effect

FOUNDATIONS IN EUROPE TOGETHER

FEATURE

Space for philanthropy in research

Plus

> **Philipp-Christian Wachs** of the ZEIT-Stiftung makes the case for social franchising

> Feasibility study on a **European Foundation Statute** gets under way

> Spotlight on **Donors and Foundations Networks in Europe (DAFNE)**

vol. 1 issue 3 | autumn 2007

On the cover...

Image entitled, "'Light Echo' Illuminates Dust Around Supergiant Star V838 Monocerotis", taken from NASA's Hubble Space Telescope and used in the Stiftelsen Riksbanken Jubileumsfond Annual Report 2006. The foundation, which supports and promotes scientific research primarily in the humanities and social sciences, used the image to illustrate the complexity of the universe and, philosophically speaking, to depict the complexity of humankind.

Schoolchild participating in one of several science activities funded by Lundbeckfonden.

EUROPEAN FOUNDATION CENTRE

About the EFC

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

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Gerry Salole, Chief Executive, European Foundation Centre

Viewpoint:
Exploring philanthropy and research

For this edition of EFFECT, we wanted to take a look at the topic of research and foundations in anticipation of the December launch of the European Forum on Philanthropy and Research Funding, an initiative of the EFC with the support of the European Commission and individual funders. I'm very excited about this platform, which will create a much-needed space for foundations and others involved in research to debate and share experience with the goal of helping to underpin philanthropic funding for research. As the Forum gets going, I'm sure we will be returning to this theme.

You have in the pages of this magazine an initial glimpse of how foundations from across Europe – from Sweden to Portugal – are grappling with research issues such as ethics, evaluation and cultivating the careers of researchers, among others. And I hope you'll enjoy as much as I did the refreshingly jargon-free interview of the European Commissioner for Science and Research, Janez Potočnik, and his very strong message about the future of foundations and research in Europe. I was, of course, particularly interested in his mention of the feasibility study on the European Foundation Statute, which is very dear to the hearts of foundations in Europe.

The rest of this issue gives you much to explore and think about, including an article on public-private partnerships. I have to say that I have been struck in recent meetings by how often the topic of these partnerships is coming up and how important it is that foundations defend their right to continue supporting important cutting-edge research and avoid the pitfall of merely stepping in and becoming a substitute for government funding. I find it very important that these partnerships result in stronger and better collaboration and that they do not become a fallback to a lowest common denominator position.

Also, be sure to check out the article on DAFNE (Donors and Foundations Networks in Europe) – you'll get the full story on how this network of national associations supporting the work of foundations across Europe developed and what it means to do in the future.

I want to thank those of you who have either phoned or written to me to comment on EFFECT and to ask you to please continue to do this as I find it a particularly useful way to hear whether what we are talking about resonates with our readership. I hope that as we move next year to more interactive Internet communications tools, that we will have many more opportunities for frank and topical exchanges.

Enjoy your reading.

Gerry Salole
EFC Chief Executive

Foundations' toolbox

The case for social franchising

By Philipp-Christian Wachs, ZEIT-Stiftung Ebelin und Gerd Bucerius

"Nearly every problem has been solved by someone, somewhere. The frustration is that we can't seem to replicate [those solutions] anywhere else." This statement by former US President Bill Clinton aptly describes the situation of the non-profit sector in many countries. Certainly in Germany people again and again invest time, money, ideas and manpower in search of innovative solutions for social problems. While this may yield positive results, in many cases the wheel is "reinvented" without any lasting effects. It is rare that existing prototypes of successful procedures are adapted, supported or extended.

Philipp-Christian Wachs, Head of Director's Office, ZEIT-Stiftung Ebelin und Gerd Bucerius

The system of franchising, which has been very successful in other sectors for 150 years, is still insufficiently propagated as social franchising in the non-profit sector for two reasons: 1) The idea that transforming foreign-tested concepts may be just as useful and satisfactory as the creation of a new successful project is generally not attractive; 2) the idea of franchising is often misunderstood as an inflexible hierarchical relationship between the supplier of products and ideas, and the licensee who only sells them.

Yet the long, successful history of commercial franchising should eliminate these misconceptions. The question asked by many foundations, however, is whether they can also achieve the same success experienced by the private sector in this area. Why not? Commercial franchising and social franchising have the same components of success, e.g. careful analysis of requirements and feasibility of a project; efficient and transparent procedures; transmittance and development of tested methods; and continuous learning from experience which allows for controlling consistency and results.

The system of franchising, which has been very successful in other sectors for 150 years, is still insufficiently propagated as social franchising in the non-profit sector.

Successful social franchise prototypes show four characteristics:

1. Strategy is used for multiplication and growth.
2. Existence of a core brand for increased value recognition as a means to acquisition.
3. Transforming standards of quality, benchmarking and best practice routines with a view to transmitting and developing tested methods and experience.
4. Supporting the licensees by supplying research, improved education and centralised functions such as management, marketing, etc. in conjunction with utmost flexibility in adapting to prevailing local conditions.

The following case studies based on tried and tested approaches to social franchising abroad illustrate the value and potential for European foundations to cooperate along these lines.

The STRIVE programme: Supplier of an employment training system

STRIVE was founded in New York in 1984 as a public-private initiative involving a training programme for hard-to-place unemployed people aged 17 to 40 years. The programme had instant success with 80% of those signed up to it finding placements. The initiators decided to expand, beginning locally by cooperating with existing organisations, which adopted the basic elements of the STRIVE programme while taking into account local characteristics.

During the initial stages, the founding organisation was responsible for thorough schooling and supervision and for a steady level of training, insisting on a permanent control of quality and checking the number of jobs arranged. In the same way the system expanded to other American cities (Pittsburgh, Chicago, Boston and Philadelphia). Public and private providers alike adapted the nucleus of the STRIVE programme to local circumstances. In each city, various sponsors, many of them locally based, took part in financing the project. Today, STRIVE is run in 15 locations throughout the US, and has placed almost 17,000 "graduates" in regular jobs.

MS Society: Guidance by Manual

In 1953, the MS Society was founded in London as a non-profit organisation providing assistance in connection with victims and families of those with multiple sclerosis. The central office supervises 350 branches managed by volunteers. Together with the central office, they established a uniform catalogue of services as well as a constitution setting up rules and practices for the whole organisation.

In the organisation's "Suggested good practices", the central office explains its assistance for the branches and transmits their good ideas which have become part of the organisation's work. Thus the "Suggested good practices" set the standards of structure and quality developed in conjunction with the branch offices and which they can use for guidance. The MS Society is mainly financed by donations, legacies and sponsorships.

MEXFAM: One brand, many bosses

Fundación Mexicana para la Planificación Familiar (MEXFAM) was founded in 1965 to take action in the field of family planning, sexual education and care for young persons. Originally this venture worked through a number of unprofitable hospitals which were closed down before the foundation launched its Community Doctors programme in 1984. This programme provided an excellent starting point for the large number of jobless young Mexican doctors, while securing medical care in remote rural areas. The programme also helped MEXFAM to circulate information on family planning in schools and in other community institutions. Most of the Community Doctors established themselves quickly and today are part and parcel of their community.

It is hoped that more and more people will see social franchising as a system that safeguards transferability of successful models to the non-profit sector.

Another success story was MEXFAM's introduction of their Gente Joven (Young People) Programme. This programme concerned comprehensive information for young people and family planning and in 2000 was awarded the United Nations Population Award. Today, the programme reaches around 250,000 young Mexicans and has been adopted by several other Latin American countries.

NFTE: An all-purpose curriculum

The Network for Teaching Entrepreneurship (NFTE) was founded in New York in 1986, with the aim of teaching students aged 15 to 17 who come from difficult social backgrounds. As a first step, NFTE trains teachers and provides them with tested curricula and manuals. The students then develop a business idea that would fit their locality, drawing up the necessary requirements of financing, costs and prices. The best business ideas are awarded prizes.

Since 1986, more than 120,000 young people in 17 countries have taken part in their school curriculum. Target groups vary: In China, students are younger than those in the US; in Germany, Belgium and the Netherlands, the programme is used for ex-convicts and exceedingly difficult youngsters from problem areas; and in India, it is directed at young adults with breakfast provided during class.

In Germany, NFTE has been active since 2005 and is aimed at secondary school students, with a high percentage of those coming from migrant backgrounds. At present, some 800 pupils in 8 federal states are being trained following the NFTE curriculum. In agreement with the American licensers, the NFTE manual was translated for use in German schools and its structure partly changed to accommodate Germany's more conservative approach to entrepreneurship. Moreover, NFTE is establishing a curriculum for German vocational schools and is working on a micro-credit prototype.

Social Franchise Summit

To attract more attention to social franchising, the Bundesverband Deutscher Stiftungen (Federal Association of German Foundations) and a number of German and European foundations are organising the First International Social Franchise Summit on December 6th 2007 in Berlin. It is hoped that more and more people will see social franchising as a system that safeguards transferability of successful models to the non-profit sector, as suggested by Bill Clinton, and that it is an effective way to combine money, creativity and good ideas towards positive entrepreneurship.

For more information on the Social Franchise Summit, go to: www.stiftungen.org

The road to impact – High-speed freeway or spaghetti junction?

There is a consensus that in today's market of depleting resources, foundations need to do more than simply keep their heads above water. Foundations are faced with growing competition for funding, talent, ideas, and in such a situation, the fast lane towards high-impact should be the obvious route to take to avoid reaching an undesirable dead-end.

But is it valid to question whether this drive for high impact is driving foundations to unnecessary distraction? Could the fixation on strategising, monitoring and evaluation lead foundations into huge bureaucracies and prohibit them from achieving the objectives they set out to accomplish? What's more, the issue may not even be about "achieving impact", but rather about "communicating" the impact achieved, even when the result is negative.

The September EFC Summer Academy hosted by the Centre for Social Investment (CSI) in Heidelberg, Germany mapped out some principles for achieving impact and how to steer clear of the numerous roadblocks along the way.

As proposed by Marta Rey of Fundación Barrié de la Maza, if foundations want to achieve high impact, they should develop strategies that blend "economic efficiency" and "creative philanthropy". The first can be achieved through organisational processes that facilitate creative thinking, with management that coaches rather than controls; performance measurement used as a motivator of continuous improvement; and flexible structures that facilitate swift reaction. Creativity, on the other hand, requires more elusive qualities such as a visionary spirit and leadership capability to communicate and generate trust. In Rey's opinion, both elements are not mutually exclusive, and the commonly used argument that "the more creative you are, the less efficient you become (and vice-versa)" is used as a cloak by those who wish to disguise bad management and philanthropic egos.

While creativity is clearly considered a prerequisite, it is not something that foundations can easily buy or breed unless their staff is given sufficient space, responsibility, and accountability with resources, which are often restricted. Also, if foundations want to foster creativity, they need to make efforts to shake off their perceived risk-averse image, which is seen to reduce impact significantly.

Before tackling what doesn't exist, foundations could already capitalise on the untapped potential that *does,* i.e. their intermediary position between the public and private

Fatiah Bürkner, Project Director "Strategies for Impact in Philanthropy", CSI

CSI, foundations team up to study impact strategies

By Fatiah Bürkner, Centre for Social Investment

In January 2007, Fundação Calouste Gulbenkian, the King Baudouin Foundation, Stiftelsen Riksbankens Jubileumsfond, all represented through the Network of European Foundations (NEF), and the Centre for Social Investment (CSI) at the University of Heidelberg joined forces to identify and systematically examine high-impact strategies in European philanthropy.

Despite significant expansion, the financial resources of Europe's foundations remain marginal compared with the magnitude of the needs they try to address and the inputs provided by the non-profit sector as a whole, the state and sometimes business. In Germany, the amount that the 50 largest foundations by expenditure annually contribute to education (approximately 79 million euros in 2006) is spent by the state in less than one day (total expenditure in 2006: 76 billion euros).

Admittedly, these comparisons are flawed given the state's education mandate. Nevertheless, the difference is large enough to illustrate that to achieve high impact, foundations either need to find ways to reach critical mass and/or create leverage effects, or they need to do things better than other players, for example by drawing on their comparative advantages.

Against this background, this project has practical and scientific relevance. In practical terms, there is very little consultable knowledge for foundations concerning the contexts in which a specific strategy is successful. From a scientific point of view, there is no secured research about what "good foundation practice" actually is. In a functional understanding of foundations, the governance must incorporate the social responsibility of foundations. This, however, is problematic owing to the challenges related to impact measurement in this sector.

In the next two years, the project will investigate high-impact strategies using the following questions as guides:

- Which core function did the foundation assume in this context?
- How was this core function leveraged, e.g. where did it invest its money and which other resources (social, symbolic, cultural capital) were mobilised?
- What were the development conditions internally (e.g. what unique resources and core competencies were available?) and externally (e.g. dynamics in the field, maturity stage of issue, welfare state, philanthropy tradition)?
- What are indicators of impact?

The project addresses these questions in exploratory case studies. To reduce complexity, it will mainly focus on strategies from the UK, Sweden, Germany, Belgium, Portugal and Italy that tackle the issue of "fostering participation and integration" (objective or methodology). The project's deliverables will be a database of teaching cases for the sector and research cases with a special focus on leadership and governance issues.

sectors which gives them sought-after negotiating ability; and their diversity and independence, which together affords them space to be selective about what they fund. But more than these, the intuition of foundation staff and boards is a crucial component for impact. According to David Emerson of the Association of Charitable Foundations, intuition combined with training and experience becomes a valuable tool in dealing with the more transient and subjective processes, for example, who to work with, and how.

Problems occur when judgement becomes excessively subjective. Certainly, not everything can be reduced to numerical measures, nor is it simply enough to rely on anecdotal evidence. The main problem though is that there is (currently) no linear method of assessing added value in the sector, and as a consequence most foundations continue to rely on the available methods. This should not induce widespread panic, however. As Kerry McCarthy from Matrix Knowledge Group explains, "Decision-makers need best quality, relevant evidence, combined with insight, and communicated in an accessible way. Evidence can come from bespoke evaluations of a funded intervention or programme, or foundations can report on value for money, impact or implementation issues." Alternatively, McCarthy says it is possible to undertake a review of existing evidence from interventions that can provide an indication of likely impact and value for money, which is an approach that could be useful in informing future funding decisions.

McCarthy believes that the main challenge for foundations is to draw on the specialist methods available with a

Participants at the 6th EFC Summer Academy held from September 3rd - 5th 2007 in Heidelberg, Germany

proportionate use of resources to demonstrable benefit. "Foundations must ask for research methods to be used flexibly and appropriately to meet their needs. It is a challenge worth facing," she says. "Measures of impact, which can be as simple as 'the number of lives touched', show the effectiveness of a foundation and can be used to inform changes to funding strategies. More important, by measuring impact foundations can ensure that the work they fund not only does good, but does not do harm to the individuals and causes they support."

Róisín Hughes, EFC

For the full report of the Summer Academy, go to: www.efc.be/5263

Using public-private partnerships to send a clear signal about integration

By Ekkehard Thümler, Vodafone Foundation

Ekkehard Thümler, Project Manager, Vodafone Foundation

When the German Chancellor Angela Merkel talks with Bill Gates about the conditions for the successful integration of migrants, and Minister of the Interior Wolfgang Schäuble discusses "Visions of an Integrated Society" with George Soros, it's clear that the core social policy issue of the integration of migrants has made it on to the political and social agenda. And it's clear that governments and philanthropists are looking to public-private partnerships to solve some of the world's most pressing problems and challenges.

To send such a signal was the intention behind the international symposium, "Integration by Education in the 21st Century – A Challenge for Public-Private Partnerships", organised by the Vodafone Foundation and the German Federal Commissioner for Integration, Minister of State Maria Böhmer, in cooperation with the EFC from October 16th-17th 2007 in Berlin, Germany.

Symposium participants agreed that long-term and large-scale success in the integration of migrants can only be achieved if governments, business and civil society take joint action and work as partners in meeting the challenges. Böhmer complimented the foundations for having recognised the significance of the problem sooner than governments and doing important pioneer work in the field. "They can respond quickly to developments in society and trigger processes of change," Böhmer said. Wilhelm Krull, Secretary General of the VolkswagenStiftung and Chair of the EFC, reminded participants that while foundations on their own can create "islands of success", they depend on strong partners for large-scale implementation.

The event's aim went beyond the merely symbolic: The Vodafone Foundation wanted to bring together leading representatives from the worlds of politics and foundations, academia and business to enter into an exchange of knowledge and experience on how education can bring about successful integration. Some 450 participants including 50 speakers from different OECD countries first explored the general political framework for successful policies of integration by education. Then a series of panels and workshops presented examples and various approaches to the issue from Canada, Australia, Sweden and Germany and discussed successful national and international projects in the fields of early childhood education, tutoring, schools development, education for gifted children, and integration in the labour market.

One of the core messages from the symposium was that migration and integration should be seen not as a threat but an opportunity. Such has been the experience of Bronwyn Pike, Minister of Education in the Australian state of Victoria. After all, even the successful Australian system is confronted with ever-changing challenges, such as very different migrant groups, according to Pike. These challenges cannot be met with one successful model but only with a basic readiness to guide the process of migration successfully together. The demand for involving migrants in these processes to a greater degree was expressed by Sukhvinder Kaur Stubbs, Chief Executive of the Barrow Cadbury Trust.

For the Vodafone Foundation, having Bill Gates talking with the Chancellor about integration is the result of a six-month period of preparation which in itself turned into an example of a successful public-private partnership, a cooperation which was not without setbacks, such as Bill Gates initially declining to participate in the symposium. Chancellor Merkel's response was: "Then I'll talk to him myself" (successfully, as it turned out). The success of the event is also an indication that the virtues of creative philanthropy – the courage to take risks as well as flexibility, tenacity and the willingness to bring together the strengths of public and private partners – are preconditions for successful politics just as much as for successful foundation work.

For more information on the symposium, go to: www.integration-symposium.de

A marriage made in heaven? How to achieve a successful public-private partnership

If you are a foundation considering saying "yes" to a public-private partnership (PPP), here are some basic principles to consider before tying that philanthropic knot:

1. Goals
Take time to ensure that all partners are in complete agreement on the overall vision, mission and goals. The objective is to obtain consensus, not compromise, so that all partners are enthusiastic. Collectively defining clear goals gives all partners ownership, and increases the likelihood of their long-term commitment.

2. Performance measurement
Defining and achieving specific outcomes is an effective way to assess progress. Select indicators to monitor whether efforts are productive and funds well spent. Measuring progress establishes accountability and is particularly effective in a partnership with shared authority and multiple interests. Regular assessment reveals what is and isn't working.

3. Stakeholders
Partnerships are most effective when they draw upon a broad range of perspectives, resources and expertise. By involving diverse stakeholders, partnerships can gain broader public and private support for their efforts through the constituencies that each partner represents and supports.

4. Leadership
Success requires leaders who act as change agents to communicate clearly the partnership's goals and gain support. Leaders can effectively promote consensus on the partnership's goals and build political will to support or expand partnership efforts.

5. Governance
Effective governance structures define the roles partners will play and ensure that all understand and accept these roles. Many partnerships create written plans, contracts or memoranda of understanding to define responsibilities. Partners are more likely to remain active once they see their role as unique and valuable.

6. Flexibility/Entrepreneurship
Partnerships must be flexible enough to respond to and/or take advantage of changing conditions and resources, for example by changing scope or angle when needed. Entrepreneurial thinking can help leverage new resources.

7. Contributions
Each partner operates in a unique environment, bringing different strengths, knowledge and resources to the mix. Successful partnerships should remain sensitive to the different "cultures" they represent while playing to the strengths of individual members. For example, private sector partners may be well-positioned to convene efforts requiring quick action, such as generating financing commitments. Public sector partners may be able to provide information and convening meetings, while non-profit organisations lead visioning and goal-setting processes that require consensus among all partners.

8. Momentum and sustainability
The most successful partnerships take the time to plan how they will sustain efforts from the beginning. Many structure activities so that partners gain a sense of accomplishment from completing interim tasks, even though goals may take several years to accomplish. It is also important to plan for financial sustainability and to recognise that dedicated staff may be needed to support the partnership both initially and over time.

Róisín Hughes, EFC

Source: 2007 EFC AGA & Conference session report, "PPPs – One way to reach philanthropic goals"

Apples and oranges... and kiwis and plums – Creating a typology of foundations in Europe

Leaders of 29 European foundations, predominantly EFC members, met on September 7th 2007 in Brussels to delve into the complex issue of foundation typology. The surprising outcome revealed a widely-held desire to deal with the whole typology question. Participants pointed to the Italian foundation scene's fluidity and dynamism to show that using existing typologies to classify foundations is virtually impossible.

The EFC's Typology of Foundations was last revised in 1995. While it serves as a good basis for understanding foundations in Europe, it does not go far enough in taking into account new forms that have sprung up since its last revision. The group agreed in the end that there is a need to protect "true" foundations, and create good, safe, and coherent definitions of what foundations are, and a simple, yet well-defined typology could provide this.

What would a new typology be used for? Clear definitions of the wide variety of foundations in Europe would bolster efforts to create favourable legal and fiscal operating environments – to have these, foundations must be classified and understood. A typology would provide foundations and corporate funders with a comprehensive overview of the different types of foundation that exist in Europe, and would also be of key relevance to organisations and individuals that seek funding from the foundation community; as well as scholars, researchers, the media and governmental bodies that work with this community.

A typology would not only help steer communications strategy – different foundations need different ways of communicating – but it would also help in choosing how to represent EFC members' interests, at EU level for example. The issue of typology will also need to be addressed by the soon-to-start feasibility study on a European Foundation Statute (see article on page 9).

But how do we go about creating such a typology? Is it even possible to create an all-inclusive typology of foundations in Europe? In an EU context, 27 different sets of national law related to foundations (and even more if regional laws are taken into account), 27 histories of national foundation sectors and 27 perceptions of what foundations are, mean creating a typology will not be easy. The key is to avoid becoming submerged in a multiplicity of types, and instead focus on typologies that are useful in the context of the questions being asked. In short, it is better to stick with a simple typology, rather than delving into the genetics of *sui generis* foundations.

Unfortunately, no single typology can fit all the types of foundation in Europe. There are too many differences and hybrids, and the trend is increasing. The EFC's current typology embraces 19 different kinds of foundation, classified according to 3 criteria: source of finances, control of decision-making, and how foundations distribute resources. However, Italian savings bank foundations, to take one example, do not fit any one of these 19 types. And the problem is not restricted to Italian foundations. Many European foundations fit multiple categories in the EFC typology, or none at all.

The EFC faces the same problems as any other "trade association", i.e. the very different backgrounds and interests of its members, but compounded by a diversity of regional and national cultures, not to mention the wide variety of legal and fiscal environments for foundations across Europe. In the discussion, a simpler typology was put forward: 1) foundations for public benefit, 2) foundations for private benefit, and 3) a combination. The problem is that type 3) may be seen as public benefit providing shelter for private benefit.

Independence of judgment is another important and complicated issue. For instance, the presence of a government representative on a foundation's board does not necessarily threaten the foundation's independence. There is also a need to address in greater detail how the terms "public benefit" and "philanthropic" are defined. A 30 million euro gift to a concert hall, one participant drily pointed out, is not exactly philanthropic in some people's eyes. Perhaps it would be more useful to look less at where money comes *from* and instead focus on where it goes *to*.

The waters are further muddied by the word "foundation" itself. European governments and the EU use the term "foundation" for some initiatives they create because the term connotes a positive brand. Many associations use the term because it has cachet and suggests more fundraising power than "association". Likewise there is confusion between foundations and charities, and, with national regulations varying between countries, the distinction is not always easy to make.

The expressed desire to sort this issue out, and the recognition that this won't be easily done, guarantee further debate on the typology question.

Jon Warne, EFC

Have a comment? Write to Jon Warne, EFC Knowledge and Information Department: jwarne@efc.be

To download the EFC's Typology of Foundations, go to: www.efc.be/5279

The legal and fiscal scene

Feasibility study on the European Foundation Statute gets going

The long-awaited feasibility study on a European Foundation Statute is now under way. Having won the tender, the Max Planck Institute for International Private Law (MPI) in Hamburg and the Centre for Social Investment (CSI) at the University of Heidelberg have signed the European Commission contract for the feasibility study, which is set to run for 11 months. The study is part of the European Commission's European Company Law and Corporate Governance review, and it follows several public consultations on the matter.

According to the letter of the invitation to tender, the study's objective is to provide an overview of the main regulatory differences regarding foundations in Member States and an inventory of the main internal market barriers for foundations, as well as an estimation of the costs triggered by such obstacles. The study should analyse how existing barriers and cross-border obstacles could be overcome, including through the development of a European Foundation. The study should finally provide recommendations to the Commission from a regulatory perspective.

The study should cover the following specific areas:

- Overview of the main types of foundations by size, activity and willingness to carry out cross-border activities
- Comparison with the US regarding the foundation sector's importance in the economy
- Overview of the main regulatory differences regarding foundations across the EU
- Cross-border activities: barriers and their economic relevance
- Estimation of the importance and cost of these barriers
- Analysis of possible ways to eliminate these barriers (including the introduction of a European Foundation Statute)
- Assessment of the possible effects of a European Foundation Statute

An expert group composed of foundation practitioners and experts on law and economics has been put together for the study, with several EFC members involved. The study will be led by representatives of the consortium (Klaus J. Hopt and Thomas von Hippel from MPI and Helmut Anheier and Volker Then from CSI). Volker Then cautions that there are several challenges ahead, including the tight schedule for undertaking the feasibility study as well as the lack of complete empirical data on the European foundation sector and the difficulty of assessing the economic relevance of existing barriers and potential effects of a European Foundation Statute.

The EFC will be closely following the work and recommendations of the feasibility study. It will provide available data on the foundation sector, as well as some background information regarding the regulatory differences concerning foundations across the EU. Through the DAFNE network (Donors and Foundations Networks in Europe) and its own database, the EFC will help provide a representative sample of foundations. The EFC will also help compile case studies for existing barriers for foundations' and funders' cross-border work.

The EFC and its members have been pushing at national and EU level for the development of a European Foundation Statute for which it finalised concrete recommendations in 2005. So the Centre warmly welcomes the launch of the feasibility study. A European Foundation Statute is needed at a time when an increasing number of European foundations and funders are engaging in cross-border activities. It would enable European foundations to undertake public benefit activities across the EU Member States without undue legal and administrative burdens. The Statute would create a new legal instrument that would be optional and complementary to national foundation laws and would be governed by European law.

Next steps

The Feasibility Study on a possible European Foundation Statute will provide the European Commission with recommendations for future action. Building upon the results of the study, it is hoped that the Commission will propose a Regulation on a European Foundation Statute, after which the Regulation would need to be approved by the European Parliament and the Council of the EU.

The EU Commissioner for Internal Market and Services, Charlie McCreevy, expressly mentioned the launch of the feasibility study in a speech delivered at the European Parliamentary Legal Affairs Committee on October 3rd 2007. He said he was aware of the strong support for the Statute in the European Parliament, that work is still at an early stage, and all options remain open. The EFC will continue to press for a proposal for a European Foundation Statute as a new and optional European legal instrument that foundations and other funders could use to develop their work across Europe and beyond.

Miia Rossi and Hanna Surmatz, EFC

Has your foundation encountered any barriers to its cross-border work? If so, the EFC secretariat would like your experience to feed into the feasibility study. Please send a short description of these barriers to: legal@efc.be

The European Foundation Statute – A chronology

2001: EFC reviews foundations' legal and fiscal operating environments and begins drafting recommendations on a European Foundation Statute

2001–2002: European Commission sets up a High Level Group of Company Law Experts to review future needs

June 2002: Commission launches public consultation on Company Law reform – EFC and its membership respond and highlight the need for a Statute

May 2003: Commission presents its Action Plan for Company Law and Corporate Governance, which reviews the potential development of a European legal form for foundations

January 2005: EFC publishes recommendations on a European Foundation Statute

December 2005: Commission launches a second public consultation on European Company Law – nearly one third of the respondents are foundations expressing their support for the Statute

April 2007: Commission launches a call for tenders for the feasibility study on a possible Statute

November 2007: Max Planck Institute of International Private Law (MPI) and University of Heidelberg/Centre for Social Investment (CSI) begin work on the 11-month feasibility study

For more information on the EFC's work on a European Foundation Statute, go to: www.efc.be/european_statute

Germany's groundbreaking tax reforms – The process and the product

By Stefan Stolte, Stifterverband für die Deutsche Wissenschaft

Stefan Stolte, Head of Legal Affairs, Stifterverband für die Deutsche Wissenschaft

Germany has taken a big step towards creating a highly favourable environment for philanthropy. The latest reform of German tax law affecting donors has led to several enhancements, in particular more tax incentives.

The new law, "Gesetz zur weiteren Stärkung des bürgerschaftlichen Engagements" (Law on further enhancement of civic engagement), aims to improve the legal framework for founders and foundations and boost citizens' engagement for philanthropic purposes. In late September 2007 the German Bundesrat, the upper house of parliament, passed the law, which then came into force retroactively from January 1st this year.

It was quite a long process, but what resulted is widely seen as a tremendous success story for German civil society. What is especially intriguing about the reform is not only the new and improved regulations it involves, but also the political process that led to its success. Never before in German history has foundation-related tax law been revised in a more dedicated manner to create a truly enabling legal environment for donors and founders.

The following elements seem to have been critical in the political process:

- **Concerted communication from the third sector**
  Communication was critical to avoiding a muddle of different views and perspectives from the diverse group of lobbying organisations. It was an important decision that the third sector had – for the first time – formed one common expert group, the "Bündnis für Gemeinnützigkeit" (Alliance for Philanthropy), which included academic and foundation professionals. This group of umbrella organisations managed to focus on a set of consensual recommendations and published them early in 2006. At the same time, the Alliance offered state authorities more cooperation as well as improved transparency and accountability of third sector organisations as the basis of a code of conduct. The Alliance for Philanthropy was the perfect instrument to ease communication between stakeholders and parliament.

Left to right: Fritz Brickwedde, Chairman of the Association of German Foundations; Peer Steinbrück, Federal Minister of Finance; and Hans Fleisch, Secretary General of the Association of German Foundations, pictured after the Minister's conversation with non-profit associations at the office of the Association of German Foundations

- **Strong personalisation in the political sector**
  Peer Steinbrück, German Federal Minister of Finance, positioned himself as one of the biggest sponsors of the reform project. He was so strongly identified with the project that the reform was even named the "Steinbrück Initiative".
- **A healthy economic situation**
  A good economy helped make it politically feasible to grant additional tax incentives to donors. In an expert hearing of the parliamentary Finance Commission in June 2007, figures were presented illustrating the reform's financial impact on tax income. Even in a worst-case scenario from the tax perspective (meaning a threefold increase in the number of foundations), losses were estimated at a maximum of 500 million euros. Steinbrück and parliament were convinced that the resulting philanthropic engagement would more than compensate for this.
- **A grand coalition committed to promoting philanthropy**
  The current German government is formed by a grand coalition of the two main parties, the Christian Democrats and the Social Democrats. Such a coalition usually helps improve parliamentary decision-making. The coalition had also committed itself to strengthening volunteering, foundations and the third sector as a whole in its coalition treaty of 2005.

Three major categories of reform resulted from this process:

1. More tax incentives
Regarding tax incentives, Germany has clearly become much more attractive to donors and founders. Individuals can now donate the maximum amount of 1 million euros for the endowment of a foundation with qualifying purposes, and write this amount off over a period of up to 10 years. Before the law revision, the amount was only 307,000 euros, and was solely applicable if the funds were used for a newly-established foundation. This led to a macroeconomic malfunction because many founders took this limit as a guideline for an optimum endowment (which is of course not enough to work efficiently), so the foundation landscape only grew in numbers, not in strength. Furthermore, for donations made by individuals, a tax deduction is now granted for up to 20% of annual taxable income, and for corporations 0.4% of the sum of turnover and salaries. Before the reform, tax deductions were only 5% or 10% for individuals, depending on the qualifying purpose, and 0.2% of turnover and salaries for corporations.

2. Less bureaucracy
What is especially important about the new 20% limit is that it is one uniform rate instead of the two previous ones (5% and 10%). The old model led to superfluous bureaucratic effort because it was always necessary to differentiate between donations for purposes qualifying for a 5% write-off and a 10% write-off. For example, it was not possible to spend a donation for science on a student scholarship as this would have been regarded as education (meaning 5%), not science (10%). Moreover, before the reform there had been a differentiation between privileged purposes that led to tax benefits for foundations themselves and those that led to tax benefits for donors and founders. This obstacle is now obsolete because the purposes regarded as welfare-oriented have been synchronised. Last but not least, small donations of up to 200 euros do not have to be evidenced for the tax authorities – before the reform, this was only possible for donations of less than 100 euros.

3. More room for foundations regarding economic activity
Regarding the economic activity of foundations, as a general rule, income from activity that is not related to the tax-privileged purpose of a foundation is taxable. Before the reform, this rule only applied if earnings exceeded the amount of 30,678 euros. This has now been increased to 35,000 euros, giving foundations more flexibility.

Without doubt, the tax reform is a significant step in the right direction and is, in fact, the biggest improvement in foundation tax law in German history. But there is still room for improvement: Despite the current infringement procedures against several EU Member States, during the recent reform process in Germany, the issue of cross-border donations was not even discussed, let alone tackled.

For more information, see the EFC briefing at www.efc.be/5283 drafted with the Association of German Foundations

It's time to fix the inequitable VAT treatment of charities, NGOs and foundations

By Mathieu Mori, Charity Tax Group/European Charities' Committee on VAT

Mathieu Mori, Policy Adviser, Charity Tax Group/European Charities' Committee on VAT

A taxation mechanism that was intended to introduce a fair tax on consumption has turned out to be anything but fair when it comes to charities, NGOs and foundations. Value-Added Tax (VAT) works well for commercial enterprises but causes a significant burden for non-commercial entities. Under this system, the cost of the tax is borne by final consumers of goods or services, with suppliers normally able to recover VAT on the materials and services they buy for use when producing goods and services.

However, when the original VAT system was developed, the special position of charities, NGOs and foundations was not considered. These organisations are penalised under the current VAT system because they provide services that are either exempt under EU law or are outside the scope of VAT because they do not charge for the services they provide. In both these cases, the organisations cannot or do not charge VAT to their customers or beneficiaries and so cannot recover the VAT on their expenditure. They are, in effect, treated as final consumers even when they are not.

The facts and figures resulting from this extraordinary situation where commercial organisations are treated more favourably than charitable ones are striking. VAT can amount to 10% of a charity's overall expenditure whereas for a typical business it is likely to be in the region of 1.5%. In the UK alone, charities, NGOs and foundations lose over £400 million (574 million euros) every year because they have to pay irrecoverable VAT. This is £400 million which is not going towards the primary purpose of the organisation. In the case of foundations, many of the beneficiaries of their grants will also be subject to irrecoverable VAT, which will either have to be covered by the foundation in the grant or found from other resources. This considerably reduces the impact of grants.

The inequity of the current situation has long been recognised by the European Commission and the European Parliament, both of which have acknowledged that the VAT treatment of charities is unsatisfactory.

The chance to act

At some point in 2008, the European Commission will launch a crucial consultation on reviewing the taxation of public bodies and on the future of social exemptions. In several EU countries, local authorities (public bodies) do not charge VAT but are able to get a refund of the VAT they incur. This consultation will be a chance for the charitable sector to make its voice heard for a radical rethink of the VAT treatment of our organisations.

In reviewing the special arrangements where public bodies secure VAT refunds, the Commission is considering including such refunds in the VAT system. If this suggestion is to be adopted, it is absolutely essential that charities be included in the list of bodies eligible for a refund when they provide public services under contract to central or local governments. If they are not, they will be forever operating under the present inequitable regime.

The Commission is also proposing to review the use of the social exemptions in Article 13. This would not necessarily be a bad thing for charities, although the rate of tax charged on the outputs of a charity would be crucial. In such circumstances, the implementation of Point 14 of Annex H of the Sixth Directive (Point 15 of Annex 3 in the new version), which states that the outputs of charities and social welfare organisations may be taxed at a reduced rate, would need to be implemented and made mandatory at EU level. But, there could still be major problems for charities, since the rate of VAT charged on the output of charities would, in most countries, still be too high to produce a neutral effect. We therefore believe that a special reduced rate on the social welfare outputs of charities (which could be deemed a "charitable" tax rate) would need to be introduced.

The European Charities' Committee on VAT (ECCVAT) with the help of the London-based Charity Tax Group is currently studying the impact that various scenarios (refund scheme, zero rate, etc.) would have on different categories of charitable organisation. If you wish to be involved in this exercise or would like to know more about the issue and how you can help, please contact Mathieu Mori at: mathieu.mori@centrallobby.com

For more information on ECCVAT, go to: www.eccvat.org

Feature:

Space for philanthropy in research

Europe has set its sights on becoming a leader in innovation and research, and boasting the most dynamic, knowledge-based economy in the world by 2010. What challenges does this entail? Where are foundations in this picture and how are they supporting and fostering research and innovation? With the launch of the European Forum on Philanthropy and Research Funding in December 2007, EFFECT takes a look at what foundations are already doing to support and cultivate research, and what the future holds for them.

Nurturing innovation – New opportunities for European foundations

By Wilhelm Krull, VolkswagenStiftung

At the beginning of the 21st Century we are experiencing social, environmental and technological change at an unprecedented pace. We are seeing an ongoing transition in the international division of labour from hands, tools and machines to brains, computers and laboratories; a continuous increase in the importance of electronic communication for transnational networking; a growing need for each institution to attract the most creative minds in strategically-selected areas of expertise; and an awareness that local and regional strengths have become a prerequisite for establishing viable international collaborations based on the mutually-acknowledged global competitiveness of all partners involved.

Wilhelm Krull, Secretary General, VolkswagenStiftung, and EFC Chair

These realities make it imperative for relevant actors in Europe and across the globe to go further in encouraging fresh ideas and new ways of thinking, particularly in the areas of research, innovation and higher education. A forward-looking and proactive approach towards the challenges ahead is needed. Even under rapidly-changing circumstances, it still holds true that the best way of approaching future challenges is to get involved in actively confronting and shaping them continuously.

Foundations and philanthropic organisations can play a leading role in supporting these efforts across Europe. To do so, foundations – in particular those active in research, innovation and higher education – will have to make more efficient and effective use of their competitive advantages. Given the billions of euros spent by public authorities and enterprises, it is indeed not the overall amount of money spent, but rather foundations' autonomy, alertness and flexibility – in short, the approach taken – that makes the difference.

One vehicle for foundations' increased involvement in research and innovation will be the European Forum on Philanthropy and Research Funding, which will be officially launched in December 2007. The Forum is led by the EFC with support from the European Commission and individual funders. It aims to help underpin philanthropic funding for research through the exchange of experiences and best practices, the development of cooperation on research funding, and the promotion of a favourable environment for foundation and private philanthropy undertakings.

At the European level it makes sense for foundations to engage in this kind of common effort to launch more cooperative programmes, and to strengthen public and private investment in research and development. For the EFC and its members it will be an opportunity and a challenge to take the lead in this endeavour by convening foundations committed to research funding, by supporting frontier research, and by engaging in collaborative actions with universities, research organisations, governments and enterprises.

What foundations can bring to the table

Due to the perpetuity of their endowments, foundations are independent from election periods as well as shareholders' views. They can act autonomously in supporting the first experiments in new areas, in taking risks when it comes to exploring hitherto unknown territories, and in substantially encouraging frontrunners in institutional reform. Unlike publicly-financed agencies which are dependent on political decisions and have to provide equal opportunities for all, private foundations do not have to wait for political consensus. They can act much more freely, flexibly and quickly. For them the objectives to be achieved are always more important than bureaucratic rules and regulations.

Therefore, foundations can add value to higher education reform and research efforts in a variety of ways by:

- Stimulating private means and initiatives to the long-term benefit of the public at large
- Identifying relevant topics or infrastructural demands for priority-setting processes
- Encouraging new developments, and creating role models for an effective change of institutional strategies

or structures as well as common practices
- Assisting in implementing topical or structural innovation on a wider scale
- Contributing to the creation of a research-friendly society

Fostering creativity

Encouraging change and contributing to fostering cultures of creativity are two "musts" when it comes to tackling challenges through promoting higher education, research and innovation. Although these concepts are two sides of the same coin, it is by no means a straightforward process to establish them. In higher education and research at least the following preconditions will have to be met:

- **Competence:** The first precondition is to provide the best training for the future generation of academics and to enable researchers in general to develop their skills as freely as possible.
- **Courage:** Researchers and funders must be both courageous and adventurous. Only if you are prepared to share the risks can you encourage people to enter new fields and leave the beaten track.
- **Communication:** Thought-provoking discussions are essential for achieving progress in research, in particular cross-disciplinary and trans-cultural exchanges, but also interactions with the outside world.
- **Diversity:** Also in academia, monocultures do not provide an adequate breeding ground for exceptional thoughts. New knowledge is usually formed at the boundaries of established fields, so the interfaces between these areas of expertise must be activated.
- **Innovativeness:** The fifth precondition of success in achieving breakthroughs is to foster innovativeness. We have to make sure that we identify and encourage those researchers who are prepared to take a risk with unconventional approaches.
- **Persistence and perseverance:** To take new pathways in a barely known territory requires much longer timescales than the usual pattern of two to three years of project funding. It is also important to accept that mistakes can be made, and pursuing directions other than originally planned is possible.
- **Serendipity:** Definitely, the decisive moment when a radically new idea emerges, or a major scientific discovery is made, cannot be planned for. But there are numerous examples in the history of research which prove it is possible to establish a particularly stimulating environment for generating new knowledge.

The proof of our good intentions is in our action, its results, and its lasting impact.

Foundations can help higher education and research institutions as well as individuals tackle the challenges of change. Many of them can only be met if we take a long view. We Europeans must be prepared to exercise judgement, take risks, and make long-term commitments while maintaining the flexibility to respond to new challenges.

Global cooperation in research

On a global scale, European foundations will also have to reconfigure their approaches, in particular vis-à-vis the developing world. Of course, the grand challenges such as the Millennium Goals must first be addressed at the G8 and UN levels. But foundations can also help to encourage those who are willing to bring about change. As was discussed at the 2007 EFC annual conference in Madrid, the traditional, postcolonial approaches to collaborative research are no longer viable.

What is needed is to develop new ways of sustainable capacity-building, to take a long-term view in order to get results, for example by empowering African researchers with the confidence and courage to chart their own future priorities. First and foremost, this requires from us a true "commitment to listen to local voices" (The Lancet, vol. 363, 3 April 2004, p. 1087), and a deep understanding of the issues and the corresponding research needs. Without serious attempts to overcome our Eurocentric view of the world, to adapt to local problems and perspectives, and to develop appropriate funding concepts in truly symmetrical partnerships, we will not succeed in responding adequately to the challenges to humankind ahead.

Several European foundations have already begun to change their strategies and funding modes accordingly in order to improve North-South as well as South-South cooperation. In addition, initiatives such as Europe in the World, the attempts made to mobilise leadership and resources towards achieving at least some of the research-related Millennium Development Goals, the HIV/AIDS funders' initiative, and the EFC Sub-Saharan Africa Funders Network have become widely acknowledged as important steps towards taking on jointly the responsibility to successfully engage in locally-informed and sustainable research capacity-building. In the end, both sides will benefit from these endeavours. The idea of two different worlds of science should be "anathema to the scientific spirit" (Kofi Annan), but it will require the commitment of all of us to change current conditions, and to bring the full benefits of university training and research to every part of the world.

The proof of our good intentions is in our action, its results, and its lasting impact. As the German author Friedrich Schiller once said, "If what we are doing does not speak for itself, then words won't be of any help either."

A picture of the European Forum on Philanthropy and Research Funding

By Pier Mario Vello, Fondazione Cariplo

Pier Mario Vello, Secretary General, Fondazione Cariplo

Europe has set itself ambitious goals in scientific research. The first objective of the 2000 European Council meeting in Barcelona was investing 3% of GDP in scientific research. In reaching this target, foundations and philanthropic organisations can play a leading role, which includes sharing their expertise with all research stakeholders.

The need to set up a European Forum on Philanthropy and Research Funding was identified at the March 2006 Conference "Giving More for Research in Europe" organised by the European Commission in cooperation with the EFC. More than 200 participants from foundations, research bodies, universities, public authorities and industries discussed strategies and possible initiatives on how philanthropic bodies could fund more knowledge generation and research. An expert group, sponsored by the European Commission, proposed measures at national and European levels to promote the role of philanthropy in research. Specifically, the need for the Forum was endorsed by the conference attendees. The Forum would run as a facilitating platform to develop a European philanthropy research agenda and would promote mutual learning, good practice sharing and collaboration.

The Forum represents the crossing point of foundations, trusts, private and public donors, and universities and research institutes that are interested in exchanging experiences and good practices, and in fostering cooperation. The Forum can promote an enabling environment for foundations and private philanthropy in research. It can facilitate the discussion on how to make more and better use of philanthropy as a source of funding for research.

The Forum Steering Group was set up by Fundação Calouste Gulbenkian (Portugal), Lundbeckfonden (Denmark), The Wellcome Trust (UK), the Foundation for Polish Science (Poland), and the European University Association. The Chair is held by Fondazione Cariplo and the Forum secretariat is run by the EFC.

The goal of the Forum, as a collaborative network to exchange information and expertise, is to facilitate the creation of an environment that would see:

- Effective philanthropic support for research through improved legal and fiscal environments
- Enhanced cooperation between philanthropic bodies and other research stakeholders
- Documented and better understanding of the added value of foundations' contributions to research
- Philanthropic investment in research as a complement to but not a substitute for public funding

The selection of the following priority areas was based on some 100 "expressions of interest" submitted by stakeholders after the 2006 Conference: Research funding policies of philanthropic organisations; legal, regulatory and fiscal issues relating to donors and philanthropic organisations; governance and ethical issues relating to philanthropic support of research; and fundraising by universities from philanthropic sources.

The proposed work programme running from March 2007 to February 2008 includes the organisation of the Forum launch conference in Brussels on December 4th 2007, the start-up of the communication activities, and the launch of four working groups on mapping research foundations; evaluating research outcomes and impact of foundations' support for research; legal and fiscal issues; and governance and ethical issues.

The Forum will draw on lessons learned from its stakeholders. For instance, each year Fondazione Cariplo funds more than 30 million euros in scientific research, and we have learned a lot from this experience. The first lesson is that investments must be transparent and must fund the best projects. The second lesson is patience – research needs time and continuity to produce results. For this reason the objective selection of activities based on merit is a very important criterion. The third lesson is that it is not possible to work alone. Foundations are often criticised for their reluctance to cooperate. Sharing experience and knowledge is crucial. The fourth lesson is that it is necessary, especially in the field of scientific research, to overcome national or regional borders and to think in a pan-European way.

I am sure that the Forum and the activities of the expert groups will be of great help to foundations, institutions and stakeholders in the scientific field, and will improve the ways in which we as foundations support research.

For more information, go to: www.efc.be/research_forum

European Commissioner Janez Potočnik on research in Europe and how foundations fit in

EFFECT talked with European Commissioner for Science and Research, Janez Potočnik, to find out what the Commission's priorities are in research and what role it sees for foundations.

EFFECT: What are the priorities for the EU in research? How are these reflected in the budget of the EU, and the programmes initiated by the European Commission such as the 7th Research Framework Programme?
JP: The approach we take to research is basically this: If we are to compete globally and maintain, and improve, our quality of life, then we need to know more and be better, because that's where our advantage lies. We can't cut wages, or take away social security, even if we will have to reform it a bit. We know that we can't afford to advance at the expense of the environment, and we have pretty scarce natural resources. So knowledge – education, training, research – is our best option.


Janez Potočnik, European Commissioner for Science and Research

So what we are trying to do is create in the EU an environment that recognises and supports this knowledge, and allows it to be put to the best use for Europe's future. In 2006 the EU adopted an Innovation Strategy, outlining how instruments from public procurement, state aid and, of course, philanthropy can be used to promote innovation within the EU. We also put forward ideas about modernising Europe's universities, to allow them more autonomy in making decisions, including those that would allow more cooperation with foundations and private sources of funding.

Then earlier this year, the Commission put forward a consultative document on the European Research Area (ERA). The basic idea here is that Europe can achieve more if it finds ways to overcome the current fragmented objectives of its Members' research policies. Or put another way, in addition to the four freedoms that are the key to the internal market – people, goods, capital and services – we want a fifth freedom: the free movement of knowledge. This covers matters such as making it easier for researchers to work wherever they want in the EU; a true coordination at European level of national and regional research policies and programmes; and the creation of truly European research infrastructures.

Of course, a major instrument that we have is the 7th Research Framework Programme, funded with almost 55 billion euros from the EU budget, to create research partnerships and bring together European research excellence. The 7th Research Framework Programme will run from 2007 to 2013. It builds for the most part on the good experience of the past, with some notable innovations such as the creation of the European Research Council, which funds the best "scientific frontier" ideas from scientists based in Europe, and is steered by the scientific community itself. We have introduced the concept of Joint Technology Initiatives which establish public-private partnerships in certain well-defined areas of R&D which can make a particular contribution to boosting Europe's industrial competitiveness.

Aiming at raising research funding from philanthropic sources to 0.2% of European GDP would seem an ambitious but realistic target in the long run.

- Janez Potočnik, European Commission

EFFECT: Foundations are one of several types of actors in the research funding scene, working both independently and in cooperation with other actors, public and private. Within this spectrum, how do you perceive the role that foundations could play towards these objectives?
JP: They can bring substantial additional funding to research performers, as is already the case in medical research in the UK for instance. They can encourage the development of excellence in specific fields, especially those that might be overlooked either by the business sector or public funds. I also believe that foundations can have an impact on the behaviour of those who receive their funding, for example through requirements for open publication of results, or linking research with social trends. Overall, aiming at raising research funding from philanthropic sources to 0.2% of European GDP would seem an ambitious but realistic target in the long run.

EFFECT: The European Forum on Philanthropy and Research Funding, to be launched on December 4th with support from the European Commission, will raise awareness of the role, practices and added value of foundations and philanthropy in supporting research. What are your expectations for the Forum?

JP: The launch of the Forum just goes to show that the research and philanthropy worlds are ever more interested in each other. There is a history of cooperation, of course, but the time has come to put this relationship on a firmer footing. Examples from abroad, in particular in the US, hint at the great potential that exists to increase the role of philanthropic funding of research in Europe. The Forum should be a place of discussion and exchange between donors and research performers, focused on finding solutions to the concrete issues facing them.

These issues can be legal, regulatory or fiscal, and they hinder the development of philanthropic funding, in particular across borders. I expect that several services of the Commission will be closely observing the work of the Forum and where appropriate feeding into it. I know that the services that work directly with me will be outlining the results of a recent expert group on fundraising by universities from philanthropic sources and will support the development of the mapping of philanthropic funding of research. My hope is that the work of the Forum will help identify more clearly the areas where policy support or new measures would be needed at EU level.

EFFECT: In 2006 the Commission launched a series of initiatives to encourage scientific careers in Europe, and improve working conditions. They include the European Charter for Researchers and Code of Conduct for their Recruitment; the "scientific visa" package for researchers; the European Researchers Mobility Portal; and the network of mobility centres. What progress, hurdles can be reported upon at this stage?

JP: The initiatives you refer to are part of the overall strategy adopted by the EU to support the mobility of researchers and make their careers more attractive. These initiatives, together with the efforts undertaken to modernise European universities, are crucial if Europe is to remain a leading scientific power in the context of increasing international competition to attract the best researchers, especially at a time when a generation of researchers is starting to retire.

It is an important part of what we are trying to do overall in the field of research and innovation that there is improvement in the general environment for private investment in research.

- Janez Potočnik, European Commission

I think there is some progress to report. For example, the European Researcher's Mobility Portal, which provides information on training and job offers, and practical information on living and working in another country, advertises about 1,000 jobs per month and the number of visitors is constantly growing. In addition, the European Network of Mobility Centres, ERA-MORE, which is composed of more than 200 Mobility Centres in 32 countries provides assistance to mobile researchers and their families. Nearly 200 organisations, representing over 800 institutions in 23 countries, have signed up to the European Charter for Researchers and the accompanying Code of Conduct for the Recruitment of Researchers. In 2006, 100,000 people took part in events in 21 countries celebrating "European Researchers' Night".

So, on the whole, positive news, but... undoubtedly more has to be done if we are to have a true single and effective labour market for researchers in Europe.

- Janez Potočnik, European Commission

I'm a little more disappointed about the progress with the scientific visa. By October 12th, the deadline for implementing the Directive, only 6 Member States had notified the Commission of their national measures to put it into law, and 4 had done so only partially. Because this is a legal measure, those countries that have not implemented the Directive and don't have a prior opt-out (which is the case for Denmark and the UK) risk a case in front of the European Court.

So, on the whole, positive news, but, as I have already said, undoubtedly more has to be done if we are to have a true single and effective labour market for researchers in Europe. The issue of mobility came very high on the list of issues arising from our consultation on the European Research Area and so we are considering what initiatives we can take, one being the idea of a "European Researcher's Passport" to ease the way for those researchers that wish to experience working in another Member State.

EFFECT: How can the Commission help create an environment more conducive to foundations' support for research across Europe?

JP: It is an important part of what we are trying to do overall in the field of research and innovation that there is improvement in the general environment for private investment in research. Foundations and philanthropy are integral to that. We are working on identifying and reviewing good practices in fundraising by universities from philanthropic sources in Europe and abroad, and developing a mapping of philanthropic funding of research in Europe. My services will follow closely the discussions in the Forum in particular regarding potential legal and fiscal barriers to the development of cross-European philanthropic funding. We have already launched a feasibility study regarding the possible creation of a specific statute for European foundations.

Trends and issues in research funding

How one foundation handles ethics in funding research

By Steen Hemmingsen, Lundbeckfonden

Steen Hemmingsen, Executive Director, Lundbeckfonden

With an annual grant expenditure of 40 million euros, Lundbeckfonden, based in Denmark, primarily supports research in biomedicine and science in Denmark or research which involves international cooperation with the participation of Danish researchers. We depend on ethical guidelines developed by the scientific community and public authorities, and those developed by the foundation itself.

The Lundbeckfonden's principles for research funding involve a transparent and competitive approach to grantmaking. Decisions on funding are based on peer review involving independent researchers – many of whom come from abroad. The foundation does not demand ownership of patents resulting from the research but accepts that such benefits belong to the universities and the researchers in accordance with the universities' guidelines. We expect all research to be carried out in accordance with legal requirements, for example approval of experiments on human subjects by local ethics committees, and approval of research registered with the Data Protection Agency. Grants from the foundation are not released until such approval has been documented.

We also expect that the research is performed according to non-legal guidelines/principles for research issued by universities or generally accepted as best practice by the scientific community. For example, for major projects we require a written commitment from the senior investigator that the participants are trained in and execute research according to guidelines for good scientific practice.
In its grantmaking activities, Lundbeckfonden has guidelines aimed at avoiding the emergence of conflicts of interest involving the foundation's staff, its board, its external reviewers and the two pharmaceutical companies controlled by the foundation. We consider it important that research results be published, and we endeavour to evaluate the outcome of the research funded by the foundation.

A European perspective

As a research-based foundation in an EU country, and as a member of the EFC, Lundbeckfonden is aware of the ethical regulations/guidelines for financing research issued by the EU as well as the Danish authorities. The foundation assumes that grantees comply with the rules and regulations at the time and place in question, primarily in Denmark. The foundation has guidelines for its grantmaking policy aimed at transparency, independence in evaluation and grantmaking as well as quality of the supported research.

The EU has drawn up ethical rules and included these, among others, in the 7th Research Framework Programme. These rules state that participants must conform to current legislation and regulations in the countries where the research will be carried out. They must seek the approval of the relevant ethical committees prior to the start of the research activities, if ethical issues are involved. Furthermore, participants should respect international conventions and declarations and all applications received must describe the ethical aspects and socioeconomic issues raised by the project; show how they have been adequately taken into account; and detail how they will be addressed in order to conform to national European and international regulations.

At the European foundation level, several major research foundations have programmes on ethical issues in research, including the Nuffield Council on Bioethics, which examines ethical issues raised by new developments in biology and medicine. Established in the UK by the Nuffield Foundation in 1991, it is an independent body funded jointly by the Foundation, The Medical Research Council and The Wellcome Trust. Also, The Wellcome Trust has its own funding of projects in ethical issues raised by research in biomedicine.

As the number of research grants involving several countries increases, it is expected that "best practice" relating to ethics in research funding will align across the EU. It is, however, recommended that each private foundation funding research, while benefiting from the experience of others, addresses these important issues independently. The European Forum on Philanthropy and Research Funding will, we hope, provide inspiration for these important considerations.

Making a difference – Evaluating impact of research foundations

By David W. Lynn, The Wellcome Trust

David W. Lynn, Head, Strategic Planning & Policy, The Wellcome Trust

European research foundations are increasingly making a difference through the work that they fund. Or are they? With an annual expenditure of about £500 million, the Wellcome Trust funds some 5,000 researchers in over 40 countries. Like most research funding agencies, we invest considerable time and resources in engaging peers in decisions about which grants to fund.

Evaluating impact

In some way, all researchers and research organisations are accountable to a range of public, charitable or commercial bodies for their use of funds. And research funders themselves are increasingly keen to assess how their funding is making a difference.

There are four main areas where a research funder might use the information gained from evaluating outputs and achievements arising from the work it has funded:

1. Accountability and validation: To examine whether the right funding choices have been made.
2. Strategy and planning: To assess how different areas of support or funding mechanisms have delivered, and to use this information to help inform future resource allocation.
3. Policy and advocacy: To provide evidence from the work funded to promote and influence discussion around the funder's mission.
4. Reporting: To communicate the work supported by the funder.

Finding the right form of evaluation

A 2006 report by the UK Evaluation Forum, "Medical research: assessing the benefits to society", concluded that there is no single best method of evaluating research. Research funding organisations will often have different funding strategies and drivers, and hence will employ a variety of methods for evaluating their spending and impact. It is little surprise, therefore, that some funders will focus on bibliometric approaches (involving analysis of publication output and citations); others will conduct surveys and consultations to gather facts and views around the impact of a particular piece of research; while some will develop case studies to analyse new discoveries and impacts arising from the research they have supported. Sometimes these approaches might also involve an element of peer review, usually to gain a sense of the quality and significance of the research output/outcome.

A few organisations have attempted to assess the economic rate of return from research. The best-known study which aimed to assess the value of medical research to society, in economic terms, was the Exceptional Returns study, sponsored by the Lasker Foundation in the US. This work, involving economists and scientists, developed a methodology to quantify the relationship between increasing life expectancy and healthcare advances arising from medical research. The study concluded that the return on investment (through a decline in deaths) was $500 billion per year – 20 times greater than the annual spending on medical research. In the UK, the Wellcome Trust, together with the Medical Research Council and the Academy of Medical Sciences, is supporting research to explore further the utility of economic approaches for the assessment of the benefits of medical research.

Research foundations

Focusing on emerging approaches to evaluation in the field of philanthropy, FSG Social Impact Advisors interviewed nearly 100 foundation leaders (mostly in the US) in order to identify major trends in the field. In their 2007 report, "From Insight to Action: New Directions in Foundation Evaluation", the authors conclude that no single approach to evaluation meets all requirements. Evaluation appears to serve foundations best when it leads to more informed decision-making and stimulates changes in behaviour that increase effectiveness. Where foundations aim to assess the impact of past grants, this is often found to be a costly and protracted approach – and it can be difficult to attribute a particular impact to a specific grant or funder. Celebrating contributions, as opposed to trying directly to determine and claim recognition for specific outputs and outcomes, is a more realistic appraisal of research where the work is often supported by a mix of different funders.

As a result, many research funders are now moving towards a more holistic form of evaluation. This will often involve using a "basket of metrics" and more qualitative approaches which recognise the contributions of many actors – researchers, funders, research institutions – to the research process and its outputs and outcomes.

Women, science and philanthropy

By Maren Jochimsen and Emmanuelle Causse, European Platform of Women Scientists

According to the latest EU statistics, women, although making up over half of EU students, represent only 29% of European researchers and engineers and hold only 15% of senior academic positions. Considering that Europe needs the potential of women scientists to reach the Lisbon objectives and ensure the realisation of the European Research Area, urgent action is needed to up these percentages.

The European Platform of Women Scientists (EPWS), established in 2005 with the support of the European Commission and based in Brussels, is a strategic instrument in European research policy working to increase women's participation in research and research policy and to promote the inclusion of the gender dimension in science. The Platform acts as an umbrella organisation for networks of women scientists and networks promoting women scientists. After 1.5 years of operation, EPWS has 130 members from all disciplines and over 30 countries, representing around 11,000 women researchers.

Maren Jochimsen, Secretary General, EPWS

Countering the under-representation of women

Key measures to address the gender imbalance in research and its decision-making bodies include the promotion of gender mainstreaming; more transparency in recruitment processes; enhanced security of scientific careers; and ensuring gender balance in research decision-making bodies, on evaluation panels and selection committees. EPWS also attaches importance to specific actions for women researchers, such as mentoring and targeted promotion policies; strengthening networking among women scientists at national, regional and EU levels; raising awareness in the scientific community and among policy-makers of the issue of equal opportunities in research; and promoting role models to encourage girls to choose scientific careers. These actions particularly lend themselves to philanthropic support.

How foundations promote women scientists

Apart from existing philanthropic funding for research accessible to men and women, specific funds and programmes targeted at women researchers and the promotion of their scientific careers are rare but do exist. They range from different types of research grants and awards to funding training measures and mentoring schemes, from the commission of exploratory studies into the situation of women scientists to funding seminars and conferences. These constitute an important contribution to the advancement of women in science and the achievement of scientific excellence in Europe and should be expanded.

Examples include the L'Oréal-UNESCO Women in Science Partnership which every year is awarded to one leading senior woman scientist per continent and grants continent-based as well as national fellowships to promising young women scientists; and the Daphne Jackson Trust, which implements a fellowship scheme to enable a return to

Emmanuelle Causse, Project Manager, EPWS

careers in science or engineering, not exclusively but predominantly for women. Other foundations, such as the Robert Bosch Stiftung, fund studies which try to better understand the situation of women in research and formulate recommendations to increase their number.

Meeting the challenge – New strategies for philanthropic engagement

Any sustainable strategy for philanthropic support to women scientists must include long-term support for research infrastructures. With existing funding possibilities nearly exclusively focusing on project funding, there is a real scarcity of foundations providing funding opportunities for women scientists' networks which play a decisive role in promoting women in research. Taking such a deep and less project-oriented breath would create a new field of philanthropic engagement, which would be rewarded with the satisfaction of achieving an effective, sustainable impact.

In foundations, Sweden finds solution to financing research

By Göran Blomqvist, Stiftelsen Riksbankens Jubileumsfond

At the beginning of the 1990s, the prevailing global economic crisis and the debate surrounding the gradual transformation of industrial societies into those based on information technology led to a consensus in Sweden that production in the country would become increasingly dependent on access to advanced scientific expertise. That's when the Swedish government decided to begin using foundations as a means of financing university research to help the country compete in this new economy.

Göran Blomqvist, Executive Director, Stiftelsen Riksbankens Jubileumsfond

At the time, both the government and leading representatives from the higher educational sphere wished to reduce the state's influence on research. The starting capital was obtained from the controversial so-called employee investment funds which had been built up by the Social Democratic government during the 1980s. These assets were transferred to a number of entirely new research foundations, as well as to the Riksbankens Jubileumsfond, which was already in existence.

When the research foundations were launched in 1994, Sweden found itself with a mixed economy in the field of research policy. Before this, there had only been a small number of corporate and bank-related foundations that had financed research, the most prominent of which were The Knut and Alice Wallenberg Foundation, and the Riksbankens Jubileumsfond. The change in research policy also led other private foundations increasingly to fund academic projects.

Between 1997 and 2006, non-state sponsors' funding of university research increased faster than state funding. Research foundations' contributions reached their peak in 2002. Since then grants have diminished as a result of the poor stock market performance at the beginning of the millennium.

What results have the research foundations produced? It is important to state that the effects of their activities cannot be judged in isolation. During the period that they have been active, basic state grants to university research have been reduced in value. This development has resulted in foundations being unable to operate completely as intended, as part of their grants has been used to cover the shortfall in basic research funding.

Although research foundations have viewed themselves as agents of change, achieving overarching systemic change has proved difficult. However, their investment in large-scale research programmes and research schools has served as a role model for others. They have also pursued a number of research policy initiatives, such as their support of the debate on "the new production of knowledge", which has been conducted over the past decade. Initiatives by foundations such as the Swedish Foundation for Strategic Research to change the traditional academic career path have also been of great significance. A common aspect of the innovative strategies of the research foundations has been to finance the construction of advanced academic environments, for example the Vårdal Foundation's centres for interdisciplinary, patient-based research and knowledge transfer.

The last ten years affirm that foundations operate in a different manner from state authorities. They can initiate sponsorship quickly and without red tape, and also dare to support more risky projects compared with state-run research councils. The foundations also actively participate in the construction of international networks. This has been most evident with the Riksbankens Jubileumsfond, which, among others, co-finances a research project on European security policy, together with VolkswagenStiftung and Compagnia di San Paolo. Riksbankens Jubileumsfond also supports research communication through the Euroscience Open Forum, as well as research in the field of cultural policy through the LabforCulture at the European Cultural Foundation.

And what about Sweden's Nordic neighbours? Traditionally, there have been great similarities between the Nordic countries, but in research policy Sweden chose a different strategy from that of Denmark, Norway and Finland. However, in these countries the economic importance of foundations for research has increased during the last decade. By means of a more aggressive management of capital than in the past, foundations have been able to play an ever more important role as financiers of research. So far, the investment has been primarily in the national sphere, but there is every reason to believe that the Nordic foundations' contribution to international research collaboration will increase.

Dutch task force recommendations on philanthropy and the knowledge economy

By Theo N.M. Schuyt, Vrije Universiteit Amsterdam

Theo N.M. Schuyt, Chair of Philanthropy, Sponsoring and Volunteering, Vrije Universiteit Amsterdam

In November 2005 the Netherlands set up a task force on "Giving for Knowledge" to increase the philanthropic contribution to the country's knowledge economy. The remit of the task force was to bring about a change in the culture and structure of the knowledge institutions – universities and research institutes – with the development of philanthropic sources of income in mind; to set up an academic fund which would be a private science foundation, like the Wellcome Trust in the UK; and to facilitate philanthropic contributions by means of fiscal measures.

Integrating philanthropy in the welfare state paradigm

Since they became fully funded by the Dutch government, non-profit organisations (including universities) have become a matter for politics and for government policy. As such, they rely on political support to operate. While there is nothing wrong with this, it does mean that something has been lost along the way. The Netherlands was and is a country in which individuals take the initiative. Take, for example, the way in which Dutch universities were founded. Private individuals, companies and entrepreneurs made the first move. This social support has gradually faded away with networks of individuals and companies having disappeared. The emphasis switched from home-grown support from individuals and companies to support from the national government. The recent growth of philanthropic contributions in the Netherlands has resulted in the return of such private initiatives in government-oriented institutions. New contacts and new groups of "social stakeholders" are being established.

Recommendations

In this context, the task force has made a number of recommendations addressed to different stakeholders. The task force's key recommendations fall into two broad categories:

1. Recommendations concerning cultural change

• *Recommendations to knowledge institutions*

Knowledge institutes must have professional legitimacy in relation to the academic community. As a result of their funding from general resources, knowledge institutes also have to justify their actions to the department of government that finances them (political bureaucratic legitimisation). Over the course of the next few years there must be more emphasis on a professional-social approach which entails legitimacy with regard both to the academic forum and to social support.

1. Create a post at the administrative level (executive board or governing board) for "fundraising and social relations management". Organisational change should be "led from the centre".
2. Create a separate service with the same name and incorporate alumni policy into its portfolio.
3. Publicise the institution as a good cause that is in need of patronage (e.g. university funds).
4. Change the existing (often reactive) university funds into a proactive foundation that operates independently of the institute. It should also include representatives of its supporters, including the public, companies, various funds, and social organisations.
5. Amend the human resources management policy with particular regard to (and rewards for) social relations management.

• *Recommendation with regard to policy*

6. Tackle the financing of knowledge institutes with a view to fostering a "sense of urgency".

2. Fiscal recommendations

Two fiscal measures were introduced in the Netherlands on January 1st 2006 by amendments to existing laws.

- Raising the corporate tax ceiling for deductions for gifts (from 6% of the fiscal profit to 10%)
- Exemption from gift tax and inheritance tax for academic institutes in the Netherlands and the EU

Following on from these measures, the task force made the following recommendations:

7. Abolish any gift-related thresholds or ceilings for income tax.
8. Draw up a regulation for academic investment.
9. Draw up a regulation for academic venturing.
10. Increase scope for waiving inheritance tax on gifts for universities, and for legacies bequeathed to them.

In focus – Foundations' work in research

International Polar Foundation pioneers new era in Antarctic research

Antarctica is the most inhospitable and inaccessible region on earth for humankind, yet one young European foundation is rising up to the challenge of building the first of a new generation of research stations to be erected on the continent.

Belgium's International Polar Foundation (IPF), a public benefit foundation co-founded in 2002 by the charismatic Belgian explorer Alain Hubert, will start construction of the Princess Elisabeth research station later this year. This new centre for environmental and polar research was designed as an environmentally friendly, zero-emission building working on 100% renewable energy. Designing and building the station was a challenge. Thierry Touchais, Executive Director of the IPF, explains: "We had to go off the beaten path; we had to find all kinds of different ways of doing things."

Thierry Touchais, Executive Director, International Polar Foundation

The station is the first building of its kind, and its innovative design has already caught the eye of China. That country is planning to establish what will be the remotest base on the continent, which will rely on renewable energy for its operation. The station is being built as part of the International Polar Year (IPY), which runs over two years from March 2007 to March 2009 to promote scientific research in the Arctic and Antarctic. The foundation's main mission is to "communicate and educate on Polar research as a way to understand key environmental and climate mechanisms."

Widely available media (multilingual websites and CD-ROMs) have been developed for educational purposes, and the foundation is running an interactive project entitled "Warm up with puzzle... cool down with experiments". The project is used by Belgian schools to educate children on the importance of polar research for understanding climate change. It also includes a module designed to encourage girls to consider scientific careers. Touchais witnessed the enthusiasm with which children engaged in the project, which he says has been very successful. He went on to explain how the IPF is attentive to the quality of the material it produces and that a peer review system was used to evaluate the project.

The IPF is an international foundation, and in line with its mission it is planning to build a network of climate change observatories in Europe, North America and Asia: the Polaris Centre. These observatories will be an interface between society and science, communicating to and educating the public on climate change and promoting solutions through interactive displays and exhibitions. The foundation is also the originator of

International Polar Foundation school project, "Warm up with puzzle... cool down with experiments"

the Sixth Continent Initiative, an IPY-labelled programme that aims to offer scientists from countries with limited polar research activity the opportunity to undertake research in one of the Antarctic research stations, including the Princess Elisabeth station.

The foundation has a number of patrons providing general operating grants, and raises funds from foundations and corporations for its projects. Touchais says that when seeking funding, the foundation looks at establishing durable partnerships, from three to five years, to ensure stable financial resources. In 2008, the IPF will launch its first fund raising drive in the US.

The Princess Elisabeth Polar station was pre-assembled in Brussels in September 2007 to test the assembly process and systems. This was also a chance to communicate with the public on the foundation's objectives. Some 35,000 people visited the station in 4 days. In autumn, as the Antarctic summer approaches, the station will be loaded onto a ship bound for its final destination. Once successfully assembled, the station will become a potent symbol as Touchais reminds us: "If we can build a zero-emission building, working on 100% renewable energy in Antarctica, then it can be done elsewhere."

Cultivating researchers

Since there can be no research without researchers, EFFECT met up with Portugal's Associação Viver a Ciência, which was created in 2004 to encourage research careers and attract private investment in research; and the Fundação Calouste Gulbenkian, which has supported the association, to find out more about researchers and their careers.

Q&A with Margarida Trindade of Associação Viver a Ciência

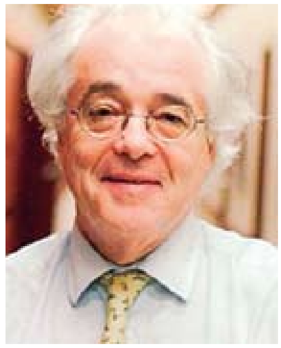
Margarida Trindade, Director, Associação Viver a Ciência

EFFECT: Why did Portuguese researchers feel the need to create this association?
MT: During the Barcelona Summit, the EU set the goal of spending 3% of GDP on research and development by 2010, two thirds of which should be met by the business sector. Portugal is still far from this goal, as scientific research is largely dependent on governmental funds. This, together with the fact that scientific research is not commonly seen as a career in Portugal, encouraged a group of scientists to create Viver a Ciência. This non-profit association works to fill this gap by promoting public awareness of science and science funding.

EFFECT: The activities of the association are centred on Portugal. What are your accomplishments and how has the association been perceived abroad?
MT: Viver a Ciência has successfully attracted private investment for research by creating two sponsored annual prizes for life scientists (Crioestaminal and Citomed awards). It has also helped to promote the Law of Scientific Sponsorship providing tax benefits for science donations. Currently, it is setting up website tools allowing donors to identify research groups in Portugal, and establishing partnerships with patients associations to increase donations for research on specific diseases. Despite being focused in Portugal, Viver a Ciência has attracted international interest in two recent articles published in The Scientist and the EMBO reports (a publication of Nature) and is currently developing partnerships with similar organisations abroad.

EFFECT: What do you think are the main challenges for developing attractive research careers in Europe today, and what is the role of foundations in this respect?
MT: This depends on sustained support throughout all career stages – funding research, mobility, installation, job seeking, family facilities, etc. Accurate understanding of career opportunities and science-related professions is also

Q&A with João Caraça of Fundação Calouste Gulbenkian



João Caraça, Head, Science Department, Fundação Calouste Gulbenkian

EFFECT: Why has your foundation supported the Viver a Ciência association?
JC: The reasons are twofold. Philanthropy's goal is the strengthening of civil society through the construction of a clear path towards the full exercise of citizenship. So the emergence and activity of new institutions, either learned societies or associations like the Associação Viver a Ciência, is essential to this objective. Further, scientific research is now crucial not only for the generation of technological innovations, but also for the definition of new values and representations. Viver a Ciência is a very relevant new actor in the landscape.

EFFECT: How important do you think it is for researchers to "take destiny into their own hands"?
JC: Researchers are citizens, but they also perform the role of leading actors and prime subjects of societal transformations. They are an elite which has been educated in the principles of risk and the constructive role of error. Doubt and objection, as well as the attitude of interrogating what surrounds us – the cornerstone of modernity – are natural to them. Research about what is changing in our world is the last bastion of critical thinking in our society.

EFFECT: To invest 3% of GDP in research across the EU, we will have to recruit and train an extra 700,000 researchers. What role do you see for foundations?
JC: The Barcelona objective is a global target with an unfortunate ambiguous character if thought of in terms of individual nations (just think of Sweden and Finland who are definitely above the target). The critical issue brought about by globalisation is that when funding research activities abroad, a country cannot be sure whether it is complementing or otherwise substituting research performed at home. Therefore, the solution will depend on how strong, independent and attractive research institutions and universities in Europe will become. This is the reason

continued from p. 25, Q&A with Margarida Trindade

important to maintain a qualified and motivated body of researchers. In addition, engaging the public with science promotes knowledge-based societies that understand the importance and attractiveness of scientific careers. Foundations have a role to play at all these levels, by directly supporting researchers, or by providing the means for others to intervene. Viver a Ciência has been repeatedly supported by foundations, such as Fundação Calouste Gulbenkian, whose support has worked as a lever for many activities.
www.viveraciencia.org

continued from p. 25, Q&A with João Caraça

behind the Gulbenkian Foundation's initiatives in supporting academic research as a prime carrier of research-induced change and innovation. We are aware of the subversive features of new knowledge – subversive because it addresses a new situation. It has always been like this. But we must first and foremost support and strive for scientific research that is curiosity-driven (rather than just focusing on technology–driven research). We believe that free enquiry will continue to be the basis of the free societies of the future.
www.gulbenkian.pt

Q&A with Champalimaud Foundation, a new funder in research

EFFECT talked with Leonor Beleza of the Champalimaud Foundation, based in Portugal, to find out how the president of a new, major foundation in the field of research sees her organisation's role.

EFFECT: Do you see your position as an independent foundation in the field of research as part of the added value of foundations in the area of research? How do you reconcile independence with the need for partnership and cooperation?

Leonor Beleza, President, Champalimaud Foundation

LB: I view our independence as being at the core of our decision making. We are driven by our commitment to medical science and in this context our decisions are not restricted by national or political considerations. We are keen that the fruits of our labours should be of benefit to people worldwide, regardless of nationality. Although we maintain complete independence in our decision making we also believe that science works best in an environment of partnership and collaboration. Our independence as an organisation is in no way compromised by our desire to collaborate and work with organisations around the world who share our goals and objectives.

EFFECT: In early 2007 the foundation signed an agreement for the creation of a Champalimaud - Translational Centre in Eye Research in Hyderabad, India. What challenges do you face in developing this kind of international dimension of the foundation's activity?
LB: All projects with the scale and objective (stem cell research) that we envisage for the C-TRACER centre are challenging. I would view the challenges inherent to C-TRACER as being of a scientific nature rather then anything specifically related to the international nature of this project. Scientists at the forefront of their discipline are very much accustomed to having an international outlook to their work and this has led to many productive international collaborations. I believe that this applies very much to the international dimension of the Champalimaud Foundation's activity – confronting scientific challenges through international partnership.

EFFECT: An important element in a researcher's activity, though sometimes neglected, is engaging and communicating with wider society on his or her work and its impact. What are your thoughts on this?
LB: I think that it is not only important but essential that research is brought into the wider public domain. One of the things that is inherent in scientific research is the power to inspire. In particular, the foundation wishes to awake the scientific curiosity of children and inspire them to be the next generation of leading researchers. Also, on a different level, it is crucial that we try to remove the traditional divide between science and the general public, where research is thought of as being something that only a select few can take part in. Science should be for everyone and this is something that we are very keen to promote.

EFFECT: The foundation is engaged in an art and science programme. How does it relate to the objectives and/or vision of the foundation?
LB: The Champalimaud Foundation is interested in fostering and supporting innovation and creativity. These characteristics are pertinent to ground-breaking art and science. It is one of the foundation's core beliefs that by bringing different perspectives to bear on a problem we will be able to inspire new practical and theoretical methodologies. Rather than taking the more traditional view that art and science are separate entities, we wish to explore the similarities and synthesis between them as we strive to be at the cutting edge of our work.

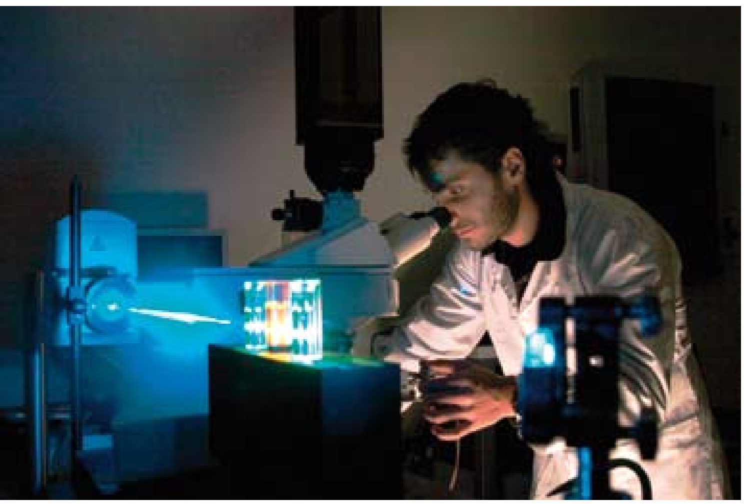
www.fchampalimaud.org

Foundations supporting technology transfer

By Laura Bandinelli and Daniele Messina, Fondazione Monte dei Paschi di Siena

One of the many facets of research funding is supporting technology transfer, a concept which includes the sharing of technical information through education and training or the application of technology in an industry outside the one that the technology was originally intended for.

In Italy, one foundation has developed an array of initiatives to support technology transfer in the biotechnological sciences. Fondazione Monte dei Paschi di Siena (FMPS), a leading Italian foundation, which awarded grants of 197 million euros in 2006, has set up a company and a dedicated foundation to provide vehicles for encouraging technology transfer and biotech start-up companies. FMPS decided to fund technology transfer as scientific research is considered one of the sectors most in need of support in Italy.



Researcher working in a laboratory at Toscana Life Science Park

In 2000, FMPS set up the Siena Biotech company, of which it is a major shareholder, to support the drug discovery process from exploratory target identification to clinical studies. Siena Biotech is qualified as an "instrumental company". According to Italian law, foundations of banking origin can set up "instrumental companies", which are private companies in which the foundations have a major share. They are tools that allow them to pursue their institutional aims in a direct way.

FMPS provided seed money for Siena Biotech and is funding its start-up stage. The company develops research on neurodegenerative diseases (Alzheimer's, cerebral cancer) and rare diseases (Huntington's) thanks to financing from FMPS and the European Community, and thanks to cooperation agreements with important partners in the pharmaceutical field.

A crucial element for successful technology transfer is the ability to pool the right scientific expertise and support services, which FMPS had in mind when setting up the Toscana Life Science Foundation. The foundation, established in 2004 by FMPS with a number of partners including local governments, local business associations, the MPS Bank and universities, operates as a Scientific Park. The park provides structures and space dedicated to science and research, technology platforms for common use, as well as legal advice for small and medium businesses in the Siena area operating in innovative sectors, such as biomedical research and technology.

Start-ups hosted at the park are actively encouraged to collaborate with neighbouring research labs from the Siena University, from Novartis Vaccines, and of course from Siena Biotech. A complementary seed capital company, Biofund, was also created in 2006 by FMPS to support the Toscana Life Science Foundation's activity by taking on holdings, directly or indirectly, in the companies hosted in the Scientific Park. So far, Biofund has supported two local companies.

Finally, FMPS set up the "Senio Bruschelli" Fellowships. Created in memory of Senio Bruschelli, a member of the Board of Trustees of FMPS, the fellowships support research in oncology and are managed by Siena Biotech Company through a specific yearly call for applications. After the selection the winning researcher brings his projects to Siena Biotech so that she or he can develop them with technological support and in a scientific and industrial environment.

The reaction from the scientific community to the support provided by FMPS to technology transfer has been positive as the Italian scientific research is a sector which needs funds and resources which are not always fulfilled by the Italian government or by the business community. Moreover, the establishment of the Scientific Park was particularly appreciated because it is an excellent example, and at the same time an ambitious challenge, to create a scientific district where different subjects and knowledge work together.

For more information, go to: www.fondazionemps.it

Making it work together

Linking foundations networks together – The story of DAFNE

Is there a point to putting the national association of foundations in Spain in touch with its counterpart in Bulgaria? Do these two organisations have anything in common, and should they even be talking to each other? Ten years of informal gatherings and collaboration, supported by the Ford Foundation, involving several national associations of donors and foundations across Europe give a clear answer of "yes".

In May 2006, these informal gatherings took on new life when the Donors and Foundations Networks in Europe (DAFNE) was established through the signing of a Memorandum of Understanding. Although remaining an 'informal' network without a legal identity, DAFNE has a secretariat hosted by the EFC and is underpinned by a special 'alliance' with the Centre.

Long labour – How it all happened

Since 1997, the national Donors and Foundations Networks (DFNs) have been coming together informally to share experiences at the EFC's annual conferences. There were no doubts about the importance of European networking and collaboration with the EFC, so why did the process of building up a European network with a common agenda take so long?

The 1990s were a time of growth for national DFNs, when most were in their start-up or informal phase with a focus on defining their national space, developing membership services and agendas, and building up their track records at home. Although for the often understaffed and extremely busy DFNs it was helpful to compare notes with their European counterparts on how they were doing at home, ambitions did not go much further.

However, towards the end of the 1990s, the need for cooperation became more obvious. As the DFNs developed, the next step in their institutional development was to look outside their national boundaries. Exchanging information and best practices along with building up a public record of foundations in cooperation with the EFC became more important.

Discussions and cooperation were intensified among the DFNs and the EFC, especially following major EU legal and fiscal developments regarding foundations; the EFC's resumed work on the European Foundation Statute; the need for increased accountability and transparency of the foundation sector; and the resulting work on principles of good practice for foundations.
The EFC explored approaches to collaborating with the DFNs. Taking account of the various DFNs' different levels of development, individual partnership with each of them seemed a good way forward.

At the same time, the group of DFNs looked at strengthening collaboration among themselves and building up a network, which was a challenge as identifying joint objectives is time-consuming, even more so in Europe where the network connects DFNs from the West, East, South and North. Their environments differ, as do their memberships and services. Finding out what their niche is, and the added European value of such a network for its members, required time and effort. After all, as Vessela Gertcheva from the Bulgarian Donors Forum concludes,

DAFNE representatives meeting in January 2006 in The Hague, The Netherlands

"I have learned through my work that networks take longer then you initially expect. [Creating DAFNE] definitely was a long labour, but more importantly, this was also a time in which all individual associations as well as the EFC were growing, changing and maturing."

A star is born

The funding members of DAFNE signed the Memorandum of Understanding on May 25th 2006 in Brussels. The Memorandum acknowledges the diversity among the European DFNs and how their networking provides an opportunity to enrich each association's activities by sharing experiences with other DFNs. Vera Billen from the Network of Belgian Foundations says, "DAFNE gives us a sense of belonging to a wider field, a possibility to meet peers and exchange ideas and find reassurance for our own work."

Sisterhood – Alliance with the EFC

DAFNE and the EFC share the vision of a vibrant civil society and increasing the number of funders in Europe, and also agree on the importance of cooperation among charitable foundations themselves and with other philanthropic funders in Europe. Both share the aim of strengthening philanthropy; enhancing the operating environment of charitable foundations and that of other philanthropic funders active in and with Europe; and promoting their work.

Having all this in common, it was a natural next step for the EFC and the DFNs to recognise each other as colleague organisations cooperating in the encouragement of and support for the promotion of philanthropy.

"Once the DFNs as a group decided to explore the road towards their common network, things developed swiftly, thus creating a great basis for intimate cooperation not only among them, but naturally also with the EFC," says Jan Scherphuis of the Vereniging van Fondsen in Nederland (the Association of Foundations in the Netherlands).

DAFNE and the EFC decided to form an alliance to strengthen their partnership and collaboration. They did so by acknowledging this special alliance in the Memorandum of Understanding that gave birth to DAFNE.

The alliance aims to:

- Strengthen the effectiveness of DAFNE and its members as well as the EFC
- Enhance the representation of the foundation sector at European level
- Join forces by pursuing the common goal of improving the climate for charitable foundations in Europe
- Build a framework for cooperation and joint activities of DAFNE, its members and the EFC

DAFNE and the EFC agreed that to be effective and efficient, the EFC would provide secretarial services to administer and facilitate DAFNE's work.

What's next?

As Scherphuis points out: "We are clearly in the starting phase and I would really like DAFNE and its web-based communication tools to further develop, in terms of content, into a valuable reference source and occasional chat room, where we can exchange both information and emotion."

Billen echoes that sentiment: "DAFNE should be a resource pool for knowledge exchange among its members. It needs to come up with a concrete result for the sector, so each member of each national association can see where DAFNE has made a difference in the growth of the sector." With the DAFNE network and secretariat in place, two meetings a year for the network participants, and ambitions shared by the group, it looks like the network is in for an exciting future!

Jana Kunická, EFC

Contact Jana Kunická, DAFNE secretariat, at jkunicka@efc.be

DAFNE – A snapshot

The network aims to...

- Underpin the individual activities of its members and strengthen their collaboration
- Contribute to a fruitful environment for philanthropy, especially for charitable foundations in Europe

DAFNE is a platform for...

- Exchanging national experience and knowledge, including good practice
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Who's who in DAFNE...

Austria: Verband Österreichische Privatstiftungen
Barbara Kolm-Lamprechter, www.stiftungsverband.at

Belgium: Network of Belgian Foundations
Vera Billen, www.netwerkstichtingen.be

European Foundation Centre
Gerry Salole, www.efc.be

Bulgaria: Bulgarian Donors Forum
Vessela Gertcheva, www.dfbulgaria.org

Czech Republic: Czech Donors Forum
Pavlína Kalousová, www.donorsforum.cz

Finland: Council of Finnish Foundations
Paavo Hohti, www.saatiopalvelu.fi

France: Centre Français des Fondations
Béatrice de Durfort, www.centre-francais-fondations.org

Germany: Bundesverband Deutscher Stiftungen
Hans Fleisch, www.stiftungen.org

Hungary: Hungarian Donors Forum
Klára Molnár, www.donorsforum.hu

Ireland: Philanthropy Ireland
Jackie Harrison, www.philanthropyireland.ie

Italy: Associazione di Fondazioni e di Casse di Risparmio (ACRI)
Stefano Marchettini, www.acri.it

The Netherlands: Vereniging van Fondsen in Nederland
Rien van Gendt, www.verenigingvanfondsen.nl

Poland: Polish Donors Forum
Magdalena Pekacka, www.forumdarczyncow.pl

Portugal: Portuguese Foundation Centre
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Romania: Romanian Donors Forum
Magda Ciobanu, www.donorsforum.ro

Russia: Russia Donors Forum
Natalya Kaminarskaya, www.donorsforum.ru

Slovak Republic: Slovak Donors Forum
Lenka Ilanovská, www.donorsforum.sk

Spain: Asociación Española de Fundaciones
Carlos Paramés, www.fundaciones.org

Switzerland: Swiss Foundations
Beate Eckhardt, www.swissfoundations.ch

UK: Association of Charitable Foundations
David Emerson, www.acf.org.uk

Ukraine: Ukrainian Grantmakers Forum
Igor Popov, www.donorsforum.org.ua

Foundations join forces to enable citizens' participation

Is it possible for ordinary European citizens to influence and shape EU policy? Some 2,000 Europeans from all 27 Member States with a wide range of backgrounds met across the EU this year to do exactly that. Never before had something like this happened in Europe, and never before had so many foundations in Europe come together to support a single project.

The European Citizens' Consultations saw 21 foundations, 17 of them EFC members, fund and organise a series of events from October 2006 to May 2007. The group of foundations acted under the umbrella of the Network of European Foundations (NEF) and operated at both European and national levels These foundations provided half of the funding for the Consultations, the other half came from the European Commission.

The Consultations began with an agenda-setting event in Brussels in October 2006, followed by the heart of the project, the 27 national citizens' consultations in February and March 2007, and concluding with a final consultation in May 2007 where the national results were synthesised into a "European Citizens' Perspective" document for EU policymakers and legislators.

How it came about

The King Baudouin Foundation (KBF), who first initiated the Consultations, led the consortium. When the European Commission's DG Communication called for proposals in early 2006 (under its Plan D for Democracy, Dialogue and Debate) to promote public participation, KBF's Consultations were one of the projects accepted. KBF got the idea from the European Citizens' Deliberation on Brain Science (Meeting of Minds), which it successfully organised in 2005-2006 in cooperation with several partners. "We thought, well if [citizens] can discuss brain science…and what that means for society, then the European Institutions can't be more complicated than that," explains Gerrit Rauws, a KBF director who was responsible for KBF's Citizens' Consultation activities.

How did this extensive collaboration between foundations come together and how did it work? The key was the early adoption of the project by NEF, which got other NEF members involved, who in turn approached yet more foundations. Setting up the collaboration was fairly easy as many of these foundations had worked together before, and also because "the project…spoke for itself" as Rauws puts it.

"(It) proved how people in Europe really can work together and communicate… there is much more potential...for the European Commission and European institutions to enable people to participate."

-Peter Theiner, Robert Bosch Stiftung

Moreover, it fitted in very well with the current activities of a foundation like the Robert Bosch Stiftung, a key member of the consortium. As part of its International Understanding area, Bosch established the "Europa Stärken" (Strengthening Europe) programme. For Peter Theiner, Head of International Understanding (Western Europe, US) at Bosch, "The European Citizens' Consultations programme was exactly what is necessary in order to strengthen the participation of European citizens." He praises the shaping of the consortium as "absolutely professional".

How it worked

The consortium functioned on two levels, European and national, both equally important. The European-level funders were KBF, Compagnia di San Paolo, Fundação Calouste Gulbenkian, Robert Bosch Stiftung, and Stiftelsen Riksbanken Jubileumsfond, all EFC members. The rest funded at national level, but all these European-level funders also funded nationally. Alongside this network of funders, there was also a network of operational partners. The first step was to set up these networks. "We started almost from scratch and everything had to [get up to speed] very, very quickly. There were really some time pressures. We started…in spring 2006 and everything was finished by May 2007," says Rauws.

Peter Theiner, Head of Department, International Relations, Robert Bosch Stiftung

Some foundations were operational partners, for example Open Estonia Foundation in Estonia and Fundación Luis Vives in Spain, who both organised national consultations. But for the most part, the operational work was undertaken by other types of organisation, such as Germany's Institute for Organisational Communication (IFOK), which designed a major part of the consultation process. Also at European level, the European Citizen Action Service and the European Policy Centre played important operational roles. IFOK had previously worked with Bosch on the German part of the Meeting of Minds. According to Theiner, "This was a consultation process where citizens were motivated to discuss very important, very complicated questions…and this convinced us that…this method might be appropriate for the European Citizens' Consultations as well."

While Bosch's funding of the Citizens' Consultations focused mostly on the German national consultation, it also partly funded the European process as a whole. "We are not a national foundation. What we want to do is enable institutions and partners to cooperate," stresses Theiner. "So if there is a programme where we can contribute to a European challenge, we will do that and we did that." As for KBF, it played several roles, including overall coordinator of the Citizens' Consultations, European-level funder, and also funder and organiser of the Belgian national consultation.

Added value in working together

What was the added value of the foundations' collaboration in the Consultations process, apart from the pooling of financial resources? According to Rauws, it was first of all "the legitimacy and credibility of the whole project [owing to] the fact that it [was] supported by such a large number of private funders." This sent a strong signal to the European institutions. Also, the project enabled many foundations not working at European level to become part of something bigger, a Europe-wide process. "I think [this is] an interesting model for the future," adds Rauws, who hopes the Commission will build on the momentum created by the Consultations for further citizens' engagement.

With regard to this, he points out that KBF is now actively working with some of the European institutions to see if this type of citizens' consultation can be held regularly. Also, he notes that the Commission's strategy on "Communicating Europe in Partnership", published on October 3rd 2007, builds on the experience of Plan D projects like the Citizens' Consultations and proposes to use their innovative methods.

Citizens' Consultation in February 2007 in Berlin, Germany

The European Citizens' Consultations initiative was a unique venture: While there have been other citizen participation projects bringing together a group of foundations and involving several European countries, this was the first truly Europe-wide project of this type as it was organised in all EU Member States. "So it was not Brussels talking to Brussels, it was really a sort of simultaneous debate going on in all Member States," says Rauws.

Gerrit Rauws, Director, King Baudouin Foundation

Theiner remembers the initial agenda-setting meeting as a pleasant surprise even though he was already optimistic. He found it "a really fascinating event" with a special atmosphere and spirit that "proved how people in Europe really can work together and communicate." It showed that "there is much more potential…for the European Commission and European institutions to enable people to participate in a certain way."

"So it was not Brussels talking to Brussels, it was really a sort of simultaneous debate going on in all Member States,"

-Gerrit Rauws, King Baudouin Foundation

Theiner considers the consultations and the foundation role in them a very successful experience and would like to see a similar process in the future, maybe before the next elections for the European Parliament. And Rauws was also pleasantly surprised: "Even when citizens are often somewhat sceptical [about the way] European institutions are…functioning, they still have a lot of expectations [concerning]…what Europe could deliver to them…[and] believe it's absolutely necessary that Europe plays a more important role in the world."

Nyegosh Dube, EFC

For more information, go to: www.european-citizens-consultations.eu

Promoting intercultural dialogue – A key role for foundations

Europe's growing ethnic and cultural diversity is an opportunity rather than a problem. This idea is at the core of an initiative launched last year by a group of European foundations. The Culture Cluster is a collaborative effort aimed at contributing to the 2008 European Year of Intercultural Dialogue. The group functions under the aegis of the Network of European Foundations (NEF).

The Culture Cluster consists of two components, a Civil Society Platform for Intercultural Dialogue and a documentary film dealing with related topics. The Platform is a cross-sectoral alliance of civil society organisations that aims to advance the practice of intercultural dialogue and communicate ideas to policy-makers, while the film (put together by film students at seven art schools across Europe) illustrates the challenges of cultural diversity and intercultural dialogue, seen through the artistic lens and eyes of young people.

The European Cultural Foundation (ECF) was asked to take the lead in developing the Culture Cluster, given its decades of experience with culture. Isabelle Schwarz, Head of Cultural Policy Development at ECF, notes that the term "intercultural dialogue" is used in different ways by different people. But for the Cluster, it focuses mainly on ethnic diversity and the diversity of artistic and cultural expressions.

Isabelle Schwarz, Head of Cultural Policy Development, European Cultural Foundation

The idea for the Cluster came from the desire "to match a public initiative [i.e. the Year of Intercultural Dialogue] with a meaningful private initiative," says Schwarz. "We consider that foundations have immense experience and knowledge dealing with diversity issues, and what we found interesting is that we can cross-fertilise the experiences of foundations in this sector…" So the Compagnia di San Paolo, Evens Foundation, Van Leer Group Foundation, King Baudouin Foundation, Riksbankens Jubileumsfond, and Freudenberg Stiftung (all EFC members) are also supporting the Cluster, with operational support from the European Forum for the Arts and Heritage.

Maud Aguirre, responsible for Intercultural Education at the Evens Foundation, also believes foundations are in a strong position to contribute to the Year: "Foundations have undertaken a lot of initiatives in the field of intercultural dialogue, diversity, etc, so there is a lot of know-how there that the European Commission could take advantage of, and the [strong point] of foundations is that they can play a quite independent role…" The Cultural Cluster fits in well with Evens' focus on cultural and social diversity in Europe. However, while ECF and Evens are both oriented primarily towards culture, the Cluster has attracted other types of foundation as well. For Schwarz, this is a significant fact: "It is a very strong and positive sign that…these foundations that are not specifically culture organisations have embarked on the project…I think these foundations [are] very much alert that culture has a growing role within the European integration process…I don't think that five years ago this consortium would have had any chance…"

Maud Aguirre, Responsible Intercultural Education, Evens Foundation

Although there are many initiatives connected with the Year of Intercultural Dialogue, Schwarz points out that "the added value of this project is that it connects the knowledge and experiences of many sectors in one single advocacy campaign. That means you have those who approach it from the human rights perspective, from the migrant voices perspective, from social affairs, the arts and culture…"

In Aguirre's view, the Cultural Cluster is a major opportunity for foundations to play a facilitating role, to be a link between the European Commission and these civil society organisations working in the field. She pins great hopes on the Rainbow Paper, the first draft of recommendations that will result from a Europe-wide consultation carried out by the Civil Society Platform (which drew more than 130 responses from 28 countries) and will be presented publicly at the opening of the European Year of Intercultural Dialogue in January 2008 at the start of the Slovenian Presidency. The recommendations are to be refined throughout 2008 and presented in their final form by the end of the year during the French Presidency. Both Schwarz and Aguirre stress the importance of broad civil society participation in the European Year, with foundations as facilitators and enablers, involving not only the EU-27 but the wider European Neighbourhood.

Nyegosh Dube, EFC

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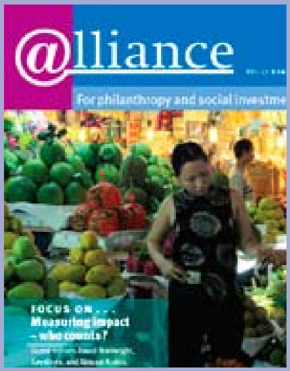

December 2007 Alliance magazine: Measuring impact – who counts?

The challenges of measuring social change are well known – the complexity of the process, the length of time involved, the difficulties of attribution. One key issue that has been neglected, argues guest editor David Bonbright in his introductory essay to this feature on measuring impact, is who does the measuring and whose perspectives are taken into account – the 'who counts?' question. It is from this perspective, too, that Perla Ni, founder of GreatNonprofits, comments on five articles outlining different approaches to impact measurement.

Another key issue is how the different systems of evaluation imposed by donors affect grantees, and this is one of the main questions posed in a special online survey commissioned by Keystone and Alliance. It is also the focus of an article based on the views of a group of southern civil society leaders who operate aid programmes.

The special feature also includes interviews with Hewlett Foundation President Paul Brest on how we get good information into the public domain and with Swedish industrialist Percy Barnevik on his use of business-style metrics in running Indian NGO Hand in Hand. Other contributions include an article on funders' attitudes to risk and measurement, with contributors including Emílio Rui Vilar of the Calouste Gulbenkian Foundation and Conny Hoitink of Oxfam Novib; Ruth Levine and Bill Savedoff arguing that evaluation should be treated as a 'public good'; Fred Carden arguing for the need to foster the field of evaluation in the South; Inga Pagava setting out the advantages of peer evaluation; and guest editor Akwasi Aidoo reflecting on the whole issue.

The December issue of Alliance will also include opinion pieces from Bill White on what's missing from the climate change discussion and from Barry Gaberman asking if there's still room for charity in philanthropy. Articles include Andrew Kingman's reflections on Allavida's transition to becoming a Kenyan organisation, with comments from Ezra Mbogori, and Finn Heinrich considering what we have learned from the CIVICUS Civil Society Index project, with comments from Rayna Gavratilova of the Trust for Civil Society in Central and Eastern Europe.

www.alliancemagazine.org

Spring 2007 issue

Europe's foundations and global philanthropy – The time is now

Summer 2007 issue

Italian philanthropy out of the vault

About EFFECT

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Up next in EFFECT

The theme of **"Fostering Creativity"** gets a close look in the spring 2008 issue, setting the scene for the EFC's 19th Annual General Assembly and Conference to take place in May 2008 in Istanbul, Turkey.

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