

European Foundation Leaders Summit:
European Foundations Taking Leadership on Global Issues

The two-day summit was held on 31 March and 1 April 2003 in Brussels. Its aim was to contribute to building a community of players advancing a stronger role for Europe on global issues: what differentiates Europe in on the international stage ; how to give strength to the European voice ; how to facilitate Europe “taking leadership” ; how to reach out and build strong relationships with other countries on urgent issues.

Introduction

Participants were welcomed to the conference dinner on the evening of 31 March 2003 by **Francis Charhon**, Chair, Network of European Foundations for Innovative Cooperation (NEF); Managing Director, Fondation de France. On behalf of NEF, Francis Charhon welcomed Javier Solana and thanked him for having accepted to address the leaders of European foundations despite his heavy schedule. Francis Charhon went on by introducing the European Mercator Fund, the initiator of the summit: the Fund is provided for five years with an annual budget of 1 million euro and is set up to cooperate with European foundations on issues related to our continent taking leadership. He thanked Stephan Schmidheiny for his generous support and the King Baudouin Foundation for hosting the dinner. The keynote address by **Javier Solana**, Secretary General, Council of the European Union/High Representative for Common Foreign and Security Policy (CFSP); President, Madariaga European Foundation, congratulated the foundations on their existing engagement and investment in the future of Europe and the world. Given the nature of today's rapidly changing society, Javier Solana hoped that NEF would be able to further encourage foundations to launch concrete projects on global issues. “This is a juncture in time that brings an opportunity for Europe and the European foundations.”

Opening Session

Under the chairmanship of **Luc Tayart de Borms**, Managing Director, King Baudouin Foundation, **Norine MacDonald QC**, Managing Director, Gabriel Foundation, gave an introduction to the European Mercator Fund, initiator of the summit and **Stephan Schmidheiny**, President, Avina Foundation, as keynote speaker, discussed his

experience as a European businessman involved in international philanthropy. An open discussion followed. **Michael Brophy**, Director, Help for all Trust, then presented the "Europe in the World" survey and introduced the Europe-in-the-World website (<http://www.europe-in-the-world.info>).

Norine MacDonald QC

Norine MacDonald said that success with the European Drug Policy Fund had inspired the creation of the European Mercator Fund. Both of these funds are interested in cooperation with European foundations on issues where Europe could take a global leadership role. Norine MacDonald emphasised the importance of civil society and foundations working together to make best use of resources and expertise. The foundations have in addition to financial resources, a "convening ability" that can be used to encourage large groups of people from different areas to work on issues of common interest.

The European Mercator Fund recognised that "listening was extremely important." This Summit was therefore part of the fund's "consultation phase". Norine MacDonald was interested to hear what participants had to say on how they worked internationally and how the European Mercator Fund could best work on issues related to Europe taking leadership on global issues. She explained that this summit would be followed by a report from the Fund's Steering Committee that would propose guidelines for the NEF Board's approval.

Stephan Schmidheiny

In his keynote address Stephan Schmidheiny gave an account as to how and why he had set up the Avina Foundation. After explaining the source of the wealth that had made the fund possible, he described his formative experiences as a young man working in his family's company that had grown over four generations into a global business, with many interests in Latin America. Particularly influential for his future philanthropic role were his time working as a factory hand in Brazil and dealing with economic fall and matters related to his early pullout of asbestos, all of which almost ruined the company of which he was chief executive. Stephan Schmidheiny then spent fifteen years building up his company until he decided he needed a sabbatical. A chance meeting led to a two year involvement in the creation of the World Business Council for Sustainable Development and his role in the UN Rio Earth Summit, and the creation of the idea of "eco efficiency."

Family bereavement and the intense experience of the preparations for Rio made him re-evaluate his thinking about wealth and its purpose. He wanted to make a real contribution to sustainable development and so he created the Avina Foundation. The foundation was created without headquarters and with a decentralised organisation relying on internet communication. Remembering his youthful experiences in Brazil,

and considering his business connections in the region, Stephan Schmidheiny concentrated the foundation's activities primarily in Latin America.

Initially the foundation looked at classical charity work with street children and health issues but after six months he realised that he could not make much of a difference there. The foundation spent five years developing the more effective strategy of giving small grants to people "doing the right thing." The foundation realised that money, on its own, was not enough and its main strategy therefore became finding and supporting leaders. Leaders were offered partnerships for 3-5 years but funding was only guaranteed for one year, with renewal being subject to meeting targets. This strategy, which has disbursed \$400 million and attracted a similar sum in matching funds, has proved to be cost effective and efficient.

Stephan Schmidheiny said the secret of the success was that it was all about the individual, personal involvement and building effective strategic alliances. He gave examples of alliances that the Avina Foundation had made with organisations as diverse as the Jesuits and the Harvard Business School. Such alliances allowed the foundation to act as catalysts for networking at local, national or global level and provided the right environment in which projects could develop independently, with those involved deciding priorities.

Discussion

Responding to a question as to how strategy could be discussed and evaluations made in a decentralised structure, Stephan Schmidheiny said the Avina had a council of five members who met every two months for two days and there was a yearly meeting of all 18 representatives from Latin America and Iberia.

The question of how Stephan Schmidheiny's legacy of personal philanthropy would be continued, was already being taken care of in the sense that he was now less involved in the day to day operations, and working on the strategic approach. A trust would continue to hold funds for the foundation and it was possible his children might get involved in the future.

Asked to explain the 3-5 year support for a leader but only a one-year guarantee of funding, Stephan Schmidheiny said that establishing relations with a leader took months and Avina insisted that when they joined forces it was as equals in a joint venture. This being the case both sides had obligations to meet targets. The leaders were formally appointed for a 3-5 year period but the money was not guaranteed beyond one year as things could quickly change. He said that less than 10 percent of projects were failures and only about 5 percent had to be terminated.

Asked how leaders were found and what their main characteristics were, he replied that the representatives looked for them. Leaders needed to have a capacity to lead, organise, achieve targets and be ahead of the pack. Until recently, Stephan

Schmidheiny had personally approved them but this had now passed to the council, albeit with a system of peer review by the representatives to ensure that approval came from at least two individuals. About two thirds of leaders came from civil society.

How was it possible to have a 'hands on' approach without compromising the integrity of the partner? This, he said, required one to work professionally and with mutual respect. He was now more involved in major strategic partnerships. He spent a lot of time meeting leaders on their home territory and in informal situations. Establishing personal relations was an important factor.

Michael Brophy

Michael Brophy prefaced his remarks by saying that it was a pity that he had not heard Stephan Schmidheiny's contribution a year ago. What he had done was what Europe in the World wanted to do, namely find a European voice, encourage foundation collaboration with business, build clusters of foundations for policy or geographical areas and harness new technology. He said that for many old foundations the idea of having no headquarters and relying on e-mail was somewhat breathtaking!

Giving a short historical background to the "Europe in the World" survey, Michael Brophy explained that its roots were in the question as to why European foundations were not doing more outside Europe, especially in comparison with major US foundations. The project had begun with a questionnaire to all foundations likely to be active internationally. The results had proved surprising and contrary to conventional wisdom. They showed that foundations did not work with their own governments or European institutions: they did not collaborate with each other or other agencies; they did not have extensive data bases and they did not regard their legal deeds as a barrier to participating in overseas activity.

What was clear, however, was that most foundations believed they should be doing more and that they had plans to do so soon. Against this background the NEF project Steering Committee had proposed moving forward in three areas: advocacy/promotion; means/resources; content/collaboration.

Michael Brophy also outlined a web site proposal that would allow foundations to exhibit their activities outside Europe, thus encouraging partnership and participation from other agencies, companies, governments, aid organisations, etc. This Europe in the World web site project would be a low cost signposting exercise with a search facility directing visitors to existing information initially on foundation web sites and the main statistical sites such as OECD, Eurostat and Unctad and over time extending to other relevant sites.

Panel session one

Discussing *“What role for Foundations? The Civil Society view”* were **Andris Barblan**, Senior Advisor, European University Association (Geneva), **Karin Poulsen**, Head of Programmes, The Danish Institute for Human Rights (Copenhagen), **James Cameron**, Development and Environmental Issues (London) and **Jan Niessen**, Director, Migration Policy Group (Brussels). **Luc Tayart de Borms** moderated the discussion.

Andris Barblan speaking on research and development, said that the proportion of foreign students studying in Europe was much lower than in the US, Canada and Australia. The main reasons for this were difficulties of access and the level of disparity between national systems; it was costly; there were too many languages, different laws and regulations; there was little transfer potential between European countries in a system that was perceived as “messy and unfriendly.” Andris Barblan said that Europe did not currently have a continental identity in research and development. Europe therefore needs to pool the funding raised at national and international level and cooperate to project a continental image. This would give added value to its efforts.

To achieve this, he suggested Europe should have more cooperative action, with partnerships with non-European institutions to develop programmes and raise finance. These actions should be compatible at the level of the European provider, which implies more cooperation in the way teaching is organised. Commitment to the long term was also essential, as one off actions in outside regions could not work.

He proposed that the best way to tackle this challenge would be to establish European platforms of knowledge or offshore institutions run by networks of networks and cited the examples of Macao as a point of reference for the Chinese and the Lebanon for the Arab world.

These platforms although less costly and complicated for students would require substantial investment to set up and it was in this effort that the foundations could play a significant role.

Karin Poulsen speaking on human rights said that these issues were facing huge challenges at the moment. Human rights were the building blocks of our societies and their strength lay in their being embedded in international conventions. Unfortunately they were now under pressure in the fight against terrorism and the weakening of international mechanisms such as the United Nations and the European Human Rights Court. Karin Poulsen said that foundations could help reverse these trends by supporting international projects for countries emerging from repression that would enable them to come to terms with the past and national projects to combat racism. Moreover, foundations could support non-governmental organisations in their quest to document violations and to file cases. This is a precondition to make the International Criminal Court truly operational.

Touching on the growing EU-US divide on human rights, Karin Poulsen said that perceptions on both sides of the Atlantic were causing friction and if not properly addressed could be harmful to the further development of human rights protection. She therefore proposed a transatlantic dialogue on human rights that would consider the different perceptions and practices in the EU and the US, the historical reasons for these differences, the problems they cause and how they could be minimised or eliminated. The dialogue could include human rights experts, representatives of business, government and politics. Foundations could therefore play an important role in strengthening the European voice in these endeavours.

James Cameron spoke on development and environmental issues. To illustrate how foundations could help in this area he gave the example of the Alliance for Small Island States that had been set up in 1989 to give these countries a voice in the Rio negotiations. At the time, only the Ford Foundation had been willing to contribute and they had come under heavy pressure from vested interests in the US to withdraw funding. They had resisted and continued to fund. As a result the governments of these small states had been able to draw on the sort of expert advice usually only available to major powers and rich corporations and it had allowed them an impact at Rio they would never normally have had.

What were the areas to concentrate on in the future? James Cameron identified climate change, water, institutional reform and property rights as the key issues. He also said that there needed to be new ways of conducting foreign policy on the environment in the EU. The current six month rotating presidency with its troika meant that the EU Member States had to define their final position ahead of international negotiations, which meant everyone already knew their position. He suggested that to avoid this and the problem of maintaining institutional memory, the EU should appoint ambassadors for negotiating climate change, environment and trade issues.

Concluding, he said that communication through the media was crucial. Foundations could play a role in raising public consciousness as to the realities of climate change, lack of water etc in programmes that showed how citizenship included respect for the environment.

Jan Niessen gave a presentation on "International migration: What are the issues and what role for foundations?" He explained that cross borders migration was on the rise in an unprecedented way and involved more countries and people than ever before. Migration was both voluntary and forced, with people fleeing to survive. It was important to understand the patterns, causes and drivers of the various forms of migration and mobility, as they were a reflection of the dynamics of today's global society.

Jan Niessen said one could easily make the link between migrants and refugees and the UN Millennium Declaration's aims of freedom, equality, solidarity, tolerance, respect for nature and responsibility. He said that migration could be seen as one of the

mechanisms for sharing natural and human resources, with migrants not always playing the role of victim but also providing valuable contributions to society.

Outlining the nature of the European debate on migration he concentrated on three themes: immigration as part of the solution; anti-discrimination and diversity and migration and development in the countries of origin. On the latter point he demonstrated that migrants were a development resource with their remittances to countries of origin often exceeding any other form of trade, investment or foreign aid.

Concluding he said, “foundations have a role to play in policy development, the design of innovative, forward-looking strategies and supporting implementation, advocacy, and the networking of key stakeholders.”

Panel one discussion

How could a national foundation, wanting to be involved in migration issues, engage on a practical level with NEF?

Francis Charhon and Luc Tayart de Borms said that presence at this summit was already a form of engagement that would not have happened a few years ago.

As far as cooperation with NEF was concerned, Francis Charhon explained that NEF was set up in 1996 by six foundations (European Cultural Foundation, King Baudouin Foundation, Bosch Stiftung, Charities Aid Foundation, Compagnia di San Paolo, Fondation de France). It now has eight Europe-based members: Charities Aid Foundation (London), Compagnia di San Paolo (Turin), European Cultural Foundation (Amsterdam), Fondation de France (Paris), Fundação Oriente (Lisbon), King Baudouin Foundation (Brussels), Mott Foundation (Prague) and Riksbankens Jubileumsfund (Stockholm). NEF is a platform to assist foundations in launching joint projects and finding partners, since experience has shown that foundations rarely work together even at national, let alone international level.

For efficiency, the Board of NEF is composed of a restricted number of foundations which twice each year come together to decide on new projects and evaluate ongoing ones. Nevertheless, every foundation could approach NEF with a proposal through a member foundation or through the NEF Managing Director. Each project accepted by the Board is open for participation by other partners. For each project, a leader foundation presides over a steering committee to decide on the aims and development of the project.

Article 5 of the by-laws of NEF states that: “All projects to be launched within NEF have to be presented to NEF General Assembly. Only a Foundation member can propose to the General Assembly a new project with the view to enlarge it to other European countries, on the condition that the project proposed must be supported by the Foundation which initiated it. The Managing Director has also the right of initiative: he

receives and can select with the approval of the Board of Directors the best projects he proposes to the General Assembly. When adopted, a new project is most of the time financed by more than two foundations (members of NEF or not) sharing the approved budget. In some cases, when a feasibility study is required or a launching phase is not entirely financed, the budget can be covered by NEF General Reserve, after the approval of the Board of Directors.”

NEF works closely together with the European Foundation Centre (EFC), a membership association with more than 200 members, associates and subscribers; 250 community philanthropy initiatives; as well as a further 48,000 organisations linked through a network of information and support centres in 37 countries worldwide. Its priorities are Representation and Monitoring at European Institutions, World Bank and United Nations Institutions; Membership Services including networking and convening, and consultancy on legal and fiscal issues and expansion of professional development opportunities for Members' staff; Public Record and Public Information Service on foundations and corporate funders active in and with Europe. A European Union Committee and an International Committee have been set up to deal with the different policy areas.

Michael Brophy was asked if his survey results (disproving certain preconceptions) meant that working outside Europe was discretionary for foundations?

He replied that legal issues were not a barrier, more depended on convincing the trustees. This was supported by actual examples of proactive foundation officials convincing trustees to “go out of area” because of the urgency of the situation or the importance of the cause.

Had the survey underestimated the global impact of European foundation projects by not taking into account the fact that national efforts often had a knock-on effect internationally?

It was true that many foundations were working on international/global issues and the questionnaire had tried to find out how much money went into these areas. Defining sums was difficult, however, because of accounting procedures. For example 400 million pounds from the UK lottery was given to UK based agencies that work abroad but these funds were not always spent on purely domestic projects.

Michael Brophy hoped that the Europe in the world website with its signposting facility would allow greater transparency. Another participant pointed out that it would be useful for foundations to work out how their local/national work impacted internationally.

What foundations are active in funding third world students in their own countries?

Andris Barblan replied that universities preferred to be present on the spot as this was the lower cost option for both academics and students but it was true that they needed pushing to do things outside Europe.

Panel session two

Hywel Ceri Jones, Chairman of the Executive Board, European Policy Centre moderated the second panel session on *“What role for Foundations? Views from the Foundation sector”* which brought together panellists **Ana Sastre**, Policy Officer of the Social Development and International Affairs Department, Fundación ONCE (Madrid), **Peter Laugharn**, Executive Director, Bernard van Leer Foundation (The Hague), **Wilhelm Krull**, Secretary General, Volkswagenstiftung (Hannover) and **João de Deus Ramos**, Member of the Board of Directors, Fundação Oriente (Lisbon).

Ana Sastre, speaking on international work with the disabled, presented an overview of the Once Foundation’s work in Latin America via its FOAL Foundation (Fundación ONCE America Latina). FOAL works with blind people, of whom there are some 5 million in Latin America, and receives funding from the lottery. It also works with other agencies such as the Inter American Bank on public private partnerships. Its aims are to provide blind people with new technology, training for employment and humanitarian aid (e.g. housing) and by integrating them into everyday life to combat social exclusion. Ana Sastre cited projects in Argentina, Chile, Uruguay, Ecuador, Bolivia and Panama.

Peter Laugharn discussed the importance of AIDS and HIV issues. He introduced the European HIV/AIDS Funders Group and explained it was a knowledge-based network of 11 member groups from across Europe, dedicated to strengthening European philanthropy in the field of HIV/AIDS. Europe had much to offer but there was a certain reticence and little was being done in comparison to US foundations. He identified lack of infrastructure and low perception of risk as major factors holding Europe back.

He explained the scale of the HIV/AIDS epidemic was now more destructive than current regional conflicts. More than 13 million children were orphaned or semi orphaned as a result of the disease and this was bound to have social and economic repercussions. In Africa, infection was fatal due to poor living conditions and lack of treatment. Its incidence in Eastern Europe was increasing rapidly as the result of intravenous drug use.

What was the Fund doing? It was fostering networking, information and best practice exchange and promoting better communication and coordination among funding organisations. He urged foundations to look at their mandates to see where AIDS projects could be fitted in. Given the social and economic problems the disease caused, mandates could be interpreted broadly. While most existing programmes were strong on

care, they were weak on treatment and this was the major requirement in Africa. This was a major gap that needed attention. .

Wilhelm Krull speaking about the changes and challenges posed by research and education today, quoted Kofi Annan's statement that much of the new science in the realm of health neglected the problems affecting most of the world's population. What was necessary were new funding initiatives for Africa. Given the continent's problems there needed to be a fresh start in contributing to the development of its intellectual capacity.

The most effective way to do this was to build networks to help qualify young people. They should be given research opportunities abroad to enable them to return to their own countries with valuable expertise, especially in the key areas of health and nutrition.

Wilhelm Krull cited his own foundation's New Funding Initiative for Africa (July 2003) as one way foundations could tackle the problem.

João de Deus Ramos spoke about relations between Asia and Europe, using the example of his own organisation's work in China. Fundação Oriente had been created 15 years ago to enhance and strengthen the links with Asian countries where there had been a Portuguese presence in the past.

Activities in the People's Republic of China had developed in a slow and cautious way, matching the slow and cautious process of civil society development. But he was pleased to report that there had now been significant progress. The Chinese had asked to send two or three participants to the European Foundation Centre's Annual General Assembly in Lisbon in June 2003. This demonstrated the change of strategic thinking among the new generation of leaders in China.

Panel two discussion

How can foundations develop common projects compatible with individual ways of working? (Working with NGOs)

This could sometimes pose problems, as working together was not simply a process of becoming acquainted. When foundations committed to an area outside their usual expertise they had steep learning curves and needed to bring in outside assistance. Advocacy collaboration posed fewer difficulties than working together on programmes. Panellists said that partnerships often highlighted the cultural problems of the different approaches of business or NGOs. These could sometimes be frustrating but foundations could overcome this gap by broadening meetings to include representatives from civil society, politics, industry etc. It was pointed out that foundations and civil society share many values and this could be used constructively.

Because foundations were often the nub of a network, they had a unique opportunity to shape ideas but this pro-active role could result in conflict with NGOs. One participant said that the UK had set up funders' forums to identify needs and develop strategy, with stakeholders also invited to make an input. This kind of consultation resulted in more efficient programmes and the model could be extended to international cooperation.

NGOs input was important to the foundations but getting them to feed into NEF would be a challenge. Mapping NGO activity in the EU had always been difficult because of the different terminologies in the Member States but getting them on board along with other actors in civil society would be necessary if foundations were to move from a passive grant giving to a proactive role.

Another comment from the floor said the way forward to international partnerships would be a bottom up and not a top down approach. Foundations needed to widen their local consultation with stakeholders and build on local projects. The conference had provided examples of how such projects had taken on international dimensions

The AIDS problem is not one of money but action – especially treatment. How can this be done with operational groups?

The blockages exist because the nature of the organisations frequently involved in AIDS work is social development not scientific. Treatment delivery need very large organisations with major funds (e.g. Bill Gates' AIDS initiative) but it is possible that in future treatment could be delivered by partnership which include a skill mixture such as biomedical expertise and effective local delivery systems.

Does the panel see a role for foundations in the countries of the former Soviet Union?

Plans were already underway for a special conference later this year to focus on the former Soviet Union and Eastern Europe. It was clear that foundations needed to engage with the non-profit sector but these organisations faced special problems in that before they could participate in projects they needed to improve their own core funding and infrastructure. Foundations should bear these problems in mind and look at how they might help

Could representatives from foundations who are polite sceptics on international activity explain their reticence?

A participant from the floor said that foundations were under pressure from local lobbying. Most of them worked on local issues and the idea of spending a small proportion of their funds on a project for example in Africa did not make much sense.

There were, however, local issues that had international implications. It made sense to stick to your issue areas but look to see what the international implications were. In this way foundations could make a link between their local work and international projects. NEF could provide information as to what partnership opportunities were available in specific areas/regions.

Wilhelm Krull pointed out that local and global were becoming intertwined. In Germany no provision had been made for religious education for Muslim immigrants in schools. As a result, they had gone to the militant Koran schools. This neglect had potentially explosive consequences, not just in Germany, but in the whole of Europe.

Wilhelm Krull was asked how more young people could be attracted to science.

Many young people preferred law or business, perceiving them to more attractive careers. Efforts needed to be made to raise the profile of science. Information on science had to be interactive or there was the danger of the scientist losing the listener after a few technical sentences. He said that workshops and lecture programmes aimed at the under 16 years age group where they could learn about scientific subjects in an attractive and interactive way, had proved successful in Germany.

Foundation activity presentations

The open session included two presentations of foundation activity.

Roland Kaehlbrandt of the Hertie Foundation presented the **START** programme for young immigrants. He said that for years Germany had done nothing to care for its waves of immigrants. Today, Germany was paying the price of this neglect especially in the education sector. Hertie wanted to contribute to a turnaround in the perception of immigrants and had decided to foster an immigrant “elite” of young professionals.

The START programme provides modest financial support to promising pupils who show commitment to academic work and public service. They also receive a computer and internet access as well as a range of mentoring and counselling services. Response to the programme, which was piloted in one region, has been so positive that other organisations in other parts of Germany have started keen to copy it.

Nicolas Borsinger of **Pro Victimis** said that his organisation was one of the few that spent 95 percent of its funds internationally. Pro Victimis had concentrated on helping victims rather than thinking about the big issues, but there was now a move to focus more strategically.

Recent reviews had shown that they had had their fair share of disasters as well as successes. The key was grantee selection and performance but the problem was how to choose good grantees. They wanted other people to be involved in reviewing their process. They wanted to be more effective but were not sure if they were even asking

themselves the right question as to how to improve the process. He therefore invited the participants to contribute to Pro Victimis' review process.

Hywel Ceri Jones noted the growing interest in the potential for cooperation between partner foundations within the framework of NEF as well as the interest of NGOs to be involved. He invited the organisers of NEF to reflect how best to inform foundations of the scope and methods for such cooperation, including providing indications of themes which appear to be of interest to several foundations.

Conclusion

Closing the summit, **Dario Disegni**, President of the EFC, expressed his gratitude to NEF for the excellent organisation and the interesting debates. **Francis Charhon** said that in contrast to last year, this year's event had been marked by real progress. Common interest had been found and now it was necessary to move forward.

Clear areas of interest (culture, education, science, racism, migration etc) had been discussed and many organisations had indicated that they were working alone on these issues. It was now important to get foundations to link together in these areas using NEF and the Europe in the World website.

NEF would also be thinking about answers to some of the questions raised; how to choose partners; what is and what is not important. Foundations and NGOs can work together but we need to be sensitive to the different cultural approaches.

Francis Charhon hoped that one result of the present summit would be increased linkage of foundations on projects, which might lead to another gathering of European foundation leaders.

Thanking the organisers for their efforts, he closed the session.