models vs. traditional grants.* On the other hand, some reluctance remains, as in practice collaboration can remain difficult. As a third foundation representative puts it: *“In general, we see more openness philosophically to deploy funds to local NGOs, instead of using international intermediaries, to investing with fewer reporting requirements and less overhead, and more openness to unrestricted core support, instead of restrictive project-based funding. The changing philosophy, however, does not always meet the practice.”*

Figure 3.29. Frequency of collaboration in the past and expectations for the future (N=28)



So, foundations appear to collaborate with official development agencies, mostly rate this as a positive experience and half expect the collaboration to increase in the years to come. But why? What benefits do foundations see to working with official development agencies? What barriers or gaps that remain to be bridged are seen by the proportion of foundations not rating collaboration with official development agencies as a positive experience?

Overall, benefits outweigh the barriers, although there still remain some gaps to be bridged. Heterogeneity between different types of foundations is minimal. What is notable, however, is that North American foundations tend to perceive slightly smaller benefits, slightly larger barriers and bigger gaps to be bridged in collaborating with official development agencies, compared to foundations from all other continents.

Figure 3.30. Average significance of benefits, barriers and gaps to be bridged for collaborating with ODA organizations, segmented by type of foundation (above) and location (below) (N = 25)

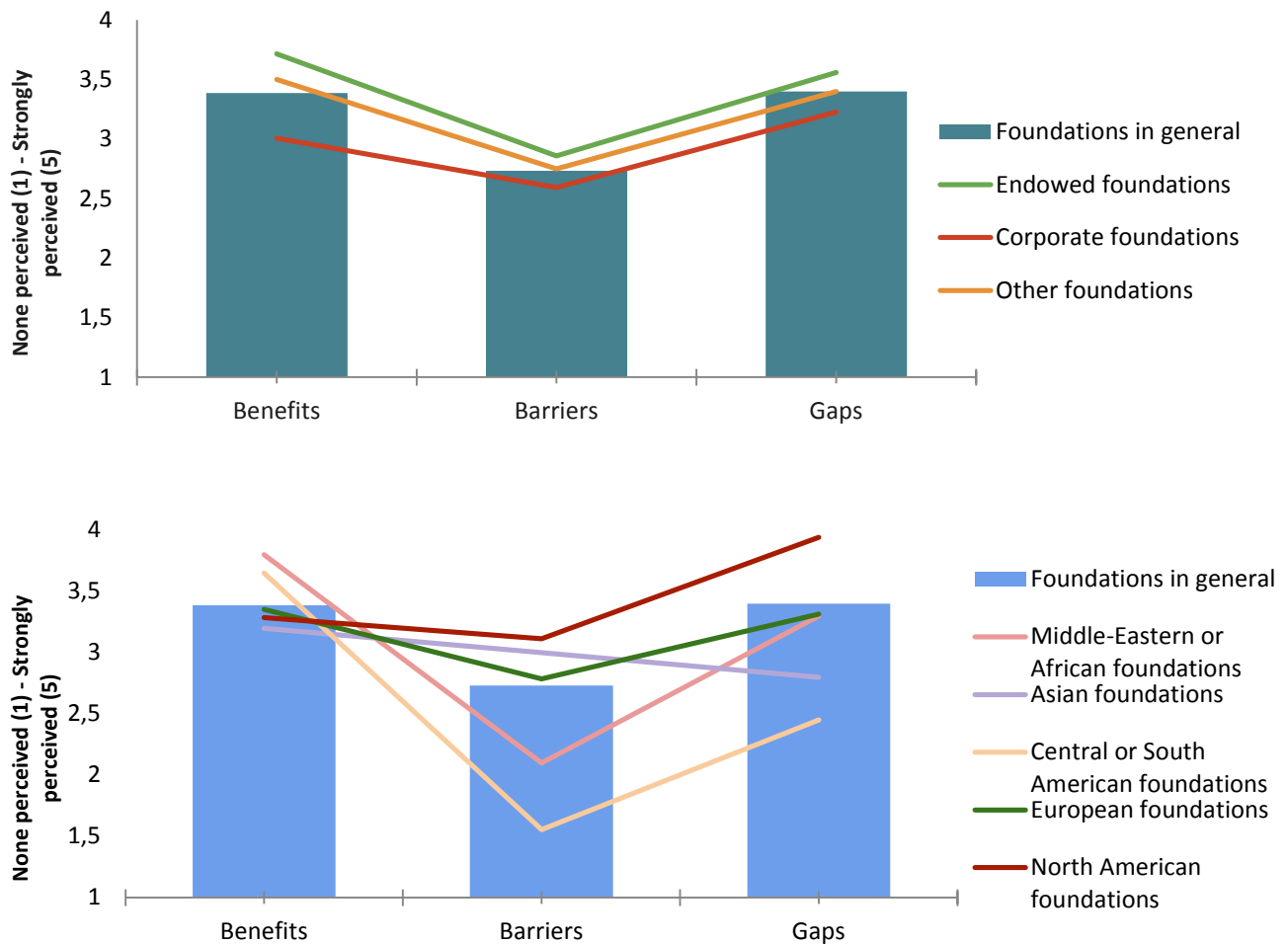
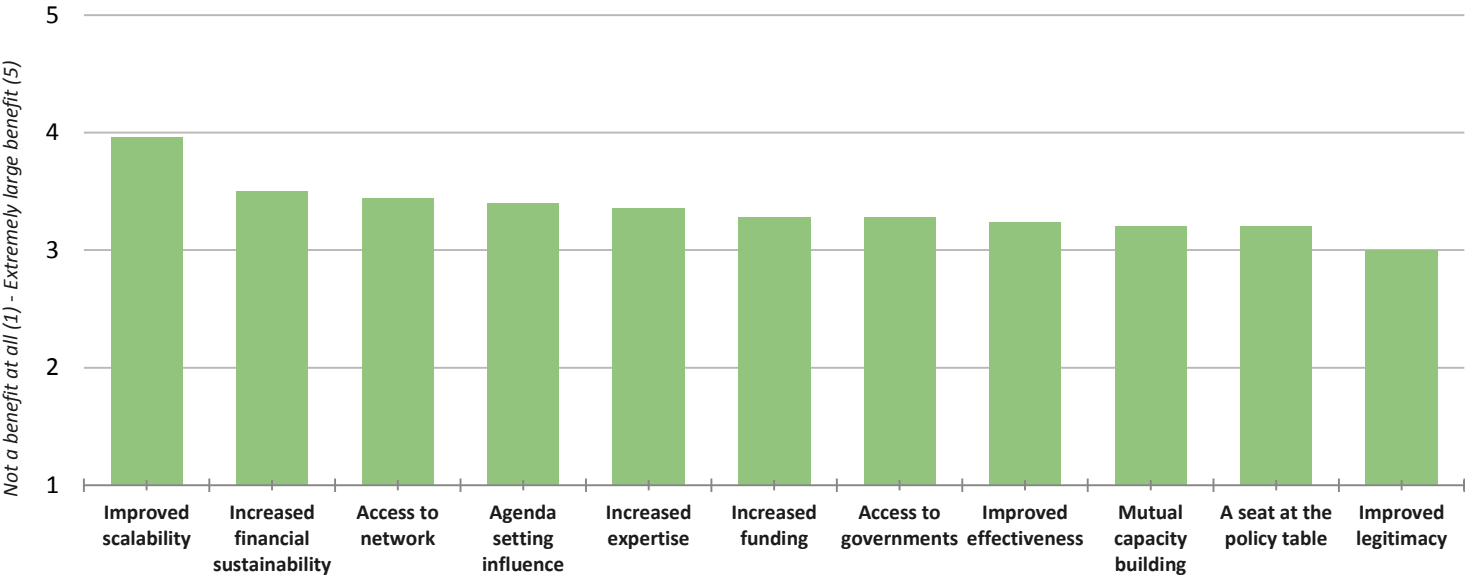


Figure 3.31 shows the benefits seen by foundations to working with official development agencies. Roughly, three main benefits can be extracted. On the one hand, there is the financial benefit, with collaboration bringing improved scalability, increased financial sustainability and increased funding for foundations. Secondly, there are non-monetary legitimacy benefits such as access to networks, access to governments, a seat at the policy table and improved legitimacy. Lastly, there is what foundations see they can learn from official development agencies, seeing an increase in expertise, effectiveness and capacity building as clear benefits. Benefits not rated as important for collaboration included access to financial instruments, logistics or supply chains and the capacity to surpass previously encountered financial bottlenecks. The foundations with a positive experience with collaborating with ODA have particularly see the added value of official development agencies in increasing financial sustainability, providing access to networks, improving their effectiveness and improving their legitimacy. Foundations with negative experiences really only see the increased funding as a benefit, which is why the collaboration might not have been successful in the first place. Next, complementarists or collaborators see larger benefits to working with official development agencies than innovators and experts do.

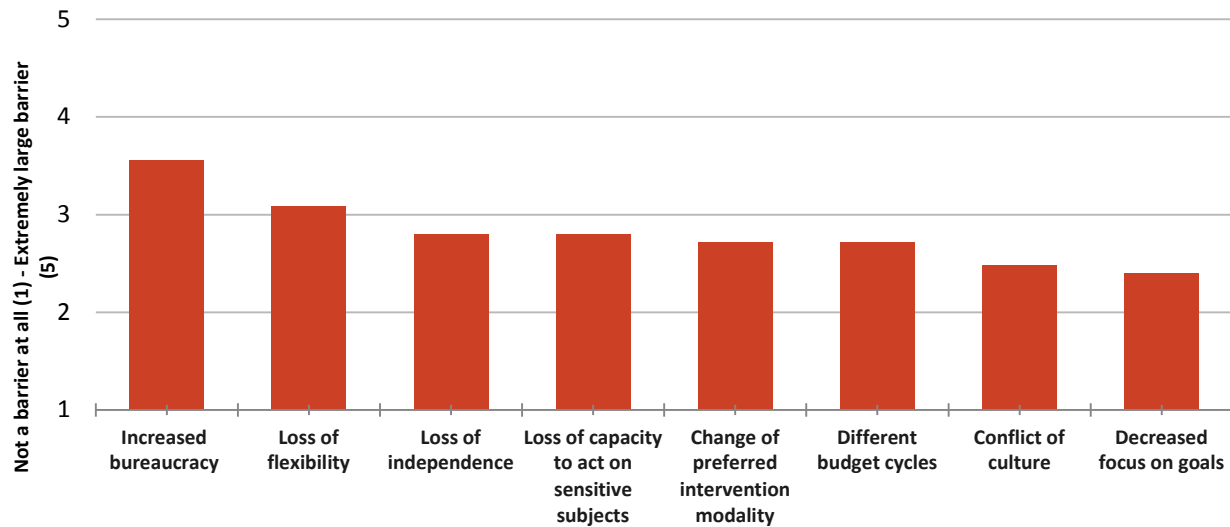
Innovators and experts mainly see benefits in the scalability, the access to governments, the seat at the policy table, agenda setting influence and increased funding. Foundations that ascribe themselves a complementary or collaborative role seek partnerships with official development agencies far more for effectiveness, capacity building and expertise, compared to the innovators and experts, seemingly seeing more benefits to working with ODA organizations.

Figure 3.31. Perceived benefits to working with official development agencies (N=28)



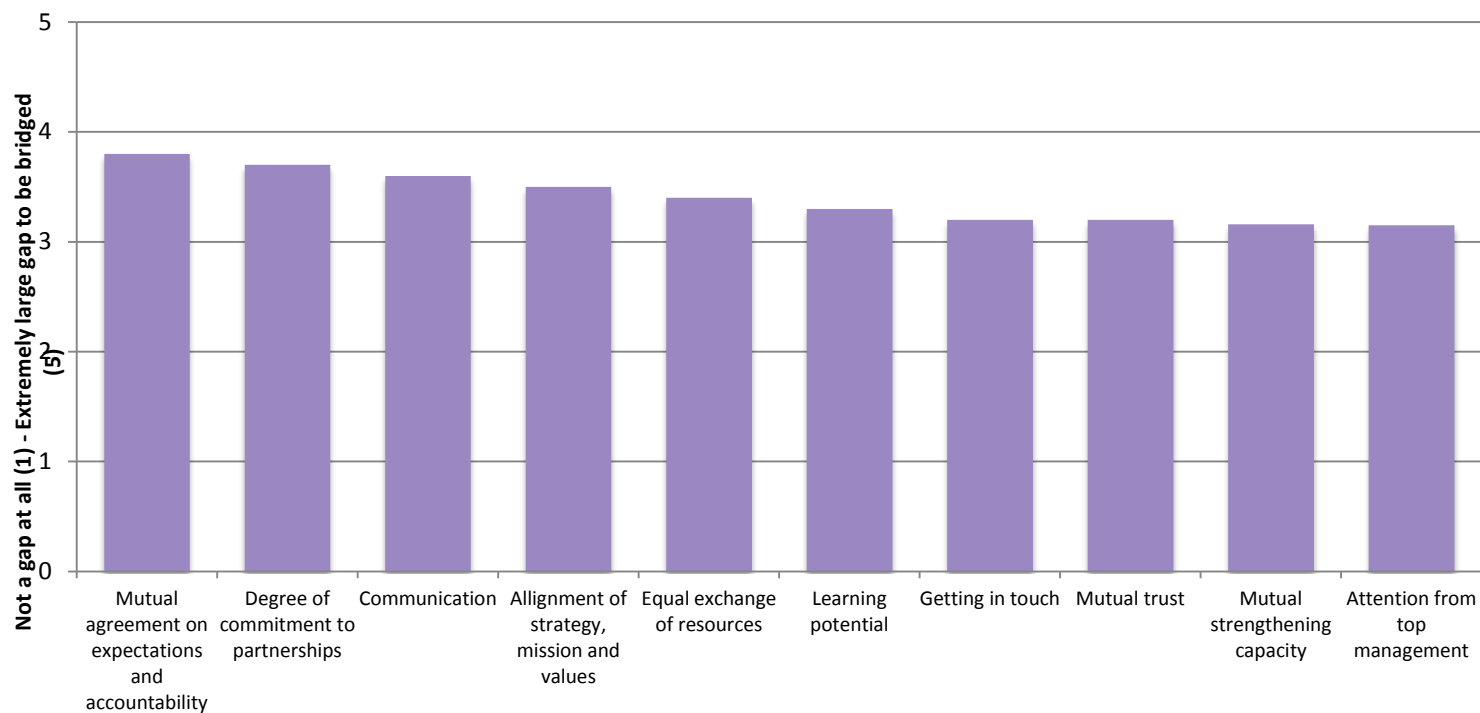
Barriers are clearly rated as less significant than benefits are, with only the increased bureaucracy crossing the ‘somewhat important barrier’ threshold value of 3. In barriers, there are two main constructs distinguishable. First, there is the increased bureaucracy and conflict of culture. Which has some overlap with the second main barrier of a decreased focus on goals and own flexibility strategy. Barriers of negligible significance to foundations included reporting standards, negative reputational effects, fluctuations in yearly financials and a loss of long term focus. Foundations who had less positive experiences with collaboration mainly report the increased bureaucracy and loss of flexibility as large downsides to collaboration with official development agencies. Also, they lose independence, have to comply with reporting standards and might not be able to use their preferred intervention modality. If we look at foundations self-perceived roles, if complementarists and collaborators are compared to innovators and expert, the last see higher downsides or risks to working with official development agencies. The largest difference is that these foundations tend to be more afraid of losing independence and a decreased focus on their own goals. Fear for increased bureaucracy is also higher among innovators/experts than collaborators/complementarists.

Figure 3.32. Perceived barriers to working with official development by foundations (N=28)



Finally, this chapter gives insight in a number of gaps that are important to be bridged in order to foster collaboration between foundations and ODA agencies. Again, a number of overarching constructs can be distilled from the multitude of gaps all seeming to be of somewhat importance. First, there needs to grow some sort of mutual understanding and expectation of what a collaboration looks like and what both parties aim to bring to the partnership and what they take away from it. Secondly, they simply need to find each other and get in touch. Lastly, foundations remain to be convinced of what they can learn and receive from official development agencies before being convinced to collaborate more intensively. Foundations with less positive attitudes towards collaboration perceive larger gaps as a whole, naturally. The largest differences with foundations who look positively at collaboration with official development agencies is in communication, getting in touch, understanding the learning potential and how foundations and official development agencies can mutually strengthen one another. Finally, foundations that see themselves as innovators or experts perceive larger gaps that remain to be bridged. Mainly, they see a lack of aligned strategy or missions and fail to see how what both parties put in and get out of the partnership is equal, and how the two actors can strengthen one another.

Figure 3.33. Gaps to be bridged for collaboration between foundations and ODA organizations (N=28)



4. Conclusion: To get to know each other, meet and, where appropriate, collaborate

This study provides a better understanding of foundations supporting development aid. In the first part, the concept of foundations was introduced, and a discussion of their position vis-à-vis ODA organizations was provided. Following this, the study reported on the role of foundations in the landscape of development assistance and provided a typology that can be used to understand the differences in foundations strategies. Web analysis, survey and interviews provided extensive empirical information on different aspects of foundations. Based on theory and empirical results, this section provides a general conclusion, pointing directions for directions and improved dialogue, information exchange, networking and – if relevant - cooperation between foundations supporting development aid and ODA organizations.

To get to know

A first step to be made is to get know the foundation community. This study offers an overall introduction into the world of private foundations. It is generally understood that private, philanthropic contributions to international aid related goals are increasing. Although smaller than remittances and private investments, philanthropic support for international aid is substantial and more actors become visible in the field. And indeed, even based on the relatively small number of foundations that are included in this study, it can be concluded that foundations put weight to the table of development assistance. In 2015, the 44 foundations for which financial budgets were retrievable had at least 10.2 billion USD available for charitable support. As figure 4.1. and figure 4.2. show, the majority of these budgets flow from North-America (US) to Asia and Sub-Saharan Africa, which is in line with previous finding on foundation support. However, the Bill and Melinda Gates Foundation has a large influence on the both the total contribution of foundations as well as the global financial flows contribution of foundations. Also note that a significant share of available budgets remains in the continent of origin.

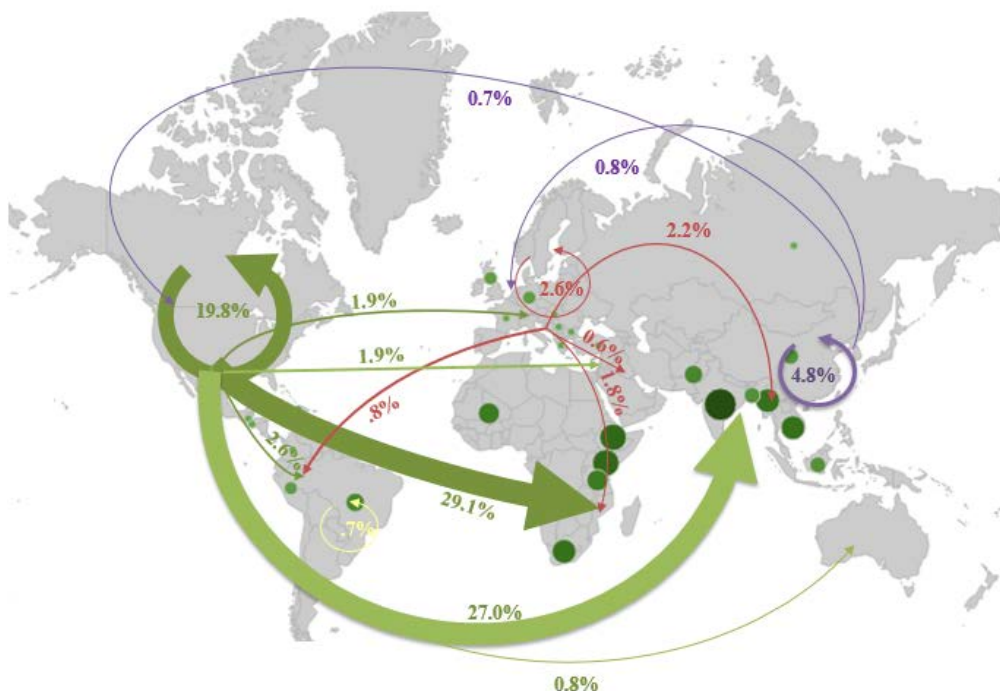


Figure 4.1. Regional flow chart charitable support from foundations* 2015**, in percentages*** of total financial flows (N=44)

Total budget for charitable support in 2015** :

10,2 USD billion

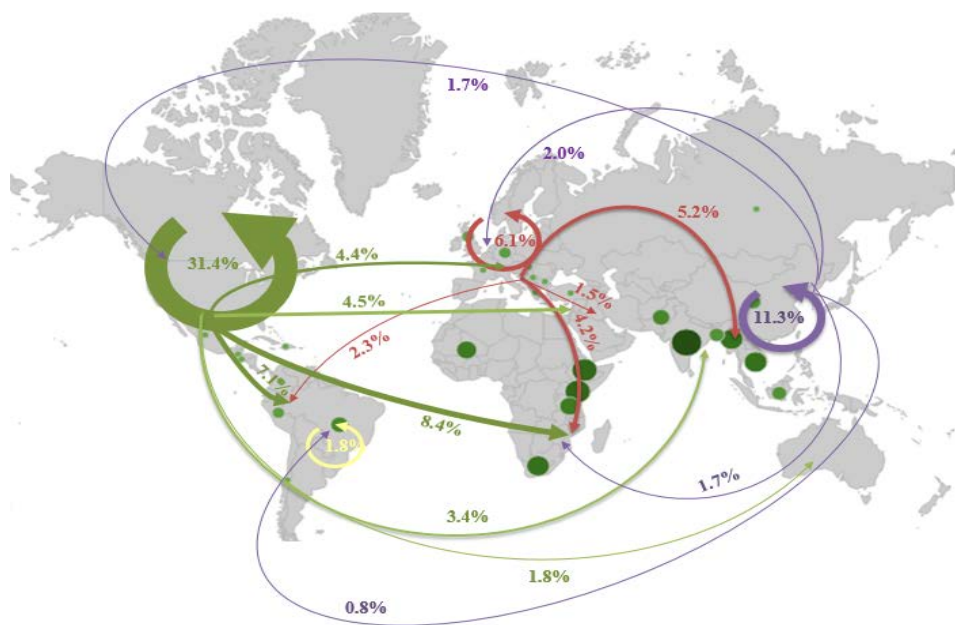


Figure 4.2. Regional flow chart charitable support from foundations* in 2015, in percentages*** of total financial flows, excluding BMGF (N=43).**

Total charitable budget for support in 2015 :**

4,7 USD billion

- * Includes foundations with at least 1 USD million in charitable support.
- ** Figures refer to 2015 were possible, most recent year has been included if 2015 was not available.
- *** Only financial flows accounting for at least 0.5% of total financial flows have been included.



Circle size indicating frequency country is mentioned by surveyed foundations as focus country

Foundations typology related to development aid

An extensive literature and research review formed the groundwork for the proposed typology. In previous studies, socio-economic- political “context” models were developed in which European foundations operate. This theoretical framework sheds light on role and position of foundations in European countries. However, the present study covers foundations globally. In addition, most foundations supporting development assistance are not operating in their home countries but abroad, coping with different socio-economic- political challenges of the targeted groups or projects. Finally, the previous models did not take into account the role of the founder, which is assumed to influence the work of the foundation.

Therefore, this study elaborated on the work on foundations by linking the foundation founding origins, intentions preferences and procedures to characteristics of the goals of development assistance, organizations and projects. Based on this study, it seems that four types are prevalent among foundations active in development assistance.

Traditional Foundations

This type of foundations were created by an endowment, mostly received in the beginning of the 20th century and by (owners of) corporations. The origin of business of their founders allows them to support all kinds of charitable goals, and operate both national and abroad. These foundations do not solely support international aid related goals. In terms of operating strategy, most of these foundations function as gift-giver. Traditional foundations follow standard grantmaking procedures and particularly NGOs working in development aid apply for grants. Traditional foundations supporting development aid seem to work with NGO's, governments, official agencies and non-profits in the recipient countries. They mainly offer grants, entrance to their networks and their focus lies at the most vulnerable groups like women, youngsters and subsistence farmers. Most traditional foundations are found in North America and Europe. Finally, their budgets are substantial, reaching almost 150 million USD per annum on average.

Entrepreneurial Foundations

These foundations are a relatively new phenomenon. The origin of the business and ongoing involvement of their founders makes these foundations focused and strategic actors in development assistance. These foundations usually express particular values like "do it yourself"; according to this principle they favor matching agreements to stress the own responsibility of the target-groups abroad. Entrepreneurial foundations favor tight planning; financial control, and evaluation and impact measurement are regarded as important. Expertise is highly valued. Their founders are individuals that were successful in business, but their foundations are not (specifically) linked to the business they owe their fortunes to. Entrepreneurial foundations contribute by grants and a variety of instruments (expertise, program related investments, evaluations) and excel in matching grants. Next to charities, they support social enterprise, but also governments and non-profits. Also entrepreneurial foundations have substantial budgets available for support, with an average of 143 million USD per annum for the entrepreneurial foundations in the sample⁵. Regarding location, this type of foundation entrepreneurial foundations are more common in North America and Asia, followed by Europe.

Corporate Foundations

The creation of most corporate foundations took place at the end of the 20th century and the beginning of the 21st century and were founded by (international) corporations. Corporate foundations behave similar to the entrepreneurial type, but differ from them in one respect: the goals are 'business linked'. If the foundation background relates to new technologies or IT, projects referring education and / the next generation usually attract attention. They are used to take the lead, to set the agenda for new issues: e.g. climate change, ecological issues and environment protection. On the other side, we find corporations that use their foundations as CSR instrument. Corporate foundations may offer grants, but no entrance to networks and support non-profits and operating charities that have a close link to their business. Corporate foundations seem to have relatively lower budgets available for charitable support, which was on 41.5 million USD per annum for the foundations included in the sample. Interestingly, corporate foundations are mainly set up by European companies.

Ideological foundations

Although different regarding the background of their interests, value (religious) driven, social (labor) movement, geopolitical and commercial driven foundations show similar behavior. This type covers the religious, social movement, political and commercial intentions of the founders. Common among these foundations is that development assistance is used as an instrument for these intentions. However, it should also be noted that, although be classified as ideological foundation, the relative importance of

⁵ Please note that the Bill and Melinda Gates Foundation has been excluded in calculating this average.

underlying motives compared to development assistance objectives differs from ideological foundation to another. Generally speaking ideological foundations are regularly less transparent regarding publicizing their annual (financial) reports (except for the German foundations included in this study). Although the number of ideological foundations included in this study is limited, it seems that their budgets are substantial (above 100 million USD per annum). A large share of the ideological foundations in this study have their roots within Europe.

Role of foundations in development assistance

Based on the survey results, this study provides a picture of the role foundations play in development assistance. However, as survey respondents were mostly European and North-American foundations, the results are particularly applicable to these foundations and possibly less for foundations based in Asia, MENA and Sub-Saharan Africa. The latter are less inclined to report their results and collaborate in studies in general, in which this study is no exception.

Foundations have a preference for impoverished women and youngsters, through education and health related programs, mostly directly by making grants to non-profits in the region, preferably with other funders. Typical support is by supporting projects or in long-term programs with a local partner, much less to individuals or overall organization support. The majority of support is given for 2-6 years.

Foundations actively search for partners in the regions, and are less open to unsolicited approaches, and this especially accounts for non-corporate foundations. Regarding their role in development assistance, self-perceived roles are diverse. Generally, foundations prefer to have a complementary or collaborative role vis-à-vis other actors in development assistance, but few identify themselves as bridge builder between actors working on the same issues. Instead, about one fifth of the foundations identify themselves as experts on a core issues. Finally, an initiating role (innovating and experimenting) is perceived by another fifth of the foundations.

Motives of foundations in development assistance

Motives to create a foundation and that drives the organization are related to a perceived social responsibility and a principle of care. Taxation, political, influencing (policy), and dynastic motives are not reported to exert an influence on foundations. Personal experience (of the founders) with the issue is sometimes mentioned as driving motive by foundations, but not always and this does not vary much between different type of foundations. On the other hand, wealth sharing, reputational effects and social norms vary in their degree to which to influence the behavior of the foundation (founders), with wealth sharing playing a more important role for endowed (entrepreneurial, traditional and ideological) foundations, while reputational effects and social norms are considered to be more important for (the founders of) corporate foundations. While founders had their motives to start a foundation, in daily practice the role of the original founders is reported to be of less influential than the board and staff the foundation.

To meet and, where appropriate, collaborate

If pursuing collaboration, previous experiences should be taken into account. Positively, most foundations that participated in this study by responding to the survey have already experience with collaborating with ODA organizations, and this was a positive experience for the majority of them. Negative experiences with collaboration are not frequent, and the more collaboration takes place, the more positive foundations are likely to be. Foundations with a positive experience from collaboration have experienced the added value of official development agencies in increasing financial sustainability, providing access to networks, improving their effectiveness and improving their legitimacy. Foundations with negative experiences

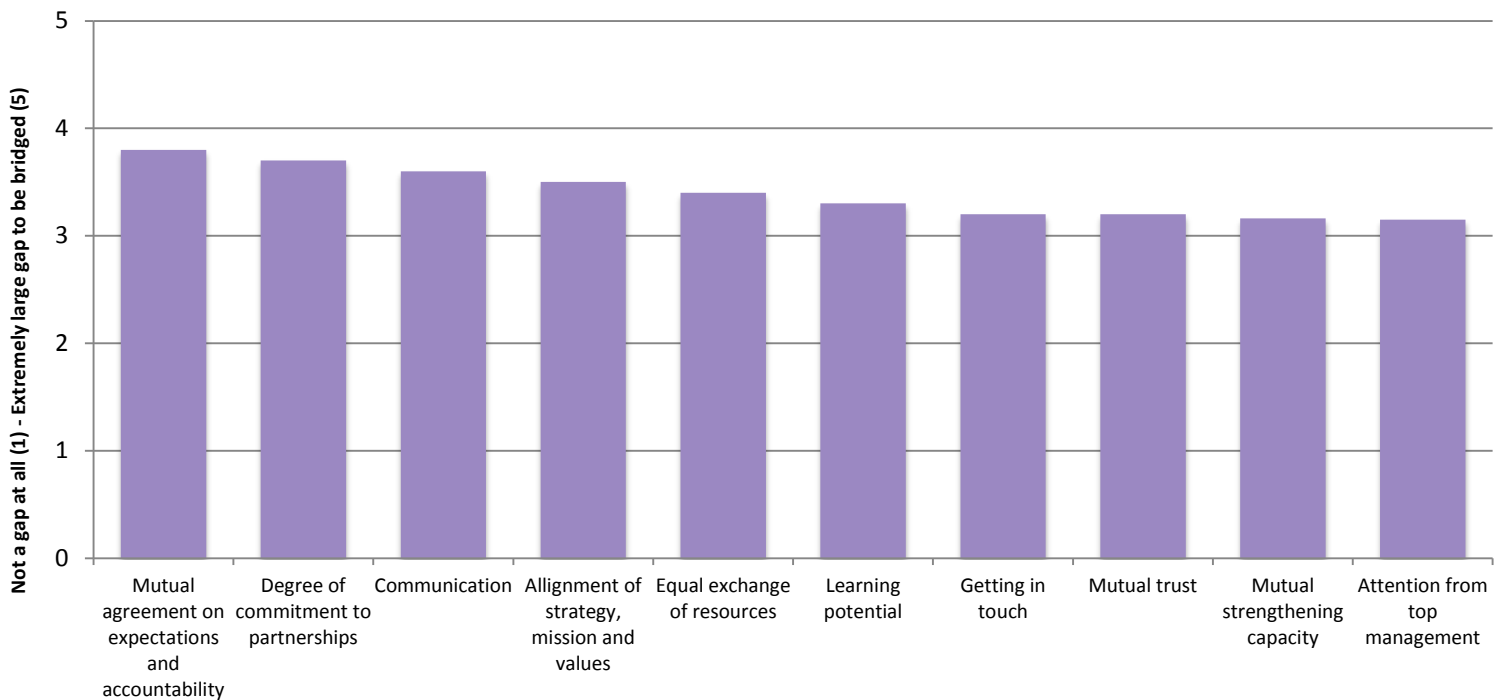
really only see the increased funding as a benefit, which is why the collaboration might not have been successful in the first place. Foundations that see themselves as having a complementary role see more additional value to collaboration than foundations that see themselves as innovators and/or experts.

Furthermore, compared to the frequency of collaboration in the past, more foundations expect to collaborate with ODA organizations in the medium-long term. Foundations have little more positive expectations from collaboration than negative expectations. However, survey respondents indicate that multiple barriers still exist and may hamper fruitful collaboration (figure 4.3.) Theory suggest that foundations and ODA organizations have different structural characteristics, which could be underlying these barriers (table 4.1.)

Table 4.1. Characteristics of public (ODA) organizations versus foundations

	Public (ODA)organizations	Foundations
Goal	Public Good	Public Good
Legitimacy	Political control	Control by direct democracy and by law
Grants	Universalistic: without discretion power	Selective; with discretion power; arbitrariness
Project characteristics	Political achievable and accountable	Room for experiments and risk- taking
Funding	By planned budgets	Free, flexible money
Timeframe	Political cycli (4-6 year)	Long term opportunities

Figure 4.3. Gaps to be bridged for collaboration between foundations and ODA organizations (N=28)



Recommendations

Now, if ODA organizations and foundations wish to interact more successfully, how to overcome these differences and experienced gaps for collaboration? The following recommendations address the question: What can be done if organizations have incompatible structures (table 4.1.), even though they have complementary aims?

This study argues that ODA organizations foundations represent two different worlds with regard to constituency, legitimacy, values and structure. As a consequence, problems may occur if these worlds try to meet. Fortunately, without dismissing the organizational differences, several actions might stimulate and improve the quality of the relationship between the two.

The ‘matching principle’ could be considered as first avenue to explore. This principle builds on the notion that organizations can optimally manage those tasks, which match them in structure (Litwak, 1985). The matching principle would imply that for certain types of tasks you need ODA organizations that have the appropriate structure to accomplish. For other specific tasks, philanthropic institutions are better options.

Only if benefits are clear to both parties, collaboration is more likely to succeed. An example might be the need for a ‘license to operate’ in a country from the side of foundations. Although official development aid organizations might offer a seat at the table by joining the existing network, this is seen as not particularly interesting for foundations. On the other hand, if bureaucratic procedures, political struggles and/or budget cycles may hamper projects that are carried out by ODA organizations, working together might be beneficial for them.

Secondly, to diminish barriers, a gentleman’s agreement implemented in a contract may offer a promising solution. Such an agreement can be equated with a public contract. Both parties promise to be open towards each other in the pursuit of public goals and to accept each other’s independence on the basis of mutual respect and honesty.

Contractual agreements – besides delivering benefits for both parties – help to avoid over-regulation and state bureaucracy. Contracts bring new dynamics to relationships and open doors to fresh ideas and innovation. Additionally, a contract is flexible, it is valid for a specific period, it evokes extra attention and energy, and above all, it offers legitimacy to the parties involved. Transparency and accountability are key elements in public contracts.

In developing relationships it should be taken in to account that foundations – and philanthropy in general – have to legitimize themselves. Indeed, philanthropy is entitled to serve a public purpose, which calls for public accountability. But, even more important, ‘private philanthropy’ is not truly private. Philanthropic institutions make use of tax facilities, supported by governments, which favor ‘pluralism’ in society. From this perspective philanthropy always has a double face: a private and a public one. That public side urges for public accountability as well.

A contract provides national governments with an opportunity to make sure that formal regulations are kept and / or to exclude exceptional forms of arbitrariness. The exchange of information and the subsequent negotiations will pave the way for a deal that favors the public good: “We can afford this, if you do that”. If this deal fails, governments ultimately can still use their legal power to declare that the philanthropic contribution “does not serve the public good” and withdraw the (additional) fiscal benefits.

To sum up: this study provides ample directions to foster the collaboration between AFD and foundations. Based on the aim of the collaboration, different types of foundations would have a better fit. An organizational fit is more likely with foundations that share cultural elements resembling that resembles AFD, not only in terms of operating and grantmaking strategies, but also in terms of shared values and ideology.

Discussion

This study is an example of another, not decisive, but significant step to understand the community of foundations that are active in development assistance. This study offers an overall view of these foundations, and it clarifies many aspects of foundations performances. And, what's more, it combines theoretical insights with qualitative and quantitative, valuable information.

However, the survey results of this study cannot be seen as representative for even the (largest) foundations that were subject to this study. For as the sample existed out of 55 foundation, only 28 foundations filled in the survey to a useable extent. We have to be aware of these limitations and modest in generalizing the results. Most of the responses we received came from foundations based in North America and Europe, and much less from the other regions in the world. As with other research that has been carried out on this topic, we had limited access to information and faced problems in willingness to participate and general transparency. In fact, the study stumbled (again) on a core characteristic of foundations: the lack of (democratic) control. Indeed, most foundations in the world are not obliged to be open. This also point to directions for further research, specifically focusing on this group of foundations.

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Annex I: Profile of the 55 foundations included in the sample

Bill and Melinda Gates Foundation

The Bill and Melinda Gates Foundation was founded by Bill and Melinda Gates in 2000. This relatively young entrepreneurial foundation is located in the United States of America (hereafter USA) and its operating style can best be described as focused on grant making and collaborative, with a strong focus at women, victims or at-risk populations of specific illnesses or diseases, impoverished and farmers or people working in agriculture. The foundations estimated annual budget for grant making in 2015 was around \$5.47 billion and its grants were distributed in Sub-Saharan Africa, Asia and North America, mainly on community development, health and agriculture and fishing.

Ford Foundation

The Ford foundation was established in 1936 with gifts and bequests by Henry Ford and his son Edsel. This traditional foundation is located in the USA and its operating style can best be described as grant making, with a focus at youngsters, women, ethnic minorities, impoverished, at-risk youth, activists and farmers or people working in agriculture. The foundations estimated annual budget for grant making in 2015 was around \$536 million and its grants were distributed in North America (84,8%), Central and South America (8,1%) and Sub-Saharan Africa (7,1%), mainly on social justice and environment.

John D. and Catherine T. MacArthur Foundation

The John D. and Catherine T. MacArthur Foundation was founded by John and Catherine MacArthur in 1978. This entrepreneurial foundation is located in the USA and is one of the nation's largest independent foundations. Its operating style can best be described as grant making. Furthermore, the foundation also awards individuals for extraordinary creativity through the MacArthur Fellows program; for institutional support through the MacArthur Award for Creative and Effective Institutions; and for solutions to critical problems through their *"100&Change" program*. The foundations estimated annual budget for grant making in 2015 was around \$321 million. Roughly 53% of its grants were spent within the United States, the remaining 47% on international programs, mainly on climate/environmental issues, criminal justice reform and governance.

Howard G Buffet Foundation

The Howard G Buffet was established in 1999 by Howard Graham Buffet, the middle son of investor Warren Buffet. This entrepreneurial foundation is located in the USA and its operating style can best be described as grant making. The foundation mainly focuses on impoverished and marginalized population. Their estimated annual budget for grant making in 2015 was around \$142 million and its grants were distributed in North America, Central and South America, Sub-Saharan Africa, mainly on agriculture and fishing, victims of war or conflict and public safety.

Skoll Foundation

The Skoll Foundation was founded by Jeff Skoll in 1999 to pursue his vision of a sustainable world of peace and prosperity. This entrepreneurial foundation is located in the USA and its operating style can be brought down to capacity building and technical assistance, collaborating, training and investing, with a

strong focus at social entrepreneurs. Its mission is “to drive truly transformative change –equilibrium change – by supporting the social entrepreneurs who recognize the systems in need of change and then advance social progress by developing powerful models for change that disrupt a suboptimal status quo and transform our world for the better”. The estimated annual budget for grant making in 2014 was \$14.5 million. The Skoll Foundation is mainly active in North America, Europe and Asia and focuses on economic development, education, environment, health, public safety, and sustainable markets.

Caterpillar Foundation

The Caterpillar Foundation was founded by Caterpillar (corporation) in 1952. This traditional Foundation is located in the USA and its operating style can best be described as grant making, with a strong focus at women, impoverished, at-risk youth, farmers and those affected by climate change. The foundations estimated annual budget for grant making in 2015 was around \$46 million and its grants were distributed in North America, Sub-Saharan Africa, Asia, Central and South America, mainly on basic human need, education, and environment.

Omidyar Network

The Omidyar Network was founded in 2004 by Pierre Omidyar, the founder of eBay. This new entrepreneurial Foundation is located in the USA and its operating style compasses a broad array of supporting activities, including: grant making, capacity building and technical assistance, collaborating, training and investing, focusing on entrepreneurs. The foundations estimated annual budget for grant making in 2015 was around \$55 million, and its grants were distributed in Asia, Sub-Saharan Africa, North America, Central and South America, Europe, mainly on information and communication, education, governance, property rights and financial inclusion.

Conrad N. Hilton Foundation

The Conrad N. Hilton Foundation was founded 1944 by Conrad Hilton, the man who started Hilton Hotels. This traditional foundation is located in Agoura Hills, California (USA) and its operating style can best be described as grant making. To alleviate human suffering, the Conrad N. Hilton Foundation works to improve the lives of disadvantaged and vulnerable people by the Humanitarian Prize. The foundations estimated annual budget for grant making in 2015 was around \$107 million, and its grants were distributed in Sub-Saharan Africa, North America and the Middle-East and Northern Africa, on health, community development, environment, housing, human services, education and economic development.

Open Society Foundation

The Open Society Foundation is a USA-based private operating and grantmaking foundation, established by George Soros in 1993 to help countries make the transition from communism. Its operating style can best be described as a value-driven foundation (political). The foundation focusses mostly on post-communistic countries in Europe. In 2015, it's grant making surpassed \$544 million and the grants were mainly distributed Europe, and to a lesser extent in North America, Asia, Sub-Saharan Africa, Central and South America, and the Middle-East and Northern Africa. The focus of the Open Society Foundation is on human rights, economic development, health, governance, education, information and communication, migration, human services and arts and culture.

William and Flora Hewlett Foundation

The William and Flora Hewlett Foundation was established by Hewlett-Packard cofounder William Redington Hewlett and his wife Flora Lamson Hewlett in 1966. This Entrepreneurial Foundation is located in Menlo Park, California (USA) and its operating style can best be described as grant making, with a strong focus on youngsters, impoverished and academics. The foundation's annual budget for grant making in 2015 was little over \$400 million and its grants were mainly distributed in North America and Asia mainly on global development and population, economic development, health, governance, education, information and communication, migration, human services and arts and culture.

Bloomberg philanthropies

Bloomberg philanthropies was founded by Michael Bloomberg, the 108th Mayor of the City of New York, in 2004. This young entrepreneurial foundation is located in New York City and its operating style encompasses grant making as well as collaborating. The foundations estimated annual budget for grant making in 2014 was roughly \$148 million and its grants were distributed on all continents, mainly on culture and arts, education, environment, health and governance.

Rockefeller Foundation

The Rockefeller Foundation was founded by John D. Rockefeller, John D. Rockefeller Jr and Frederick Taylor Gates in 1913. This traditional foundation is located in New York City, USA, and its operating style can best be described as grant making, collaborating and project implementation. The foundations estimated annual budget for grant making in 2014 was little over \$115 million and its grants were distributed in North America, Sub-Saharan Africa, Europe, Asia and Central and South America, mainly on health, resilience and energy.

W.K. Kellogg Foundation

The W.K. Kellogg Foundation (WKKF) was founded by Will Keith Kellogg in 1930. This traditional foundation is located in the USA and its operating style can best be described as grant making. The foundation has a strong focus at youngsters, impoverished and at-risk youth, and places the optimal development of children at the center of all its activities. The foundations estimated annual budget for grant making in 2015 was roughly \$268 million. The majority of its grants were distributed in North America and to a lesser extent in Central and South America. The focus issues of the W.K. Kellogg Foundation are education, health, human rights, secure families and civic engagement.

EURASIA Foundation

The EURASIA Foundation is US-based and is a both public and private funded, but private managed grant maker, and was founded as a public-private partnership in 1992. Its first field office was established in Moscow, and soon the foundation was operating in every country in the former Soviet Union. Its operating style can best be described as capacity building and technical assistance, collaborating and grant making, with a strong focus at marginalized groups (particularly women, youth, minority populations, and the economically disabled). The foundations estimated annual budget for grant making in 2014 was around \$7.4 million and its grants were distributed in Europe (mostly eastern Europe), the Middle-East

and Northern Africa and Asia, mainly on community development, economic development and advocacy. Due to its activities and focus, it can best be described as a value-driven foundation (political).

The Mastercard Foundation

The Mastercard Foundation was established in 2006 through a gift of shares from MasterCard Worldwide. This corporate foundation is located in Toronto, Canada, and its operating style can best be described as grant making, with a focus at youngsters, impoverished and farmers or people working in agriculture. The foundations estimated annual budget for grant making in 2014 was nearly \$175 million and its grants were distributed in Sub-Saharan Africa, Central and South America, North America and Middle-East and Northern Africa, mainly on economic development, education and human services.

Carlos Slim Foundation

The Carlos Slim Foundation was founded by Carlos Slim Helú in 1986. This entrepreneurial foundation is located in Mexico and its operating style can best be described as grant making, capacity building and technical assistance, collaborative and training. The Carlos Slim Foundation does not provide information concerning its assets nor the amount spent on grantmaking. The foundation mostly focuses on climate/environment and health.

Odebrecht Foundation

The Odebrecht Foundation was founded by Norberto Odebrecht in 1965. Its mission is “To educate for life, through work, for values and overcoming limits.” This traditional foundation is located in Brazil and its operating style can best be described as grant making and collaborative, with a strong focus on youngsters, women, farmers or people working in agriculture, and those affected by climate change. The foundations estimated annual budget for grant making in 2015 was roughly \$49 million. The majority of its grants were distributed in Central and South America, and to a lesser extent in Sub-Saharan Africa and North America, mainly on community development, education and information and communication.

Alcoa Foundation

The Alcoa Foundation is a USA based corporate foundation, founded by Alcoa in 1953. Its operating style can best be described as providing technical assistance, collaborative, providing training, investing and grant making, with a focus on women, elderly, at-risk youth, animals, academics and those affected by climate change. The foundations estimated annual budget for grant making in 2014 was nearly \$18 million and its grants were distributed in North America, Europe and Central and South America mainly on education and environment.

Avina Foundation

The Avina foundation was founded by Stephan Schmidheiny in 1994. This value driven foundation is located in the Panama and its operating style can best be described as grant making and collaborating, with a strong focus at women and those affected by climate change. The foundations estimated annual budget for grant making in 2014 was roughly \$27 million and its grants were distributed in Central and South America, mainly on climate/environment, information and communication and migration.

Air France foundation

The Air France foundation was founded by the Air France Group in 1992. This relatively young corporate foundation is located in France and its operating style can best be described as grant making and training, with a strong focus at youngsters. The Air France Foundation does not provide information concerning its assets nor the amount spent on grant making. The foundation mostly focuses on education and training in partnership with non-governmental organizations, within Europe, Sub-Saharan Africa, Middle-East and Northern Africa and Central and South America.

Fondation Mérieux

The Fondation Mérieux was established in 1967 by Docteur Charles Mérieux, in honor of his father Marcel Mérieux, founder of the Institut Mérieux in 1897. The foundation was awarded its official charitable status in 1967. This traditional foundation is located in France and its operating style can best be described as grant making, with a strong focus at women, victims or at-risk populations of specific illnesses or diseases and impoverished. The foundations estimated annual budget for grant making in 2015 was roughly \$15.3 million and its grants were distributed in Europe, Asia, Sub-Saharan Africa and Central and South America, mainly on health, and to a lesser extent on science, emergency relief, refugees, education and housing.

Institut Pasteur

The Institut Pasteur is a private, non-profit foundation and was founded by Louis Pasteur in 1888. This corporate foundation is located in Paris, France and its mission is “to help prevent and treat diseases, mainly those of infectious origin, through research, teaching, and public health initiatives”. The foundations expenditures in 2014 exceeded \$296 million and its estimated annual budget for grant making in 2014 was around \$12.3 million. Its main focus issues are: research, health and education.

Total Foundation

The Total Foundation was founded by Total S.A. in 1992. This relatively young corporate foundation is located in France and its operating style can best be described as grant making and collaborative, with a strong focus at youngsters, women, and victims or at-risk populations of specific illnesses or diseases and impoverished. The foundations estimated annual budget for grant making in 2015 was around \$20.3 million and its grants were distributed in Europe, Sub-Saharan Africa, Middle-East and Northern Africa, and Central and South America, mainly on community development, culture and arts, health and the environment.

IKEA Foundation

The IKEA Foundation was founded by Ingvar Kamprad in 1982. This corporate foundation is located in the Netherlands and its operating style can best be described as grant making and collaborative (inter alia with UNICEF and Save the Children) with a strong focus at youngsters. The IKEA Foundation works with several strategic partners applying innovative approaches around the ‘circle of prosperity’ in four areas of a child’s life: a place to call home; a healthy start in life; a quality education; and a sustainable family income. The foundations estimated annual budget for grant making in 2014 was around \$138 million and its grants were distributed in Asia, Sub-Saharan Africa and Europe, mainly on education, health and refugees.

Van Leer Group/Bernard van Leer Foundation

The Bernard van Leer Foundation was founded by Bernard van Leer in 1949. This value driven foundation is located in the Netherlands and its operating style can best be described as grant making, with a strong focus at youngsters and youth at-risk. The Van Leer Group Foundation defines three statutory objectives. These are: “To promote the optimum development of socially and economically disadvantaged children up to the age of 8, with the objective of developing their innate potential to the greatest extent possible. To contribute to the development and strengthening of a Jewish democratic national home in Israel committed to a free, equitable and just society for all its citizens; to contribute to the pursuit of regional peace, for the benefit and betterment of social cultural and individual lives in Israel. To promote and advance the continuity and the preservation of the identity of the Van Leer entity”. The foundations estimated annual budget for grant making in 2015 was around \$31.7 million and its grants were distributed globally, with a specific focus on Israel (related to arts and culture).

The Heineken Africa Foundation

The Heineken Africa Foundation was founded by Heineken in 2007. This corporate foundation is located in the Netherlands and its operating style can best be described as grant making, collaborating and project implementation, with a strong focus at impoverished. For each project a partnership is created between the Heineken Africa Foundation, the local Heineken brewery and a local or international NGO. The foundations estimated annual budget for grant making in 2015 was around \$1.2 million and its grants were all distributed in Sub-Saharan Africa, solely on health, in the form of “Mother & Child Care and Water and “Sanitation and Hygiene (WASH) projects. Since its launch in 2007 the foundation has committed over \$8 million to 83 different projects focused on health and water.

Children's Investment Fund Foundation

The Children's Investment Fund Foundation was founded by in 2002 by Jamie Cooper-Hohn and her husband hedge fund manager Sir Chris Hohn. This entrepreneurial foundation is located in London, the UK, and its operating style can best be described as grant making and re-granting, with a strong focus at youngsters and impoverished. The foundations estimated annual budget for grant making in 2015 was around \$220 million and its grants were distributed in Sub-Saharan Africa and Central and South America mainly on health, climate/environment, education and humanitarian assistance.

Sigrid Rausing Trust

The Sigrid Rausing Trust was founded in 1995 by Sigrid Rausing to support human rights globally. This entrepreneurial foundation is located in London, the UK, and its operating style can best be described as grant making. The foundations estimated annual budget for grant making in 2015 was around \$32.9 million and its grants were distributed in Europe, North America, Asia, Sub-Saharan Africa, Middle-East and Northern Africa and Central and South America mainly on human rights.

Shell Foundation

The Shell Foundation was founded by the Shell Group in 2000. This corporate foundation is located in the UK, with a strong focus at impoverished. The foundation provides patient grant funding, extensive business support and access to networks. Its estimated annual budget for grant making in 2014 was around \$29,5 million and its grants were distributed in Central and South America and Sub-Saharan, mainly on sustainable job creation, access to energy and its incubator program.

Innocent Foundation

The Innocent Foundation was founded by Innocent Drinks in 2004. This young entrepreneurial foundation is located in the UK and its operating style can best be described as grant making and collaborative, with a strong focus at malnourished people. The foundations estimated annual budget for grant making in 2015 was around \$1.38 million and its grants were distributed in Europe, Sub-Saharan Africa, Asia and Central and South America mainly on medical research, community development, agriculture and emergency relief.

C and A foundation

The C and A Foundation was founded by C&A in 2011. This corporate foundation is located in Switzerland and its operating style can best be described as grant making and collaborating, with a strong focus at women and farmers or people working in agriculture. The foundations estimated annual budget for grant making in 2014 was around \$42.9 million and its grants were mainly distributed in Asia and to a lesser extent in Europe and Sub-Saharan Africa, mainly on organic cotton, working conditions and forced labor.

Aga Khan Foundation

The Aga Khan Foundation is a private international development organization, and was founded by Prince Shah Karim Al Hussaini, Aga Khan IV in 1967. This ideological foundation is located in Switzerland and its operating style can best be described as implementing, grant making and collaborative, by forming intellectual and financial partnerships with organizations sharing its objectives. The foundation focusses on youngsters, women, ethnic minorities, impoverished, farmers or people working in agriculture, and those affected by climate change. The Aga Khan Foundation has implemented community-driven solution to development challenges for over 45 years. The foundations estimated annual budget for grant making in 2014 was around \$31.8 million and its grants were distributed in Sub-Saharan Africa, Middle-East and Northern Africa and Asia, mainly on community development, education, rural development, and health.

Novartis Foundation

The Novartis Foundation was founded by in 1979, as part of the corporate responsibility portfolio of Novartis. This corporate foundation is located in Switzerland and its operating style can best be described as collaborative and grant making, thereby strongly focusing on victims or at-risk populations of specific illnesses or diseases. Novartis foundation aims at improving access to primary healthcare and medicines. The foundations estimated annual budget for grant making in 2014 was little over \$1.5 million and its grants were distributed in Sub-Saharan Africa, Asia (mostly south-east Asia), and Central and South America, mainly on health.

Robert Bosch Stiftung

The Robert Bosch Stiftung was founded by Robert Bosch in 1964, and is one of the major German foundations associated with a private company. This traditional foundation is located in Germany and its operating style can best be described as collaborative and grant making, with a focus at refugees. Since its founding, the Robert Bosch Stiftung has provided grants worth more than \$1 billion. Moreover, the Robert-Bosch-Krankenhaus, the Dr. Margarete-Fischer-Bosch Institut für Klinische Pharmakologie and the Institut für Geschichte der Medizin der Robert Bosch Stiftung are all part of the Foundation. The foundations estimated annual budget for grant making in 2015 was around \$85 million and its grants were mostly distributed in Europe, and to a lesser extent North America and Asia, mainly on refugees, community development, and the environment.

Bertelsmann Stiftung

Bertelsmann was founded by Reinhard Mohn in 1979. This traditional foundation is located in Germany, and its operating style can best be described as grant making. The foundations estimated annual budget for grant making in 2015 was around \$60 million and its grants were distributed in Europe (Germany) and Asia (China & India), mainly on education, economic development and governance.

Friedrich-Ebert-Stiftung

The Friedrich-Ebert-Stiftung (FES) was founded by Friedrich Ebert, Germany's first democratically elected President, in 1925. The foundation is associated with the Social Democratic Party of Germany (SPD), yet independent of it. This political forefront foundation is located in Germany and its operating style can best be described as collaborating. The FES is not a grant making institution, but an association with own projects, funded by several German federal and state ministries. The foundations estimated expenditures in 2015 were little over €159 million, and were issued to international collaboration, promotion of students and graduates, and socio-political education (conferences and seminars), all in Germany.

Konrad Adenauer Stiftung

Established in 1955 as “Society for Christian-Democratic Civic Education”, the Konrad Adenauer Stiftung (KAS) took on the name of the first German Federal Chancellor in 1964. This political forefront foundation is located in Germany and its operating style can best be described as collaborating. The foundations estimated annual budget for grant making in 2015 was around \$120 million and 70% of its expenses were distributed worldwide on international collaboration, thereby focusing on consolidating democracy, the unification of Europe and the strengthening of transatlantic relations, as well as on development cooperation. The remaining 30% is distributed within Germany on civic education programs, aiming at promoting freedom and liberty, peace, and justice.

Kavli Fondet

Kavli Fondet (Kavli Trust in English) was founded by the Kavli group in 1962. The Kavli Trust owns the Bergen (Norway)-based Kavli food group, and this ownership provides the basis for its financial support of charity. This traditional foundation is located in Norway and its operating style can best be described as both grant making and implementing, with a strong focus at women, victims or populations at-risk of specific illnesses or diseases, and farmers or people working in agriculture. The foundations estimated

annual budget for grant making in 2014 was around \$117 million and its grants were distributed in Europe, Sub-Saharan Africa, and Asia, mainly on human rights, science, culture and arts.

H&M Foundation

The H&M Foundation was founded in 2013 by H&M as a global oriented foundation. The foundation is financed by the Persson family, who are also the founders of H&M. This entrepreneurial foundation is located in Sweden and its operating style can best be described as project implementation, collaborating and grant making, with a focus at youngsters, early childhood, women, ethnic minorities, victims or at-risk populations of specific illnesses or diseases, at-risk youth, those affected by climate change, and vulnerable or marginalized groups. The foundation has 3-year long partnerships with UNICEF, Wateraid and CARE in which several countries are included, but is mostly active in Asia, Sub-Saharan Africa and Europe. Its estimated annual budget for grant making in 2015 was around \$20.7 million. The H&M foundation focuses mainly on education, climate/environment, and community development.

Trust for Social Achievement

Trust for Social Achievement was founded in 2012, with funding provided by the America for Bulgaria Foundation (ABF), with the intent to continue ABF's activities in the social area. This value driven foundation is located in Sofia (Bulgaria) and its operating style can best be described as collaborative and grant making, with a strong focus at ethnic minorities (Roma), groups with certain sexual identity, and impoverished. The foundations estimated annual budget for grant making in 2015 was little over \$1.8 million and its grants were entirely distributed in Bulgaria, mainly on education and economic development. By doing so, Trust for Social Achievement tries to increase self-sufficiency and improve life outcomes for Bulgaria's poor.

The Nippon Foundation

The Nippon Foundation is an independent, non-profit, grant-making organization and was established in 1962 as a non-profit philanthropic organization. This traditional foundation is located in Japan and its operating style can best be described as collaborative and grant making, with a strong focus at youngsters, women, incarcerated people and academics. Initially, the foundations efforts focused largely on the maritime and shipping fields, but since then the range of activities has expanded to education, social welfare, public health, and other fields. Collaborating with over 20 partner organizations in Japan and worldwide, the foundation is funding and assisting community-led efforts aimed at realizing a more peaceful and prosperous global society. The foundations estimated annual budget for grant making in 2015 was around \$300 million and its grants were distributed globally.

Lao Niu Foundation

The Lao Niu Foundation is a private foundation, founded by Mr. Niu Gensheng and his family in late 2004, using all of their shares and most of their dividends in the Mengniu Dairy Group. This entrepreneurial foundation is located in the China and its operating style can best be described as project implementation, grant making, and collaborating (with 129 agencies, organizations, and individual partners). The vision of the foundation is: "grateful hearts, improving ourselves by helping other, and "responsible under heaven to nurture both people and nature". The mission: "education is fundamental to the nation; the

environment is fundamental to life; philanthropy is fundamental to society. The foundations estimated annual budget for grant making in 2014 was around \$30 million and its grants were distributed in Asia (China), North America, Europe, and Sub-Saharan Africa mainly on climate/environment, education, emergency relief and the advocacy for, and development of, the philanthropic sector.

Li Ka Shing Foundation

The Li Ka Shing Foundation was founded in 1980 and is based in Central District, Hong Kong. The operating style of this entrepreneurial foundation can best be described as collaborating and grant making. The foundations estimated annual budget for grant making in 2013 was at least \$322 million, and, based on web analyses, its grants were distributed in Asia (mainly China) and to a lesser extent in North America and Europe, on both education and health. Concerning the latter, the foundation has served over 17 million patients. The Li Ka Shing Foundation does not publish its annual financial report.

Axis Bank Foundation

The Axis Bank Foundation (ABF), a registered public trust, was established in 2006 by Axis Bank. This corporate foundation is located in India and its operating style can best be described as collaborating and grant making. ABF aims to provide sustainable livelihoods to the economically weaker and underprivileged sections of the Indian society, especially girl children and women. It also creates new opportunities for poor farmers, especially tribals, and helps to build the capacities of artisans and craftsmen. The foundations estimated annual budget for grant making in 2015 was around \$20 million and its grants were all distributed in India mainly on agriculture or fishing, and to a lesser extent on education and health.

Lien Foundation

The Lien Foundation was founded by Dr. Lien Ying Chow in 1980. This entrepreneurial foundation is located in Singapore and its operating style can best be described as collaborating and grant making, with a strong focus at elderly. The mission of the Lien Foundation is to leverage technology and pioneer novel solutions to create capacity and strive towards: exemplary early childhood education, excellence in eldercare, and effective environmental sustainability in water and sanitation. The foundations estimated annual budget for grant making in 2013 was around \$8.1 million and its grants were all distributed in Asia.

Al Maktoum Foundation

The Al Maktoum Foundation was established in 1997 under the royal patronage of His Highness Sheik Hamdan Bin Rashid Al Maktoum, as a humanitarian charity organization in Ireland. In 2000, the foundation moved its headquarters to Dubai. This value driven foundation is located in the United Arab Emirates and its operating style can best be described as grant making, thereby strongly focusing on specific religious groups; most projects are related to the religion of Islam. The Al Maktoum Foundation does not provide information concerning its assets nor the amount spent on grant making. Its grants were distributed on all continents, mainly on education, community development and health.

Alwaleed Philanthropies

Alwaleed Philanthropies was founded by Al-Waleed bin Talal and Princess Ameerah in 1980, with a mission to help alleviate suffering and transcend international borders globally. Her royal highness currently serves as vice-chairwomen of the board. This traditional foundation is located in Saudi Arabia and its operating style can best be described as collaborating, project implementation and grant making, with a strong focus at women and youngsters. The foundation asserts that it supports and initiates projects regardless of gender, race or religion. Unfortunately, Alwaleed Philanthropies does not provide information concerning its assets nor the amount spent on grant making. Its grants were distributed on all continents, mainly on community development, empowering women and youth, emergency relief, and projects developed in order to bring cultures together.

Silatech

Silatech ("your connection" in Arabic) was founded by the wife of the former Emir of Qatar Sheikha Mozah bin Nasser, and was formally launched at the Alliance of Civilizations Forum in January 2008 in Madrid, Spain. Silatech is a regional social organization that works to enable jobs and expand economic opportunities for young Arabs. This commercial /political forefront foundation is located in Qatar and its operating style can best be described as training, capacity building and grant making. Its mission is: "To connect young people to economic opportunities and jobs through innovative enterprise development and employment initiatives". Its vision is: "An Arab world in which young people are able to work and are engaged in the economic development of their societies". Silatech does not provide information concerning its assets nor the amount spent on grant making. Its grants are all distributed in the Middle-East and Northern Africa, mainly on employment, enterprise development, and science.

Motsepe Foundation

The Motsepe Foundation was founded by the Motsepe family, the first family on the African continent to join The Giving Pledge, started by Bill Gates and Warren Buffet. The Motsepe foundation best suits the profile of an indigenous foundation. The foundation is located in South Africa and its operating style can best be described as focused on training, collaborating and grant making, with a strong focus at poor and other disadvantaged and marginalized South Africans. Unfortunately, the Motsepe Foundation does not provide information concerning its assets nor the amount spent on grant making. Its grants are all distributed in South Africa, all on youth and women empowerment, health, education, economic development and sport.

Higher life foundation

The Higher life foundation was founded in 1996 by Strive and Tsitsi Masiyiwa; both are London based African philanthropists. This value driven foundation is located in the Zimbabwe and its operating style can best be described as focused on training and grant making, with a strong focus at youngsters, victims or at-risk populations of specific illnesses or diseases, religious groups, impoverished, and at-risk youth. Its mission is "to invest in Africa's future by empowering vulnerable children through education and creating opportunities for highly talented young people. The higher life foundation does not provide information concerning its assets nor the amount spent on grant making. Its grants were all distributed in Sub-Saharan

Africa, and the foundation focuses its work in education on the three key areas of providing access to education, improving quality of education and providing lifelong development.

Equity Group Foundation

The Equity Group Foundation established in 2008 to serve as the social impact arm of Equity Group. This corporate foundation is located in Nairobi, Kenya, and its operating style can best be described as project implementation and grant making, with a strong focus at impoverished Africans. The higher life foundation does not provide information concerning its assets nor the amount spent on grant making. Its grants were all distributed in Sub-Saharan Africa, mainly on education, economic development, health, agriculture or fishing, and the environment. Since its founding in 2008, the foundations programs have helped over six million Kenyans advance on journeys to more secure and productive futures.

OCP Foundation

The OCP Foundation was created to carry out the social and societal commitment of OCP Group. This corporate foundation is located in Morocco and its operating style can best be described as grant making. The OCP foundation does not provide information concerning its assets nor the amount spent on grant making. Its grants were distributed in the Middle-East and Northern Africa, Sub-Saharan Africa, Asia, and South America, mainly on agricultural development, human services, culture and art, economic development and governance.

Sawiris Foundation

The Sawiris Foundation was founded by the Sawiris family in 2011 as a grant making foundation. This indigenous foundation is located in Cairo, Egypt, and its operating style can best be described as focused on training grant making, with a strong focus at youngsters and impoverished. Its mission “is to contribute to Egypt’s development, create sustainable job opportunities, and empower citizens to build productive lives that realize their full potential. In 2005, the foundation was granted special consultative status with the United Nations Economic and Social Council (ECOSOC). In the same year, the foundation started distributing annual literary prizes under the name Sawiris Foundation Awards for Egyptian Literature. The foundations estimated annual budget for grant making in 2014 was around \$5.5 million and its grants were all distributed in Egypt, mainly on community development, and education. The foundation also enhances efforts to improve health, and further the endeavors of local communities to improve infrastructure and gain access to basic services.

Mo Ibrahim Foundation

The Mo Ibrahim Foundation is an African foundation, established in 2006 by Dr. Mo Ibrahim. The primary focus of the foundation is the critical importance of and leadership in Africa. The operating style of this entrepreneurial foundation can best be described as providing training. The foundation is a non-grant making organization, and instead focusses on defining, assessing and enhancing governance and leadership through four initiatives: 1) Ibrahim Index of African Governance, 2) Ibrahim Forum, 3) Ibrahim Prize for Achievement in African Leadership, and 4) Ibrahim Leadership Fellowships. The Mo Ibrahim Foundation does not provide information concerning its financials. The foundation is active in Africa.

Macquarie Group Foundation

The Macquarie Group Foundation was established by the Macquarie Group in 1985. This corporate foundation is located in Australia and its operating style can best be described as collaborative (with several organizations worldwide), providing training, grant making and volunteering. The foundations estimated annual budget for grant making in 2015 was nearly \$22 million and its grants were distributed on all continents, mainly on community development and economic development.

Annex II: Focus continents and issues

Foundation name	1 st focus continent	2 nd focus continent	3 rd focus continent	1 st focus issue	2 nd focus issue	3 rd focus issue
Aga Khan Foundation	No focus continent			Community development	Education	Health
Air France foundation	No focus continent			Education	Community development	
Al Maktoum Foundation	No focus continent			Education	Community development	Health
Alcoa Foundation	North America	Europe	Central & South America	Education	Environmental issues	
Alwaleed Philanthropies	No focus continent			Community development	Human rights	Emergency relief
Avina Foundation	Central & South America			Environmental issues	Migration	Information & communication
Axis Bank Foundation	Asia			Agriculture & fishing	Education	Health
Bertelsmann	Europe	Asia		Advocacy	Human rights	Economic development
Bill and Melinda Gates Foundation	Sub-Saharan Africa	Asia	North America	Community development	Health	Agriculture or fishing
Bloomberg Philanthropies	No focus continent			Environment	Arts & culture	Education
C&A Foundation	Asia	Europe	Sub-Saharan Africa	Environmental issues	Human rights	Community development
Carlos Slim Foundation	Central & South America			Health	Education	Environmental issues
Caterpillar Foundation	North America	Sub-Saharan Africa	Asia	Community development	Education	Environment
Children's Investment Fund Foundation	Sub-Saharan Africa	Asia	Central & South America	Health	Environmental issues	Education
Conrad N. Hilton Foundation	Sub-Saharan Africa	North America	MENA	Community development	Human services	Education

Equity Group Foundation	Sub-Saharan Africa			Education	Economic development	Agriculture & fishing
EURASIA Foundation	Europe	MENA	Asia	Community development	Economic development	Advocacy
Fondation Mérieux	Europe	Asia	Sub-Saharan Africa	Health	Science	Emergency relief
Ford Foundation	North America	Central & South America	Sub-Saharan Africa	Social Justice	Environmental issues	
Friedrich Ebert Stiftung	Europe	Rest of the world		Advocacy	Education	Science
H&M Foundation	Asia	Sub-Saharan Africa	Europe	Community development	Environmental issues	Education
Higher Life foundation	Sub-Saharan Africa			Education	Health	Community development
Howard G Buffet Foundation	Sub-Saharan Africa	North America	Central & South America	Agriculture	Victims of war	Public safety
IKEA Foundation	Asia	Sub-Saharan Africa	Europe	Education	Health	Community development
Innocent Foundation	Sub-Saharan Africa	Europe	Asia	Health	Agriculture & fishing	Community development
Institut Pasteur	Europe	Rest of the world		Research	Health	Education
John D. and Catherine T. MacArthur Foundation	North America	Rest of the world		Environmental issues	Criminal justice reform	Governance
Kavli Fondet	Sub-Saharan Africa	Asia	Europe	Human rights	Science	Culture & arts
Konrad Adenauer Stiftung	Europe	Sub-Saharan Africa	Asia	Advocacy	Human rights	
Lao Niu Foundation	Asia	North America	Europe	Environmental issues	Education	Emergency relief
Li Ka Shing Foundation	Asia	North America	Europe	Education	Health	Economic development
Lien Foundation	Asia			Human services	Health	Education
Macquarie Group Foundation	Oceania	Asia	North America	Health	Community development	Human services
Mo Ibrahim Foundation	Sub-Saharan Africa	MENA		Governance	Advocacy	Human Rights

Motsepe Foundation	Sub-Saharan Africa			Education	Health	Economic development
Novartis Foundation	Sub-Saharan Africa	Asia	Central & South America	Health		
OCP Foundation	MENA	Sub-Saharan Africa	Asia	Agriculture & fishing	Economic development	Science
Odebrecht Foundation	Central & South America	Sub-Saharan Africa	North America	Community development	Education	Information & communication
Omidyar Network	No focus continent			Information & communication	Education	Economic development
Open Society Foundation	No focus continent			Human rights	Economic development	Health
Robert Bosch Stiftung	Europe	North America	Asia	Advocacy	Science	Arts & Culture
Rockefeller Foundation	North America	Sub-Saharan Africa	Europe	Community development	Health	Energy
Sawiris Foundation	MENA			Community development	Health	Education
Shell Foundation	No focus continent			Economic development	Access to energy	Innovation
Sigrid Rausing Trust	Europe	North America	Sub-Saharan Africa	Human rights		
Silatech	MENA			Economic development	Community development	Science
Skoll Foundation	No focus continent			Economic development	Education	Community development
The Heineken Africa Foundation	Sub-Saharan Africa			Health	Education	
The Mastercard Foundation	Sub-Saharan Africa	Central & South America	North America	Economic development	Education	Human services
Total Foundation	Europe	Sub-Saharan Africa	MENA	Community development	Environmental issues	Culture & arts
Trust for Social Achievement	Europe			Education	Economic development	Human rights
Van Leer Group/Bernard van Leer Foundation	Central & South America	MENA	Asia	Research	Advocacy	Culture & arts

W.K. Kellogg Foundation	North America	Central & South America		Education	Health	Human Rights
William and Flora Hewlett Foundation	North America	Rest of the world	Asia	Economic development	Environment	Education

Annex III: Data collection procedure

Sample

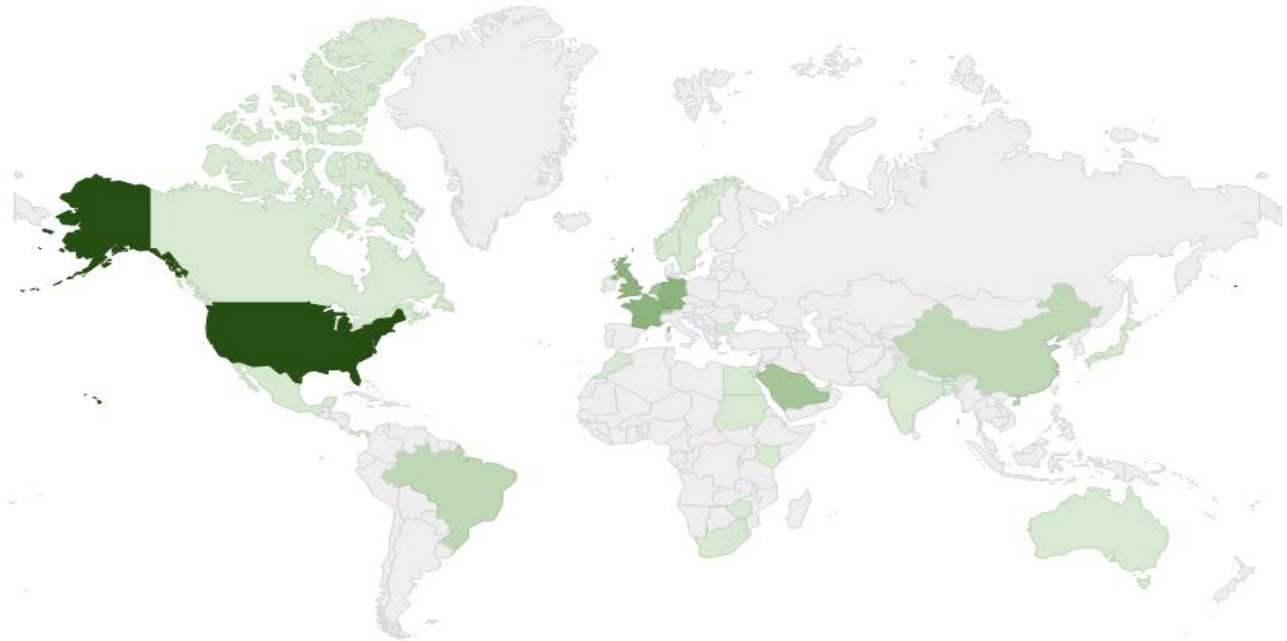
For the aim of this study a sample of 55 foundations has been created, among which are identified as the largest foundations supporting development assistance. Taking into account that such a list of foundations would include a large number of US-based foundations, non-US foundations are overrepresented in the sample. It should thus be noted that the figures below thus not represent the largest foundations in the world, but represent the foundations that are part of the sample.

Previous studies conducting surveys among foundations have shown them to be a tough crowd. Van Oijen (2016) achieved a response rate of 27%, with only 14 out of 52 foundations filling out the questionnaire, many of whom mentioned time constraints. A survey on Family Foundations by Boris, De Vita & Gaddy (2015) achieved a response rate of 17%. We strived to surpass these response rates by ensuring the ‘personal touch’ was given to increase likelihood of participation, instead of just sending the survey out to the foundations’ general e-mail addresses. Appendix 5 covers the work plan for the survey. All foundations received a phone call aiming to identify a contact person for the survey to be sent to. These received a personalized e-mail with a unique link to their survey so the foundations failing to complete the survey could be tracked. Foundations not filling out the survey received a total of 4 reminders, either in the form of telephone calls or in the form of an e-mail in case the person was unable to be reached.

The foundations included in the sample (see appendix 2) were selected based on a number of different criteria. Given the Pareto principle applies to the world of foundations and their financial size (Gouwenberg et al., 2015), we first and foremost selected the world’s largest foundations engaged in international aid. However, we wanted to conduct a world-wide study and looking at the size of foundations alone would bring us to primarily US or European foundations. Therefore, geographic diversity was also a driver in foundation selection. Lastly, we wanted to include different foundation types (endowed, corporate, bank, etc.) leading us to sometimes choosing a smaller foundation over a larger one to increase heterogeneity in our sample but increasing the generalizability of the results. This important to take note of when proceeding to reading this results of the survey.

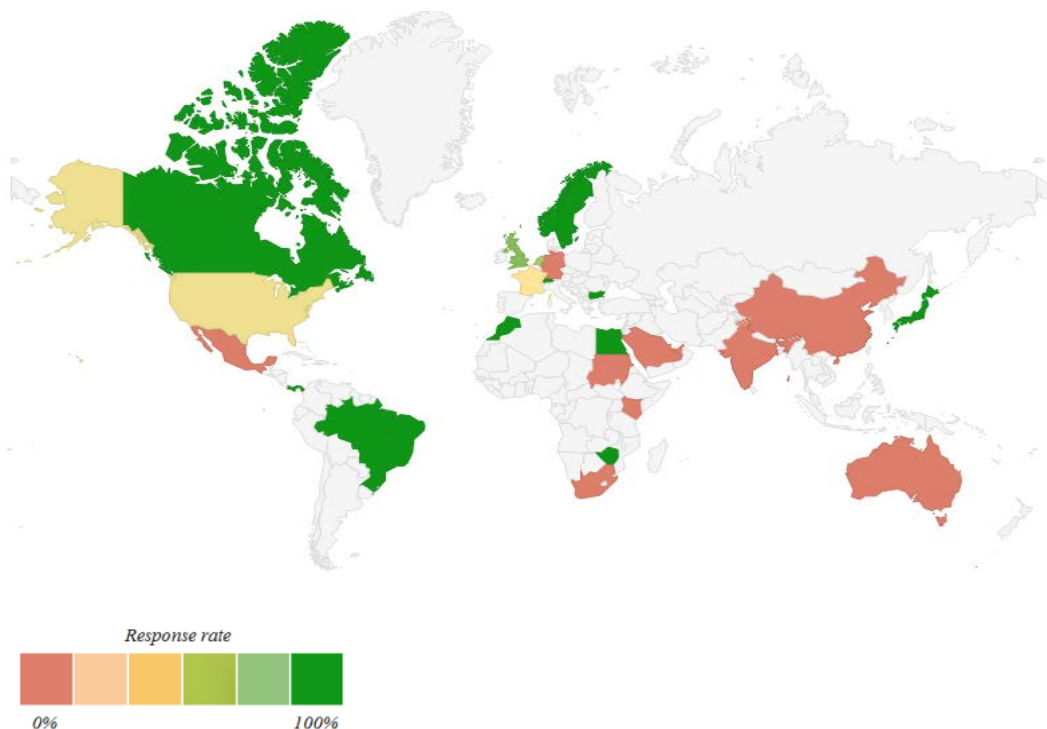
The survey results are based on the survey as shown in appendix 4. Many of the answer categories offered to the foundations were based upon the literature we examined in chapter 2. Also, the classification system offered by the Foundation Center (2014) has been highly useful to ensure we used a methodology that would provide results which could be comparable to different studies, and had answer categories that would cover the range of options yet be exclusive. Lastly, the interviews conducted oftentimes gave insight in the ‘language’ of foundations and the answers that came to their mind when posed with the questions. The figure below shows the number of foundations included in the database at country level as depicted earlier as well. In the sample, 15 foundations were included from the USA, 4 from Germany, France and the UK, 3 from the Netherlands and Switzerland, 2 from China and one from Brazil, Canada, Norway, Sweden, Bulgaria, Mexico, Panama, Morocco, Egypt, Sudan, Zimbabwe, Kenya, South Africa, Qatar, Saudi Arabia, United Arab Emirates, India, Japan and Australia.

Figure: Number of foundations covered per country



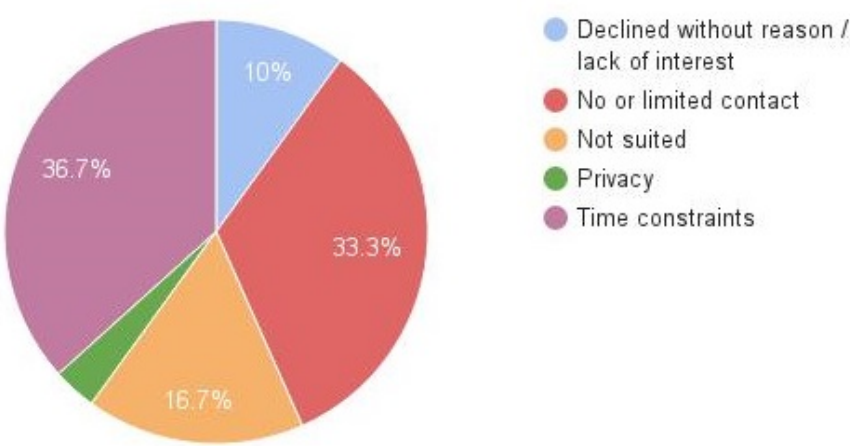
However, even despite the extensive follow up on invitations and personal calls/e-mails, we did not manage to attain a 100% response rate. The next figure shows the response rates per country. Examining response rates at the continent level, Africa, Asia and MENA countries come in lowest, at 25, 20 and 20 percent respectively, although the one foundation from Australia did not answer either. Central America comes in at 50%, followed by North America with 56.3%. Europe achieves the highest response rate, with 61.9% of the foundations filling out the survey, which would have been 81% if Germany was excluded. In total, the response rate was 51%, with 28 foundations participating in the survey.

Figure: Response rate per country



These response rates reflect two things: on the one hand, foundations from countries and continents with high response rates will be more transparent in general, and were simply more willing to cooperate. However, it also reflects language, time zone and communication barriers. It appeared paramount to be able to get a hold of the right person for the request personally, as surveys sent to general e-mail addresses or office managers who would forward it would rarely be completed. This was often much more difficult when language and time barriers refrained us from being connected to higher level spokespersons. Also, Western foundations clearly used their online presence more as a marketing instrument, with non-western foundation websites often being less detailed. This was also reflected in figure 3.5 where there was a discrepancy between European (and North American) foundations regarding the publication of their annual reports. However, as a consequence, this often led to contacting the general phone number of the foundation, being dependent of a receptionist with relatively little English skills in order to be connected to the right person. The figure below identifies the main non-participate reasons. For a third of the foundations, getting in touch with right person appeared to be an unbridgeable obstacle. Among the non-participants with whom a proper contact person was identified, many reported time pressure as a reason to decline or failed to complete the survey within the given time. Others declined without providing a specific reason, expressed disinterest or appeared not to be suited for the survey, either because they had become an operating foundation or because their focus on international aid was limited. 1 foundation reported privacy as a reason for not participating.

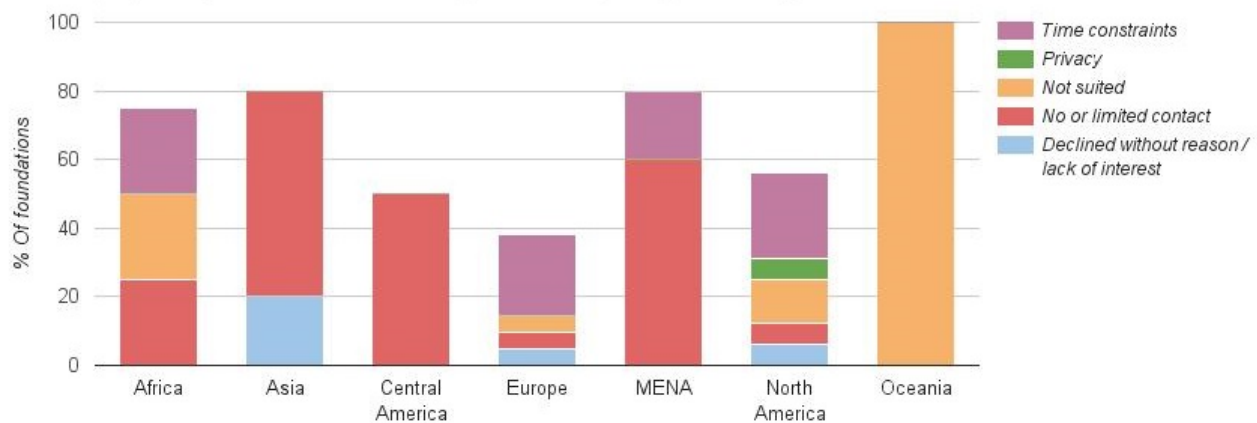
Figure: Reasons for not participating in the survey



As put earlier, the reasons for non-participation between western and non-western foundations tend to differ. Not being able to get in touch with the right contact person where the importance of the survey could be stressed was an important barrier in Asian, Central American, Middle Eastern and North African (MENA) and African foundations. Time constraints were more prominent in Europe and North America. However, from an interview with a representative from an Asian foundation, we should also note that transparency in terms of publishing annual reports and/or explaining what and how foundations are operating is considered less common as among Western foundations. And, also, *“Regarding China based foundations, one should always keep in mind that there is a connection with the (Chinese red.)*

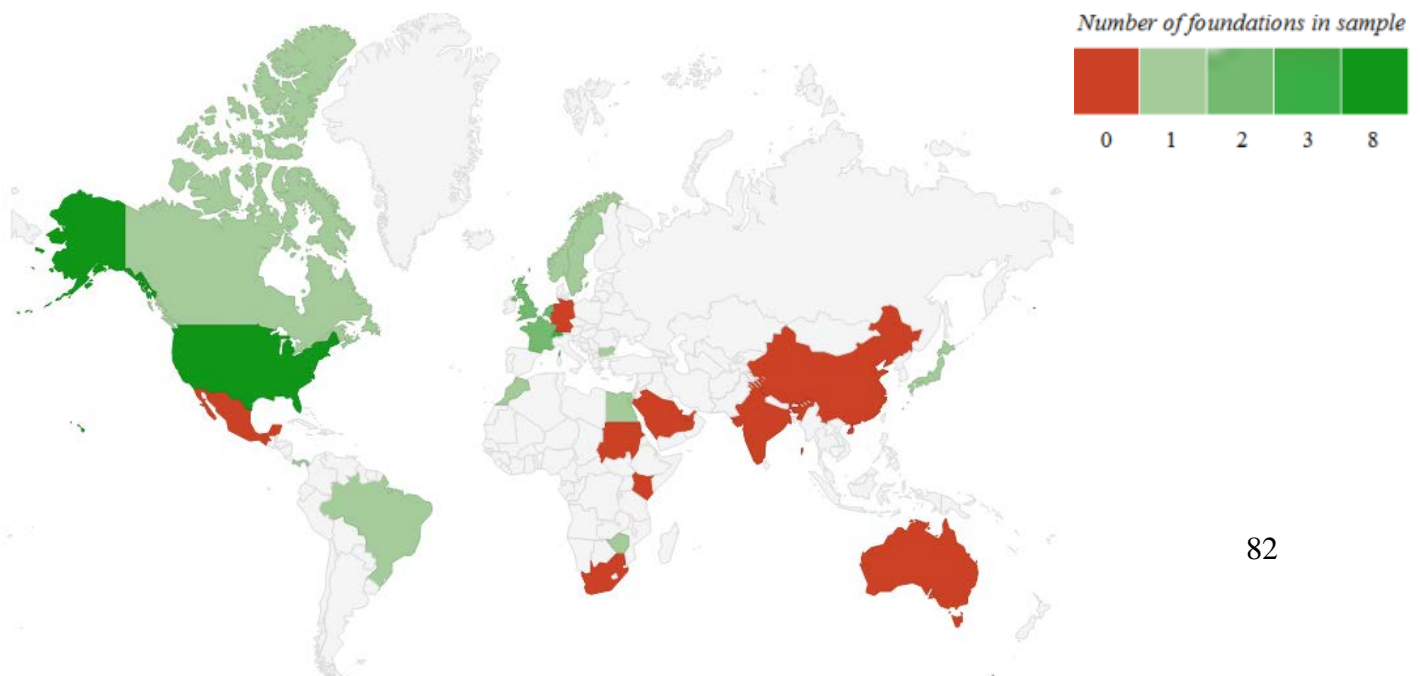
Government". Please note that the figure below shows the non-response rate and non-complete rate combined, leading to higher non-complete ratios than reported the non-response rates shown in the earlier figure.

Figure: Frequencies of reasons for not participating or finishing the survey per continent



Including only the foundations that filled out the survey partially or completely, our final sample for analysis is distributed as depicted below. Next to 27 (49%) foundations not filling out the survey, one foundation previously identified as Brazilian was moved to the American sample, as it consisted of two separate entities: a Brazilian Branch, which was unresponsive, and an American branch, which completed the survey. The results presented in the remainder of this chapter will be mainly representative for western foundation, with the addition of a small number of foundations from Africa, Central America, South America and Japan. Despite specifically focusing on attaining a diverse sample from all across the world, Eastern European, Asian and MENA foundations are limited included in the sample because of a low response rate and an already low number of foundations included in the sample to begin with.

Figure: Distribution of final sample for analysis



Appendix IV: Interviews

The primary aim of the interviews was twofold. First and foremost, it aimed to gather qualitative information unable to be sufficiently gathered through the web analysis and the survey, such as the self-perceived role of the foundations within the donor community, their ambition and strategy to policy influence, their underlying motives/ values and their reasons for (not) engaging in partnerships with governments, official development agencies and other foundations. Secondly, the interviews serve as a means to informing the survey design. What are common considerations when posed with the interview questions, what language and terminology is used and which closed-ended options ought we to use in the survey.

In order to maximize the informative value of the interviews, we selected five foundations from different backgrounds with respect to three dimensions: Their geographic location; with one from the USA, one from Europe and one from a developing country. Secondly and thirdly, we aimed to select foundations that seem to differ with regard to their funding source and their target subjects/areas.

Interviewed foundations

Bill and Melinda Gates Foundation

Selected for its already close ties to AFD and its pioneering role as a foundation engaged in international aid. The Bill and Melinda Gates Foundation is funded primarily by its returns from an endowment estimated to be larger than 44 billion in 2014. Primary focus areas are health and development in least developed countries, with a very wide reach, working in over 100 countries.

IKEA Foundation

Selected for being located in Europe and having a different funding nature than the Bill and Melinda Gates foundation. It received its funds from 'Stichting INGKA', which is primarily funded by receiving royalties from the revenue of the IKEA stores. The IKEA foundation also has a considerable range, being active in 46 countries.

Higher Life Foundation

Selected for its location in Zimbabwe and its clear focus on education, instead of maintaining a wider focus area. Also, the foundation seems to have an underlying motive or value of religious nature.

Calouste Gulbenkian Foundation

Selected for its location in Europe, being a traditional foundation that has a long standing reputation and has collaborated much with the (Portuguese) government. This foundation was not part of the original survey sample and is thus not included in the figures presented in chapter 3.

Hong Kong Jockey Club

Interviewed for its location in Asia and understanding of the broader philanthropy sector in emerging Asian countries. The Hong Kong Jockey club is considered the largest private donor organization in the region. This foundation was not part of the original survey sample and is thus not included in the figures presented in chapter 3.

Annex V: Surveys

The survey consisted of a similar set up as the interview script, but with closed ended answer options to ensure quantifiability. The interviews proved valuable in getting a feel for question formulation and the range of answer options that arise among the foundations. The survey questions were focused at retrieving information unavailable through the previously conducted web analysis.

Prior studies have shown low response rates in foundation survey studies (Van Oijen, 2016). We aimed to tackle this by allowing four weeks for survey response. In the first week, we aimed to identify the foundations' contact persons, as survey invitations to general e-mail addresses tend to receive less response than e-mails to personalized e-mail addresses do. After identifying as much contact persons as possible, we sent out the survey links with elaborating information to all contact persons and the general e-mails of foundations we were unable to establish a personal tie with. The survey was eventually sent out to all 55 foundations, of which 37 surveys were sent to a previously identified contact person at the foundation. In the third and fourth week of data collection, the survey invitations were followed up with 2 e-mails and 2 telephone calls. Unique survey response was tracked by using unique survey links for each foundation. The used survey is available upon request by contacting the Center for Philanthropic Studies.

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