

# Foundations and the Ambiguity of Success and Failure

## A Case Collection

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# Foundations and the Ambiguity of Success and Failure

## A Case Collection

### Key Findings

With philanthropic foundations having grown in numbers and significance, the question of what makes for the success and failure of their projects and activities becomes increasingly relevant. This collection looks at 20 cases across a range of foundation fields in seven different countries, including the United States, the United Kingdom and Germany. It examines different aspects of foundations' operations: the way in which endowments and other resources needed are allocated; the way decisions are reached, implemented and managed; the initial results and program interventions and projects; and outcomes in terms of the longer-term changes. It becomes clear that for foundations operating in complex environments simple notions of 'success' and 'failure' may not be relevant concepts for assessing performance at all, rather, foundations frequently face the challenge of ambiguity that seems inherent in relation to their chosen roles, e.g., working towards uncertain outcomes; starting rather than completing activities towards a desired goal; building bridges between otherwise unconnected or distrusting constituencies, or creating space for diverse parties to convene or discordant voices to be heard.

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# Introduction<sup>1</sup>

With philanthropic foundations having grown in numbers and significance in most developed market economies, the question of what makes for the success and failure of their projects and activities becomes increasingly relevant. This collection looks at 20 cases across seven different countries, including the United States, the United Kingdom and Germany, and from a range of fields in which foundations are active, covering both domestic and international projects. What is more, they cover different aspects of foundations' operations: the way in which endowments and other resources are allocated (input); the way decisions are reached, implemented and managed (throughput); the initial results and program interventions and projects (outcomes); and their longer-term impact (outcomes).

Taken together, the cases point to one major conclusion: for foundations, the notions of what constitutes and leads to 'success' and 'failure' are not as clear cut as they may seem at first or at face value. One implication for foundation representatives and experts is that they should treat any notions let alone claims of success and failure with some caution, and that they should be equally on guard as to simplifying approaches on how to achieve high impact or maximise philanthropy's contributions.

However, the case studies do not suggest that planning for success is unnecessary or that trying to avoid failures through careful measures would be pointless. To the contrary, any plan is better than no plan, as proponents of strategic philanthropy remind us and any performance measure better than none at all, as venture philanthropists emphasize. Yet the cases in this collection shed light on the complex relations between processes and outcomes that can be full of uncertainties, even surprises. And while it is good for foundations "to keep the eye on the prize" when addressing demanding issues and pursuing ambitious goals, the cases presented here remind us that a modicum of humble modesty may well be called for. As many of the cases in this collection show, in terms of success and failure, the actual ability of foundations to manage the often seemingly unmanageable relation between processes and outcomes turns out to be more important than well thought-out strategic plans and programs.

In order to understand what this means concretely, a few examples might be useful. First, consider a foundation dedicated to feeding the poor. In this case, success lies in the maximum number of poor fed, given available resources. Note, that success is not about reducing the number of poor people seeking help through advocacy aiming at policy changes or empowering the poor to fend for themselves. It is charity in the sense of

<sup>1</sup> We would like to thank Zora Chan for her support during the editing process.

immediate relief, and not philanthropy aiming at underlying causes of poverty, to refer to the basic distinction of foundation roles.

Now, consider a foundation awarding stipends to talented students from first generation immigrant families. In this instance, an obvious measure of success means maximizing the number of such stipends, again assuming a fixed expenditure budget over the lifetime of the awards. Yet unlike the case of a foundation feeding the poor, this case invites different measures of success: for example, that awardees put the stipend to its best uses by graduating on time and with a grade point average that makes for an easy transition to the job market; or that they and their families become fully integrated upwardly mobile citizens. What is more, the foundation could succeed on one measure such as maximising the number of awardees and fail on another if graduation rates are low or graduates find it difficult to enter the job market.

Consider yet another case: a foundation decides to address a topic as complex as global climate change and sets out to support energy transition from carbon-based fuel to renewables. Given the very complexity of issues involved, the foundation may be able to set either very general goals (e.g., energy transition achieved and negative impact of climate change mitigated) or very specific goals (e.g., stipends to young scientists studying global climate and energy governance). Note that both are on different timelines, and are weakly connected. It is conceivable that the foundation can succeed on the specific but fail on the general goal. It is also possible that the impact of global climate change will be mitigated, while the stipend program fails or remains a moderate success.

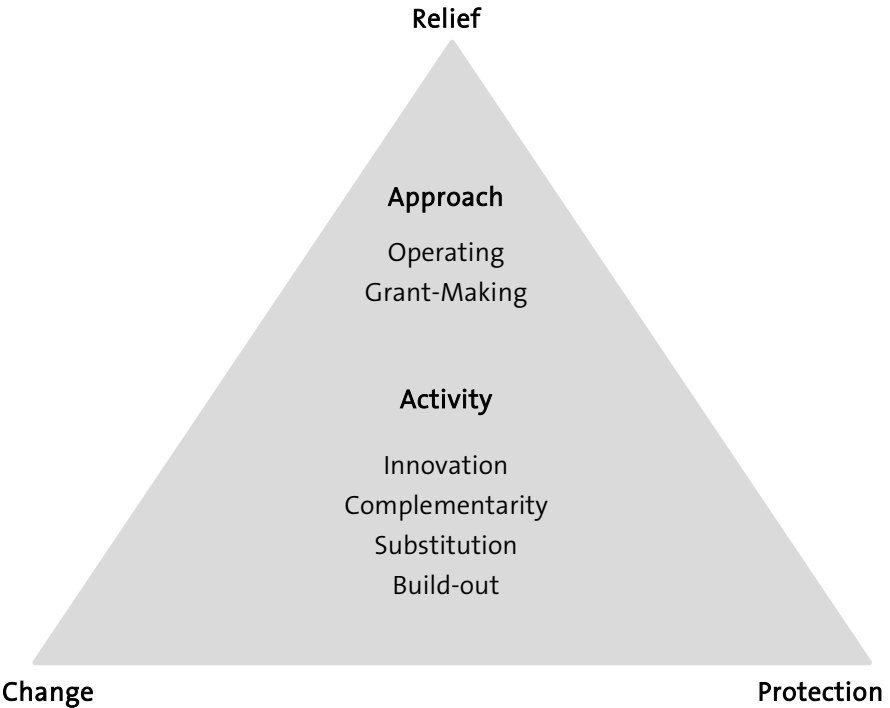
Put differently, the process of goal attainment or more precisely, the management of goal-activity alignments, becomes as important as obtaining the goal itself, even if the precise connection cannot be shown in terms of any stricter notions of causality. Thus, for foundations operating in complex environments simple notions of 'success' and 'failure' may not be relevant concepts for assessing performance at all; rather, foundations frequently face the challenge of ambiguity of not knowing which is which, or where they are in the process towards achieving set goals.

This ambiguity is born out of the complexity and uncertainty that seems inherent in relation to their chosen roles, e.g., working towards set outcomes; starting rather than completing activities towards a desired goal; building bridges between otherwise unconnected or distrusting constituencies, or creating space for diverse parties to convene or discordant voices to be heard. The cases included in the collection here speak to what is often a situational context full of dilemmas.

Of course, foundations vary not only in size but also in terms of their approaches and activities. In recent years, various typologies have been proposed that classify what foundations do, how and for what in terms of

different models, styles, roles etc. In this respect, it is useful to separate what foundations want to achieve (purpose) from what they do (activities), and how (approach). This is shown below as the “Foundation Triangle” (Figure 1). The basic idea is that foundations chose, and, consequently, can be examined and clustered, in specific combinations of purpose-approach-activity sets.

Figure 1: The Foundation Triangle



This triangle classifies the kind of foundations covered by the cases in this case collection: with a primary emphasis on change rather than relief and protection in terms of purpose, grant-making as the major approach, and covering all four activities. Conversely, the cases do not include operating foundation such as museums, think tanks, or charities delivering services like hospitals and homes for the elderly.

The cases focus also less on factors such as serendipity (i.e., fortunate but ultimately unintended decisions or circumstances leading to good outcomes) or purposive malfeasance and wrong doing in foundations (e.g. negligence, embezzlement or corruption) contributing to failure. By contrast, we will select cases where stakeholders (boards, management, grantees, regulators etc.) produced good or bad results that can be judged against some intended and agreed-upon, and ultimately identifiable objectives.

Thus, the cases address issues that go beyond the applicability, usefulness, and appropriateness of performance (and output, outcome and impact) measures of one kind or another. They examine different aspects of



foundations' operations: the way in which endowments and other resources needed are allocated; the way decisions are reached, implemented and managed; the initial results and program interventions and projects; and outcomes in terms of the longer-term changes.

The cases offer variations of a basic theme: the ambiguity of what constitutes performance in the first place when:

- Foundation projects operate in highly complex, fast changing and often contested fields;
- They address problems that are ill understood, riddled with externalities, and involve implications of many kinds that may not be anticipated;
- What is declared as success or failure depends as much on normative preference as on facts, inviting contestations; and
- Over time, assessments of performance factors and outcomes vary ex post as well as ex ante ("moving goal post").

Put differently: if exploration towards possible innovations or demonstration projects for gauging the applicability of new solutions are the objective of foundation activities, then even failure could potentially count as success as long as learning from current failure increases the chances of future success.

Yet how are we to know which is which? What yardsticks or benchmarks apply for measuring performance and tracking goal attainment? The purpose of this case collection is to sensitize readers to probe deeper into the complex set of issues that are behind the performance of foundations and wider impact of philanthropy. For unlike in the case of businesses, public agencies and NGOs, where case studies and best practice guides are readily available, case studies reflecting the specific realities and challenges of foundations remain rare. The present collection hopes to help fill this gap.

In selecting cases, we conducted a broad scan of foundation projects using Internet-based searches, and consultations with foundation experts and representatives, academics, and policymakers<sup>2</sup>. We vetted many potential cases that came into focus, and selected over thirty for writing up vignettes, i.e., concise descriptions of each case using a set protocol, of which twenty are included here.

<sup>2</sup> Lori Bartczak; Eric Beerbohm; Antje Bischoff; Phil Buchanan; Janet Camarena; Nicholas Deakin; Paul Dekker; Meghan Duffy; Alnoor Ebrahim; David Emerson; Kathleen Enright; Richard Fries; Marita Haibach; Caroline Hartnell; Rosien Herweijer; Roland Kaehlbrandt; Stanley Katz; Katrin Kowark; Mark Kramer; Christine Letts; Johanna Mair; Kim Meredith; Gerald Oppenheim; Anne-Claire Pache; Edward Pauly; Ryan Pevnick; Catherina Pharoah; Ulrike Posch; Woody Powell; Rob Reich; Kimberly Roque; Gerry Salole; Emma Saunders-Hastings; Li Sha; Volker Then; Megan Tompkins-Stange; Katherin Watson; Noomi Weinryb; Annette Zimmer

Table 1 offers a synopsis of the cases included, summarizing in particular the program objective, performance and key issues.

Table 1: Case Synopsis

Foundation	Programme	Programme Objectives	Performance	Key Issues
Annenberg Foundation, USA	The Annenberg Challenge	To combine resources and ideas to increase effectiveness of public schooling	Made incremental changes to public school organization but did not achieve substantial improvements in student performance	Lack of a guiding strategy. Funding requirements diverted funds from other non-profits. Outdated theory of change.
Barrow Cadbury Trust, GRB	The Migrants' Rights Network	To give migrants space to voice their views and experiences and to advocate a rights-based approach in the field of migration policy	Success of the MRN was unclear, evolved from small-scale project to mid-size organization, income base grew more than tenfold since 2006	New focus strengthened by experienced leadership. Long-term involvement of key participants. Hostile political environment restricts success.
Bertelsmann Foundation, DEU	Phineo	To strengthen civil society by serving as intermediary between potential donors and non-profit organizations	Organizations that were analysed a second-time since 2012 demonstrated significant improvements in transparency	Recruitment of external partners had costs and benefits. Growth created trade-offs between being 'established ways' and maintaining the spirit of innovation.
Buttle UK, GRB	Buttle UK Quality Mark for Care Leavers	To improve opportunities for and experiences of higher education for care leavers	Developed 'quality mark' adopted by 56% of universities. Considered best practice now by govt. But debatable effects on care leavers choice of university	Strategic partnerships. Strong leadership. Favourable policy context but allowed foundation to capitalise on opportunities.
Calouste Gulbenkian Foundation, PRT	The Immigrant Doctors' Recognition Project	To support the recognition process of immigrant doctors	First phase 107 of 120 doctors recognised and employed; later replicated with less success	CGF in Portugal very powerful and well networked. Joint project with government for added leverage
Compagnia di San Paolo, ITA	Social Microcredit Programme	To support the entrepreneurial activities of clients who were incapable of offering guarantees and to receive conventional banking loans	Economic crisis lead to growing need for credit, success inconsistent across regions, project was forerunner of larger micro-credit initiative, launched in 2014	Network of reliable project partners. Strong human resource strategies. Supply of tools instead of ready-made solution.
Eberhard von Kuenheim Foundation, DEU	A New Start for Theresienthal	To revitalize the insolvent manufacturer of crystal glass	Factory is running again and over 20 employees returned to their workplace	Possible to foster entrepreneurship in unlikely place under difficult circumstances. Foundations not self-interested and therefore considered reliable partners.

Foundation	Programme	Programme Objectives	Performance	Key Issues
Fondazione Cariplo, ITA	Social Housing	To experiment with innovative solutions for financing, constructing and managing economically sustainable social housing	Policy influence in addition to direct benefits in provision of housing. Used as model for element of National Housing Plan	Illustrates foundation role as innovator, making links across sectors and challenging private and public institutions.
Freudenberg Foundation, DEU	Service Learning	To promote service learning and democratic competences / practical skills in German schools	Nation-wide network "Lernen durch Engagement" was developed, did not lead to systematic change in German education system, Only 100-200 schools implement practice	New initiative not widely implemented due to unclear rationale. Schools and students could not be convinced of sustainable gain through the practice of service learning
Fryshuset, SWE	Easy Street ("Lugna Gatan") Programme	To reduce violence and crime among young people in Stockholm's most segregated neighbourhoods	Social impact as labour market programme, impact on crime rates more contested, overall considered a successful anti-youth-crime project	Young people not only target group but integral part of the project. Ability of storytelling increased success.
Joseph Rowntree Charitable Trust, GRB	Campaign for Freedom of Information	To convince British government to introduce the Freedom of Information Act (FOIA)	First draft of the FOI Bill unsuccessfully introduced (1991), watered-down FOIA gained Royal Assent in 2000, Campaign considered important influencer	Close long-term relationships with grant recipients. Foundation criticised for engaging in political campaign. Testing the limits of existing charity laws
King Baudouin Foundation, BEL	The Training of Imams	To enhance understanding and integration of Muslim communities in Belgium - specifically via understanding of the training of imams	Various positive developments in the training of imams and recognition of Islam. Very difficult to attribute changes	Islamophobia increasing due to wider factors. Example of a foundation taking on an issue government could not/would not touch.
Körber Foundation, DEU	History Competition of the Federal President	To spark interest of young people in their own history, promote independent thinking, and strengthen students' sense of responsibility	In 40 years, more than 136,000 young Germans participated, criticism due to connection between education and tobacco industry	Prizes tend to be low risk and high profile. In terms of the immediate output the foundation cannot lose. <input type="checkbox"/> Cooperation with political leaders heightens visibility.
Mozaik Foundation, BIH	EkoMozaik	To create employment and integration via an economically sustainable business in a poor rural area	A very ambitious project in a very difficult environment - unclear as yet if the business can be self-sustaining	It has provided employment and it has had some integrative effects - but economic sustainability hampered by location and events beyond the project's control

Foundation	Programme	Programme Objectives	Performance	Key Issues
Open Society Foundations, USA	Central European University	To create an independent and academically reputable institution to promote an open society	Leading academic institution in Central and Eastern Europe, difficulties in identifying its mission/direction, accusations of funding 'liberal extremism'	Philanthropy with political agenda runs the risk of conflicting with domestic government policies.
Pew Charitable Trusts, USA	Global Warming and Climate Change Programme & Pew Center on Global Climate Change	Adapted over time, basically to change policies and practices in order to reduce greenhouse gas emissions	Various 'successes' over a 13 year period but attribution to Foundation not clear	Complex program which adapted as it went along - in relation to changing policy environment and its own perceived progress
Robert Wood Johnson Foundation, USA	The Tobacco Use Programmes	To reduce tobacco use in the US, primarily among children	Collaborative and changing program. Some successes but arguably easy wins and impossible to attribute successes. Tobacco companies turned attention to 3rd world markets i.e. arguably problem not so much solved as exported	Adaptive strategy in a largely favourable policy environment but in face of a powerful industry lobby.
Foundation anstiftung & ertomis, DEU	Stiftung Interkultur: Intercultural Gardens Movement	To create a platform to facilitate intercultural community gardening	Project increased political recognition of urban gardens, has a low-key approach, does not aim to force social change	Indirect approach can be successful. Brings together two unrelated issues in creative way. Role in amplifying what might otherwise remain isolated experiments.
Walton Family Foundation, USA	Charter Schools Funding	To improve K12 outcomes for all students especially those of limited means by ensuring access to high quality educational choices (charter schools)	Increase in charter schools in US but debate as to whether these really improve outcomes for all K12 students. Poor quality research and moving goalposts	Highlights fact that public good is a contested concept. A foundation may achieve objectives but be criticised for the nature of those objectives.
William and Flora Hewlett Foundation, USA	Neighbourhood Improvement Initiative	To strengthen long-term capacity of the community foundations and neighbourhood organizations to sustain change	Project had mixed results across 3 neighbourhoods, some positive changes but problems due to inexperienced partners and lacking theory of change	Role in testing and pioneering new approaches. Experiences served as lessons learned for other foundations. Unrealistic expectations created tensions with partners.

The case vignettes included in this collection are meant for use by foundation boards, the induction and training of foundation staff, and executive education primarily. They are also of use for university teaching in master level programs, especially at public policy and business schools. Several of the cases will become teaching cases available at Harvard Business Publishing<sup>3</sup>, and a fuller analysis will be forthcoming as a book in 2017 published by Helmut K. Anheier and Diana Leat (London: Routledge).

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[https://ssir.org/up\\_for\\_debate/article/strategic\\_philanthropy\\_and\\_its\\_discontents](https://ssir.org/up_for_debate/article/strategic_philanthropy_and_its_discontents)

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<sup>3</sup> <https://cb.hbsp.harvard.edu/cbmp/pages/home>

# Annenberg Foundation, USA

## The Annenberg Challenge

### Description of Specific Programme

The Annenberg Challenge was the largest single gift made in the 1990s and was designed to unite the resources and ideas of those committed to increasing the effectiveness of public schooling.<sup>4</sup> The three goals the foundation had set were to improve education in troubled inner-cities, to help isolated and rural schools gain assistance, and to make arts education a basic part of every curriculum.<sup>5</sup> The programmes operated in 18 target areas, included Philadelphia, Chicago and Los Angeles.

### Origins and Rationale

The Challenge began with Ambassador Annenberg wanting to make the “American Dream” a reality for the hundreds of thousands of students struggling through K-12 education. To this end, he sought counsel from four key advisers: Vartan Gregorian, president of Brown University and currently president of the Carnegie Corporation of New York; TheodoreSizer, who led the Coalition of Essential Schools based at Brown; and David Kearns, a former Xerox Corporation chairman.<sup>6</sup> Ambassador Annenberg believed that by donating such an unprecedented sum of money to single cause, leaders would awaken to the dire need of improving K-12 education, and that other philanthropists would be inspired to donate as well.

### Design and Implementation

Vartan Gregorian was in charge of distributing the funds and also worked as Annenberg’s educational advisor. The first grants went to the Annenberg Institute for School Reform at Brown University (\$50 million), the New American Schools Development Corporation (\$50 million), and the Education Commission of the States (\$8.6 million). Beginning in 1995, grants began to flow directly to non-profits.<sup>7</sup> The foundation had two stipulations: the fund could not be given directly to the schools, and they needed to be matched,

4 <http://www.annenbergfoundation.org/about/directors-activities/annenberg-challenge>

5 The Annenberg Foundation (2002). *The Annenberg Challenge: Lessons and Reflections on Public School Reform*. Providence: Annenberg Institute of School Reform, p. 6.

6 Ibid., p. 16.

7 Wooster, M. (2006). *Great Philanthropic Mistakes*, Washington D.C.: Hudson Institute, p. 137.

either 2-1 or 1-1. By funding intermediary organization, the foundation believed it would avoid political entanglements and the red tape associated with public education.<sup>8</sup> Unlike the large sum of grants made by the Walton Foundation on behalf of K-12 education, Annenberg focus only on public schools for its funding. Just as Walton was criticized for focusing only on charter schools, Annenberg was scrutinized for excluding alternatives to public schools (see for example Wooster 2006).

Eighteen challenge projects were implemented in 35 states, which funded a total of 2,400 public schools and served more than 1.5 million students.<sup>9</sup> The grants were supplemented with private matching funds from business and other educational stakeholders, which totalled \$600 million.<sup>10</sup> Of this, \$268.8 came from other foundations, seven of which donated over \$10 million. The foundation sought to create impact via intermediary organizations, such as university presidents, newspaper publishers, and other foundations. Moreover, the Challenge took a holistic approach by encouraging the involvement of parents and the community.<sup>11</sup>

The details of the design depended on feasibility and location. In New York City, grants went to four coalitions that were assembled by Deborah Meier, who had created the Central Park East system of small school.<sup>12</sup> The four groups, consisting of The Center for Educational Innovation at the Manhattan Institute, New Visions, the NY chapter of the Association of Community Organizations for Reform Now (ACORN), and the Center for Collaborative Education, joined to create the New York Networks for Social Change in 1995. Under Meier's leadership, the Networks primarily focused on reducing school size. In Chicago, on the other hand, efforts rather focused on decentralization and empowering teacher-parent networks.<sup>13</sup>

## Outcome and Impact

The Annenberg challenge is often cited as one of the major foundation failures of history.<sup>14</sup> While it made incremental changes to how public

8 The Annenberg Foundation (2002). *The Annenberg Challenge: Lessons and Reflections on Public School Reform*. Providence: Annenberg Institute of School Reform, p. 13.

9 <http://annenberginstitute.org/Challenge/about/about.html>

10 Ibid.

11 The Annenberg Foundation (2002). *The Annenberg Challenge: Lessons and Reflections on Public School Reform*. Providence: Annenberg Institute of School Reform.

12 Wooster, M. (2006). *Great Philanthropic Mistakes*. Washington D.C.: Hudson Institute, p. 145.

13 Ibid., p. 147.

14 Fleishman, J. (2007). *The Foundation: A Great American Secret. How Private Wealth is Changing the World*. New York, NY: PublicAffairs.

schools are organized and how students are taught,<sup>15</sup> it did not achieve substantial improvements in student performance. As with many ambitious initiatives, there were several different foundations working on school reform simultaneously. In some of the Chicago schools, there were as many as 20 different reform efforts, the Annenberg Challenge being only one.<sup>16</sup> This often led to school officials being overwhelmed with the sheer number of changes required of them, and feeling powerless to the outside impositions. It also made it difficult to attribute failure and/or success to any one of the foundation's efforts.

When efforts could be attributed, the success of the grants that were awarded varied largely. In New York City, the only one out of four organizations to achieve continuing success was the Center for Arts Education.<sup>17</sup> The New York Networks for Social Change helped launch the initiative to break up larger schools, but was faced with much resistance from Rudy Crew, the school chancellor at the time. Later, the Gates Foundation, Carnegie Corporation, and the Open Society Institute Programme would also support efforts to create smaller schools, but the extent to which school size correlates with achievement is still disputed.

Although the challenge did not amount to significant quantitative results, the foundation cites anecdotal evidence of positive impact. A report claims that although the Challenge did not work miracles, it brought hope to abandoned schools, helped educators make a 'new commitment to excellence', and inspired teachers to work more closely with problem students. Some of the more specific achievements listed are the expansion of arts programmes and professional development opportunities. At the same time, it openly admits disappointment, writing that many of the target schools are still failing today.<sup>18</sup>

## Success or Failure Factors

As a foundation, Annenberg prides itself in seeking innovative solutions to social problems, and accepts failure as part of the process. It writes that it is "willing to take measured risks with a tolerance for occasional failure to seek out and fund outstanding people and organizations."<sup>19</sup> The Annenberg

15 Wooster, M. (2006). *Great Philanthropic Mistakes*. Washington D.C.: Hudson Institute.

16 Russo, A. (2000). From Frontline Leader to Rearguard Actions: The Chicago Annenberg Challenge. In R. Domanico, C. Innerst & A. Russo (Eds.), *Can Philanthropy Fix Our Schools? Appraising Walter Annenberg's \$500 Million Gift to Public Education* (pp. 33-50), Washington D.C.: Thomas B. Fordham Foundation.

17 Fleishman, J. (2007). *The Foundation: A Great American Secret. How Private Wealth is Changing the World*. New York, NY: PublicAffairs, p. 267.

18 The Annenberg Foundation (2002). *The Annenberg Challenge: Lessons and Reflections on Public School Reform*. Providence: Annenberg Institute of School Reform.

19 <http://www.annenbergfoundation.org/grantmaking>



Challenge, however, appears to go well beyond the acceptable range of failures. Some of the factors that contributed to this failure are:

- The lack of a guiding strategy. Rather than having a clear theory of change, the challenge relied on districts to test approaches, claiming non-partisanship as its only ideology.<sup>20</sup>
- All funds needed to be matched, meaning that only schools which had already set aside funds for reform could participate in the Challenge. Moreover, this requirement had the unintended consequence of diverting funds away from other non-profits, which were forced scale back or close down. This was particularly noticeable in Philadelphia, where local cultural institutions and NGOs suffered from the significant drop in funding from local foundations, who chose to invest more in education instead.<sup>21</sup>
- In his case study on the programme, Wooster criticized Annenberg for using an archaic theory of change that had already been employed by other foundations and proven to be ineffective.<sup>22</sup>

Many of the Annenberg programmes were eliminated by structural changes in public education systems due to continuously low performing schools. For instance, Philadelphia schools were taken over by the state of Pennsylvania in 2002, which subsequently eliminated the Annenberg inspired school clusters and teacher training programmes.

## Lessons Learned

- Level of spending does not necessarily correlate with impact. The Annenberg challenge received widespread attention for the sheer amount of money it committed rather than having a promising strategy for change.
- A theory of change should consider the strategies and failures of other foundations to avoid repeating mistakes and setting yourself up for failure.
- Even a good theory of change can fail in light of on the ground opposition and contextual changes. This can be mitigated by building a strong consensus prior to implementing the project.

20 The Annenberg Foundation (2002). *The Annenberg Challenge: Lessons and Reflections on Public School Reform*. Providence: Annenberg Institute of School Reform, p. 13.

21 Innerst, C. (2000). Grant Brings High Hopes, Modest Gains to Philadelphia School Reform Effort. In Domanico, C. Innerst & A. Russo (Eds.), *Can Philanthropy Fix Our Schools? Appraising Walter Annenberg's \$500 Million Gift to Public Education* (pp. 19-32). Washington D.C.: Thomas B. Fordham Foundation.

22 Wooster, M. (2006). *Great Philanthropic Mistakes*. Washington D.C.: Hudson Institute, p. 144.

# Barrow Cadbury Trust, GRB

## The Migrants' Rights Network

### Description of Specific Programme

The Migrants' Rights Network (MRN) is a British non-profit organization that supports the rights of migrants through their work and campaigns. Its overarching goal is to give migrants space “to voice their views and experiences” and to advocate a “rights-based approach” in the field of migration policy.<sup>23</sup> To this end, the organization serves as a platform and meeting space for migrant activists, academics, and representatives of support organizations, faith groups and the public sector. Besides being the heart of this dynamic network, the organization's main activities include: supporting migrant activism on a local and national level, generating and sharing information on migration issues, and raising awareness through media work, public events and lobbying campaigns.<sup>24</sup> Additionally, the MRN also serves as the secretariat for the All-Party Parliamentary Group on Migration.<sup>25</sup> The network is known for an innovative approach, combining grassroots mobilization, parliamentary work and in-depth analyses of current policies and practices.<sup>26</sup>

### Origins and Rationale

The Barrow Cadbury Trust has a long history of financially supporting local migrants' organizations and advocacy groups focusing on migrants' rights, especially in the West Midlands where the Trust and the Cadbury business were originally based.<sup>27</sup> In the 1990s, migration patterns changed rapidly in Great Britain: the number of migrants increased substantially - in particular economic migrants - and their countries of origin became more and more diverse. National policy and public discourse reflected these changes; migration became a high-profile issue. Some tabloid newspapers encouraged voters to believe that mass migration could have negative consequences for the British society. National migration policy took these fears into account by developing a more coercive migration regime. A

<sup>23</sup> <http://www.migrantsrights.org.uk/about>

<sup>24</sup> Ibid.

<sup>25</sup> All-Party Parliamentary Groups are informal groups of Members of both Houses with a common interest in particular issues, <http://www.appgmigration.org.uk/>

<sup>26</sup> [http://www.migrantsrights.org.uk/files/publications/Annual\\_report\\_2014.pdf](http://www.migrantsrights.org.uk/files/publications/Annual_report_2014.pdf)

<sup>27</sup> Thümler, E. (2011). *The Migrants' Rights Network of Barrow Cadbury Trust: What impact can we hope to have?* CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 017. Heidelberg: Centre for Social Investment of Heidelberg University, p. 2.

number of new migrant organizations were established, which the Barrow Cadbury Trust had not worked with before.<sup>28</sup>

If the Barrow Cadbury Trust wanted to continue being an active player in the changing migration landscape, it had to become familiar with new organizations, find innovative ways to address policy issues, and focus on influencing public opinion.<sup>29</sup> Consequently, the Trust invested in a large research project to find “gaps in the civil society landscape”.<sup>30</sup> What was the state of the UK’s migrant and refugee sector? What were possible fields of actions? How did other organization approach new challenges? In 2006, the Barrow Cadbury Trust launched the report “Migrant Voices, Migrant Rights” by Don Flynn, an employee of the Joint Council for the Welfare of Immigrants (JCWI).<sup>31</sup> In his report, Flynn concluded that the migrant sector was highly fragmented and chronically underfunded. Migrants’ rights groups were facing hostile reactions from the public and lacked access to national policy influence. Their voices were not heard and long-term solutions to their problems almost impossible to achieve.<sup>32</sup>

Flynn proposed an umbrella organization as a possible solution to these issues, which could develop a strong network and common platform to connect diverse migration activists with each other (vertically) and the government (horizontally). The organization could also serve as a campaigning base to make the voices of migrants heard on a local and national level.<sup>33</sup>

## Design and Implementation

In December 2006, the MRN was launched. It was designed to serve as a forceful campaigning tool to address policy issues, support informed legislation and enable migrants to have a leadership role in this process. It also aimed to influence public opinion by creating a more informed and positive narrative.<sup>34</sup> Its work can be categorized into three main themes: “grassroots advocacy, communications work, and parliamentary work.”<sup>35</sup>

<sup>28</sup> Ibid., p. 3.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid., p. 4.

<sup>31</sup> <http://www.geog.qmul.ac.uk/docs/research/5333.pdf>

<sup>32</sup> Thümler, E. (2011). *The Migrants’ Rights Network of Barrow Cadbury Trust: What impact can we hope to have?* CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 017. Heidelberg: Centre for Social Investment of Heidelberg University, p. 4.

<sup>33</sup> Ibid., p. 5.

<sup>34</sup> Ibid., p. 6.

<sup>35</sup>

Examples of the MRN's main projects include the following:

- MRN Policy and Communications work: From the start, the MRN was heavily involved in research and policy analysis. Their experts write briefing papers for government representatives and provide easy access to information for the general public. Due to their insight and knowledge, MRN employees are regularly featured in the media. Additionally, the organization runs heavily used social media accounts and websites.<sup>36</sup>
- MRN London Work: In 2009 the MRN intensified its focus on London based community groups. It joined forces with the London Strategic Migration Partnership and influential London migrant organizations to strengthen migrant's rights including access to health care.<sup>37</sup>
- All-Party Parliamentary Group on Migration: Since 2011, the MRN serves as the secretariat of the APPG on Migration, bringing together MPs and Peers of all parties to discuss migration issues in an open and well-informed way.<sup>38</sup>
- Women on the Move Awards: Since 2012, the MRN organizes this award, which celebrates successful migrant and refugee women.<sup>39</sup>
- "We are Family" Campaign: The campaign was set up in 2012 to highlight the new changes to the family migration rules, which make it more difficult for British citizens to bring their foreign partners to Great Britain. As a consequence, many affected families struggle with long-term separation.<sup>40</sup>

## Outcome and Impact

At the beginning of the project, the success of the MRN was very unclear. Some experts feared the risk of "complete and utter failure" and predicted that the Barrow Cadbury Trust would not only lose money but also its credibility in the field.<sup>41</sup> Yet, despite these concerns, the MRN evolved from an initially small-scale project to an organization with seven members of staff and a wide range of activities.<sup>42</sup> Since 2006, the MRN has grown its income base more than tenfold (2006/2007: £29,921 to 2013/2014: £330,128).<sup>43</sup>

<sup>36</sup> [http://www.migrantsrights.org.uk/files/publications/Annual\\_report\\_2014.pdf](http://www.migrantsrights.org.uk/files/publications/Annual_report_2014.pdf)

<sup>37</sup> Ibid.

<sup>38</sup> <http://www.appgmigration.org.uk/about>

<sup>39</sup> <http://womenonthemoveawards.org.uk/>

<sup>40</sup> <http://family.migrantsrights.org.uk/>

<sup>41</sup> Thümler, E. (2011). *The Migrants' Rights Network of Barrow Cadbury Trust: What impact can we hope to have?* CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 017. Heidelberg: Centre for Social Investment of Heidelberg University, p. 2.

<sup>42</sup>

[http://www.migrantsrights.org.uk/files/publications/MRN\\_Annual\\_Report\\_2011.pdf](http://www.migrantsrights.org.uk/files/publications/MRN_Annual_Report_2011.pdf)

<sup>43</sup> [http://www.migrantsrights.org.uk/files/publications/Annual\\_report\\_2014.pdf](http://www.migrantsrights.org.uk/files/publications/Annual_report_2014.pdf)

MRN continues to expand the available resources on migration issues and provides background information for political decision makers. MRN strengthens the leadership capacities and management capabilities of community groups by offering professional training.<sup>44</sup> In addition, MRN's has been influential on occasions in raising the policy profile of issues and stimulating debate. For example, in 2013, the APPG on Migration initiated a parliamentary inquiry into the changes of the family migration rules. The Chair of the Home Affairs Select Committee called the resulting report "a stunning report, which everyone needs to read with great care."<sup>45</sup> The national media covered the inquiry in great detail and the issue was discussed during multiple debates in Parliament. The MRN continues to persistently campaign for changing this policy.<sup>46</sup> Another project, which has arguably received widespread public attention, is the "Women on the Move Award". Prize-winning women raise awareness for their work and gain extensive recognition for their efforts. A fellowship for the winners includes leadership development training, financial support, and networking opportunities.<sup>47</sup>

## Success or Failure Factors

The new focus on migration issues was introduced by Sukhvinder Kaur-Stubbs, the then CEO of the Barrow Cadbury Trust. Her experience with a similar project on the EU level (Network Against Racism) served as a model for the MRN. Furthermore, she was able to draw on her expertise in the area of public policy and campaigning as well as her own migration background.<sup>48</sup> In addition to having an experienced leadership, the project benefited from the long-term involvement of key participants in the field of migration policy. Although much work remains to be done, most partner organizations were considered credible and legitimate by members of the political establishment as well as the general public. Diverse partners like Asylum Aid, the Institute for Public Policy Research, multiple trade unions, the Confederation of British Industry, the Joint Council for the Welfare of Immigrants, and Oxfam broadened MRN's reach on a national level.<sup>49</sup>

When Don Flynn introduced his initial idea of an umbrella organization, he hoped to "start a social movement" that could change public opinion and

<sup>44</sup> Thümler, E. (2011). *The Migrants' Rights Network of Barrow Cadbury Trust: What impact can we hope to have?* CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 017. Heidelberg: Centre for Social Investment of Heidelberg University, p. 6.

<sup>45</sup> [http://www.migrantsrights.org.uk/files/publications/Annual\\_report\\_2014.pdf](http://www.migrantsrights.org.uk/files/publications/Annual_report_2014.pdf)

<sup>46</sup> Ibid.

<sup>47</sup> <http://womenonthemoveawards.org.uk/impact/>

<sup>48</sup> Thümler, E. (2011). *The Migrants' Rights Network of Barrow Cadbury Trust: What impact can we hope to have?* CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 017. Heidelberg: Centre for Social Investment of Heidelberg University, pp. 3-4.

<sup>49</sup> Ibid., p. 5.

solve migration issues.<sup>50</sup> However, opinions against migration in the UK are hardening: poll ratings suggest that 76% of British people want immigration reduced,<sup>51</sup> 50% chose immigration as the most important issue facing them and their family,<sup>52</sup> and 67% thought that employers should give priority to British people when recruiting.<sup>53</sup> The public narrative focuses on “what migrants are taking away from us”.<sup>54</sup> This hostile environment caused policy makers in many cases to restrict the rights of immigrants instead of moving towards a more “humanitarian migration regime”.<sup>55</sup>

## Lessons Learned

- Foundations have to continuously re-evaluate their areas of expertise and adjust to political and social changes.
- Foundations may be in a good position to bring together experts in specific policy fields.
- Even well-considered projects struggle in a hostile political environment.

<sup>50</sup> Ibid., p. 6.

<sup>51</sup> [https://d25d2506sfb94s.cloudfront.net/cumulus\\_uploads/document/r4762fpv66/YG-Archive-Pol-Sunday-Times-results-060315.pdf](https://d25d2506sfb94s.cloudfront.net/cumulus_uploads/document/r4762fpv66/YG-Archive-Pol-Sunday-Times-results-060315.pdf)

<sup>52</sup> [https://d25d2506sfb94s.cloudfront.net/cumulus\\_uploads/document/na190nomoq/YG-Archives-Pol-Trackers-Issues%282%29-Most-important-issues-030315.pdf](https://d25d2506sfb94s.cloudfront.net/cumulus_uploads/document/na190nomoq/YG-Archives-Pol-Trackers-Issues%282%29-Most-important-issues-030315.pdf)

<sup>53</sup> [http://d25d2506sfb94s.cloudfront.net/cumulus\\_uploads/document/88q0g7tq8f/YG-Archive-140211-Channel5-Immigration.pdf](http://d25d2506sfb94s.cloudfront.net/cumulus_uploads/document/88q0g7tq8f/YG-Archive-140211-Channel5-Immigration.pdf)

<sup>54</sup> Thümler, E. (2011). *The Migrants' Rights Network of Barrow Cadbury Trust: What impact can we hope to have?* CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 017. Heidelberg: Centre for Social Investment of Heidelberg University, p. 5.

<sup>55</sup> Ibid.

# Bertelsmann Foundation, DEU

## Phineo

### Description of Specific Programme

Phineo is an independent, non-profit, joint-stock company that was founded by the Bertelsmann Foundation (BF) in 2009 and has been operational since 2010. The name of the company is a *portmanteau* of “philanthropy” and “neo,” which highlight its innovative approach to supporting philanthropy. With clients ranging from individual donors and consultants to companies and foundations, its goal is to strengthen civil society by serving as an intermediary between potential donors and charities.

Social investors are often unsure about which charities and projects to support, which is where Phineo comes in. By providing impact analyses, workshops, and quality assurances on charities, Phineo provides guidance in philanthropic decisions.<sup>56</sup> Both sides mutually benefit from this; investors are guided to think more strategically about their contributions, and charities are provided with expertise on their impact and effectiveness along with the opportunity to showcase their work, which in turn spurs social investment and volunteerism. The ultimate winners are the people that the social investors and non-profits serve.

Phineo is primarily financed by its shareholders, the biggest of which are the Bertelsmann Foundation and *Deutsche Börse AG*, in addition to topic-specific funding partners. Partners include KPMG, PWC, Stiftung Mercator, Stifterverband and NPC. Financial support from shareholders varies. BF makes one of the largest contributions but only has 15% of the votes. By 2014 BF had invested around 7 million Euros in Phineo. It anticipates continuing to contribute to the funding of Phineo for several years to come.

### Origins and Rationale

Beginning in the 1990s, Bertelsmann began thinking about ways to encourage charitable giving. There seemed to be a fertile ground for philanthropy; not only were the people who had profited from the post-WWII economic boom beginning to retire, but Corporate Social Responsibility (CSR) had also started gaining popularity in the for-profit

<sup>56</sup> <https://www.phineo.org/english>

world.<sup>57</sup> Although people and organizations were willing to give, there was still room for growth. Bertelsmann believed that one of the obstacles to greater giving was the frequent lack of transparency among non-profits. Donors had no easy way of knowing which organizations they could trust, and charities were missing opportunities to showcase their value and work.

Bertelsmann was not the first to identify this need. In 2002, New Philanthropy Capital (NPC) was founded in London to connect donors and charities. When BF became aware of NPC's work, it decided to explore this model for its own work. It took several years for BF to develop this idea, but Phineo managed to become an independent company three years after the plan was hatched.

## **Design and Implementation**

BF explored several options for implementing its plan. One idea was that the new organization should be a project within BF, but it was felt that this might only lead to a 5 or 10 year commitment rather than a more permanent organization.<sup>58</sup> Furthermore, staff wanted a wider range of people and organizations involved in Phineo. It was finally agreed that Phineo would be incubated within BF but separated from the Foundation and made fully independent as soon as possible.<sup>59</sup>

BF decided to structure Phineo based on the NPC model, which needed to be adapted to the German context. The success of this model in Britain is exemplified by its adoption in other countries, namely Sweden, Israel and Brazil.<sup>60</sup> However, the concept of measuring impact was quite new in Germany, and many stakeholders felt this topic was a major taboo.<sup>61</sup> Nevertheless, BF managed to get people on board. The need for such work was emphasized by a Bertelsmann survey of some 500 foundations (conducted in 2005), which found that every tenth founder would expand his/her charitable work if that had more information about the impact of their funded activities.<sup>62</sup>

The Bertelsmann Foundation received mixed reviews from the non-profit sector, which was acutely conscious of the fact that this endeavour would result in winners and losers, meaning funds risked being diverted from one organization to another. This process took several years, as BF was testing

<sup>57</sup> Leat, D. (2014). *The Inventive Foundation: creating new ventures in Europe*, p. 26. <http://www.gulbenkian.org.uk/files/15-05-14-The%20Inventive%20Foundation.pdf>

<sup>58</sup> Ibid. p. 27.

<sup>59</sup> Ibid.

<sup>60</sup> <http://www.thinknpc.org/about-npc/our-history/>

<sup>61</sup> Leat, D. (2014). *The Inventive Foundation: creating new ventures in Europe*, p. 28. <http://www.gulbenkian.org.uk/files/15-05-14-The%20Inventive%20Foundation.pdf>

<sup>62</sup> <https://www.phineo.org/phineo/ueber-uns>



the German market and working to recruit a diverse group of partners to build a strong consensus. The partners/shareholders were carefully targeted to include both for-profit and non-profit organizations.

## Outcome and Impact

Phineo is essentially working towards creating a more transparent philanthropic sector in Germany, where foundations have relatively low reporting requirements. While foundations frequently report on what they are doing, they are less likely to say in how far they have reached specific goals or contributed to a cause. Phineo uses several strategies to encourage greater transparency for greater impact.

A large component of its work is to carry out analyses on non-profits. A “Phineo-Analysis” is rooted in scientific methods and takes into account the knowledge of theory and practice.<sup>63</sup> It conducts these in several different stages, beginning with an online questionnaire, followed by informational material, on-site visits, and an assessment of its findings. The final summary addresses the strengths, weaknesses and funding needs of an organization. As a part of its quality assessment process, it awards exemplary organizations with a “Phineo impact label.” Based on this work, from 2011-2014 Phineo expanded its activities to include formats for capacity building for non-profit organizations and a strategic consultancy service.<sup>64</sup>

In addition to analyses, Phineo hosts workshop series on topics such as venture philanthropy and impact-oriented investment.<sup>65</sup> These are open to charitable organization and business, drawing social investors and consultants alike. The presentations are based on Phineo’s publications on the practical implementation of impact-oriented work. Moreover, it provides potential donors with sector reports that describe the structures of non-profit engagement, highlight outstanding examples, and provide tips on effective giving. In order to connect donors with charities, it has also used an innovate approach – social speed-dating—during which donors and recipients had the opportunity to sit together for several rounds and learn about mutual interests and challenges.<sup>66</sup>

These initiatives have already demonstrated a positive impact. In their study, *Wirkungstransparenz bei Spendenorganisationen (2014)* (Impact-transparency of Charitable Organizations), Phineo found that the organizations that were analysed a second-time since 2012 demonstrated

<sup>63</sup> Phineo (2014). Engagement mit Wirkung: Die Phineo-Analysenmethode im Detail. Berlin: Phineo gAG.

<sup>64</sup> Leat, D. (2014). *The Inventive Foundation: creating new ventures in Europe*, p. 25. <http://www.gulbenkian.org.uk/files/15-05-14-The%20Inventive%20Foundation.pdf>

<sup>65</sup> <https://www.phineo.org/english>

<sup>66</sup> <https://www.phineo.org/presse/pressemitteilungen/pressemitteilungen/phineo-schafft-transparenz-im-spendenmarkt-2010-05-11/back-164/seite-8>

significant improvements in transparency.<sup>67</sup> Thus it appears that charitable organizations are increasingly learning that the more transparent they are, the more trust they can build with donors, and the more people are willing to invest.

## **Success or Failure Factors**

Recruiting a wide group of external partners depended on internal support and resources: 'It's such a big investment, it takes so long and there are so many risks so you must have Board and staff champions - and a team to make it happen and who are knowledgeable enough to be convincing to other partners'. Some potential partners questioned why BF did not want to fully fund Phineo and run it alone.

Getting partners involved took time. Phineo was a new concept and partners needed persuading. Having the model incubated at BF was seen as one of the factors in successfully recruiting other partners. Another factor in success was said to be the Bertelsmann Foundation name and networks. But finding the right balance in the relationship between Phineo and Bertelsmann was seen as a tricky issue. The BF name was useful but the danger was that Phineo would be seen as 'belonging' to the Foundation.

A diverse group of partners was seen as crucial not only for legitimacy but also because it signalled cooperation between unlikely players and emphasized that Phineo is about building bridges between sectors.

Intellectual property is an enduring issue for Phineo and one that has direct implications for funding. In 2013-14 BF gave around 1 million euros to Phineo per annum. It has no set date when it will cease to fund Phineo - this is partly because 'achievement of the mission will take a generation' and partly because Phineo will always be dependent on donors because it is supplying public knowledge'.

Phineo has grown since 2011. This growth has created some tensions in managing the trade-off between being 'established' and maintaining the spirit of innovation.

## **Lessons Learned**

- Having an existing model on which to build a new idea can provide additional credibility and inspire other partners to get on board.
- Foundations are powerful tools to promote independent organizations and involving the necessary stakeholders.
- It is important to be aware of the dangers of being seen as a foundation's baby.

<sup>67</sup> <http://www.phineo.org/presse/pressemitteilungen/pressemitteilungen/studie-50-grosse-und-bekannte-spendenorganisationen-im-test-2014-11-27/back-164>

# Buttle UK, GRB

## BQM for Care Leavers

### Description of Specific Programme

The Buttle UK Quality Mark (BQM) provides a framework for higher education institutions (HEI) to improve their support to young adults coming from public care. A care leaver is defined as “a person aged 25 or under, who has been looked after by a local authority for at least 13 weeks since the age of 14; and who was looked after by the local authority at the school-leaving age or after that date.”<sup>68</sup>

It is an initiative that was created in 2006 in response to an extensive 5- year research project on the experience of care leavers in higher education. The research, which was commissioned by Buttle UK and carried out by the University of London, demonstrated the lack of support for care leavers in HEIs. In response to these findings, Buttle UK developed the BQM to encourage HEIs to make a stronger commitment to support. The mark is linked to a *Commitment* charter, which recommends a minimal level of criteria but also allows for flexibility with the implementation and degree of support. This gives HEI’s a sense of ownership and also takes into account the variability of their capacities.

Gerri McAndrew, the Chief Executive of Buttle UK, had ambitions to use this research to influence policy. But first, she needed to convince the trustees of her plan. The role of the trust was foremost to relieve children from small financial hardships, and the trustees were initially hesitant to go beyond their traditional role, not least because of the additional resources this would demand. Advocacy was new territory for the trust, which did not yet have an established network of partners in higher education. However, McAndrew was able to frame the idea as part of a partnership-building exercise that could potentially reduce calls on the trust’s resources.<sup>69</sup> Thanks to existing momentum in government on issues related to child poverty, the trust found key partners throughout the UK and could move ahead with its plans.

<sup>68</sup> <http://www.hw.ac.uk/student-life/campus-life/student-support/support-care-leavers.htm>

<sup>69</sup> Leat, D. (2017). Just Change. Strategies for Increasing Philanthropic Impact, p. 35. <http://www.carnegieuktrust.org.uk/carnegieuktrust/wp-content/uploads/sites/64/2016/02/pub14550117101.pdf>

The general goals of the programme were:

- To increase the number of foster children in universities, but also to improve their overall experience;
- Help local authorities better fulfill their obligations as “corporate parents.”
- Raise awareness about the specific challenges for social workers, teachers, foster parents and residential workers.<sup>70</sup>

## Origins and Rationale

Buttle UK had received a high number of applications from cared for minors through one of its grant programmes for students and trainees. Based on this, the trust realized that care leavers faced many unacknowledged challenges.<sup>71</sup> The parliament had already passed several acts to aid children in poverty, including the Children (Leaving Care) Act 2000, which put stronger duties on local authorities to care for foster children, and increased the care age from 16 to 21.<sup>72</sup> Although the Children Act 2000 required local authorities to provide financial and personal support to foster children up to the age of 24, it did not specifically address the difficulties many foster children faced once they entered into higher education.<sup>73</sup> No part of society was more excluded from higher education than care leavers, which only made up 1% of students in HE.<sup>74</sup> Of the nearly 11,000 young people that were leaving care in 2004, only 60 were going to university.<sup>75</sup> At the same time, the “Aim higher” initiatives of government designed to widen the participation in education did not appear to raise awareness of the specific needs of care leavers.

The issue of care leavers in higher education had received little attention, mostly due to lack of knowledge and awareness. While the government had programmes that focused on reducing child poverty, there was no particular focus on foster care children. The assumption seemed to be that once young adults entered into higher education, the university would take over as “proxy parent.” In order to challenge this assumption, Buttle UK wanted empirical data. The trust launched a five-year research study that involved 129 care-leavers, made possible by the support of its partners.<sup>76</sup> The research

<sup>70</sup> Ibid.

<sup>71</sup> Harvey, J (2010). *The Frank Buttle Trust Quality Mark: A Practice Guide*, [https://www.heacademy.ac.uk/system/files/frank\\_buttle-practice-guide\\_0.pdf](https://www.heacademy.ac.uk/system/files/frank_buttle-practice-guide_0.pdf).

<sup>72</sup> Chief Secretary to the Treasury (2003). Green Paper by the Chief Secretary to the Treasury: Every Child Matters, Norwich: The Stationary Office.

<sup>73</sup> <http://www.legislation.gov.uk/ukpga/2000/35/contents>

<sup>74</sup> <http://www.independent.co.uk/news/education/higher/in-the-loop-why-a-rising-number-of-care-leavers-are-going-to-university-880934.html>

<sup>75</sup> Ibid.

<sup>76</sup> Jackson, S., Ajayi, S. and Quigley, M. (2005). *Final Report: By Degrees: Going to University from Care*, Thomas Coram Research Unit of the Institute of Education, London: University of London.

provided important information on a group that had previously never been studied. This led to Buttle UK developing the idea of a BQM for care leavers.

## **Design and Implementation**

Once the trust became aware of the problem, it developed a systematic strategy to tackle this issue. First, it gathered information to provide evidence about the unique challenges care leavers face; next, it devised and implemented a dissemination strategy to raise awareness about the need for more support from higher education institutions and public authorities; finally, the trust cooperated with the universities to promote change via the BQM. These three phases are described in more detail below.

The foundation launched a 5-year research project in 2001 to assess the challenges of Care Leavers in higher education. Under its previous director, the trust commissioned a report from Professor Sonia Jackson from the Thomas Coram Research Unit of the Institute of Higher Education, University of London. The project was funded with external funds so that the trust could continue its regular programming. The project funders were the Calouste Gulbenkian Foundation, Esmée Fairbairn Foundation, Garfield Weston Foundation, The Grand Charity, KPMG Foundation, The Pilgrim Trust and the Department for Education and Skills.<sup>77</sup>

The trust launched the report at a major conference in May 2005. Coincidentally, the government at that time had been working on a more participatory and cross-ministerial approach. Just a year prior, it had passed The Children Act 2004 that sought to consolidate government functions of children's welfare and education in a more concerted effort. This allowed the trust to network. The Conference was instrumental in getting the right people on board and establishing cooperation across government. In addition to launching the report, the trust embarked on a dissemination programme with the help of KPMG. The aim was to further raise awareness of the issue and ultimately to encourage stakeholders to invest more resources into care leavers.

Buttle UK received an immense amount of support for this endeavour from all four governments across the UK, in addition to a professional umbrella organization that helped facilitate the growth of the BQM. In this regard, Buttle UK played the role of a catalytic leader. Thanks to a consensus on the pertinence of this issue, it was pushed up the policy agenda relatively quickly.<sup>78</sup> McAndrew found a particularly important ally in Geoff Layer, who

<sup>77</sup> Leat, D. (2007). *Just Change. Strategies for Increasing Philanthropic Impact*, p. 30. <http://www.carnegieuktrust.org.uk/carnegieuktrust/wp-content/uploads/sites/64/2016/02/pub14550117101.pdf>

<sup>78</sup> Starks, L. (2013). *Assessing the Impact of the Quality Mark*, London: York Consulting LLP, p. 2. <http://www.buttleuk.org/resources.php/595/assessing-the-impact-of-the-buttle-uk-quality-mark-in-higher-education>.

was the vice-chancellor of Bradford University. He had spoken at the launch event and was very enthusiastic about the endeavour. Together they developed the idea of a BQM for higher education.

## **Outcome and Impact**

The Buttle UK Quality Mark is one of the key success stories for children leaving care.<sup>79</sup> Six years after the research project was commissioned, the trust had not only managed to recruit a wide base of support for care leavers in higher education, but also successfully launched the BQM, which had catalysed changes in 199 institutions, 114 universities and 85 colleges.<sup>80</sup>

In addition, the programme helped impact government policy. The BQM was mentioned in the Green Paper, “Care Matters: Transforming the Lives of Children and Young People in Care,” which was presented to Parliament in 2006. It was further cited in the white paper “Care Matters: Time for Change.” In the end, a number of the trust’s recommendations were implemented, including a national bursary for Care Leavers going off to study and training for key university staff.<sup>81</sup>

Since the Mark was implemented, the educational attainment of care leavers had also improved. In 2006, only 1% of care leavers went to university. By 2011, the number had risen to 6%. Thanks to these achievements, the BQM won a charity award for Education and Training in June 2011.<sup>82</sup> Furthermore, most universities in the UK now provide accommodation for care leavers all year round.<sup>83</sup> It should be noted, however, that the overall number of people pursuing a higher education had also increased (See figure A1).

In order to assess the impact of this initiative more precisely, Buttle UK commissioned York Consulting to evaluate the BQM’s impact. The conclusions were published in 2013 with several key findings that spoke to the positive impact of the initiative.

## **Success or Failure Factors**

Overall, the trust succeeded in raising awareness about the needs of care leavers, making connections with a range of bodies and leveraging the momentum within the government’s policy agenda to promote positive changes in HEIs. It introduced the award-winning BQM, which was considered to be a best practice by Her Majesty’s Government in the report

<sup>79</sup> Ibid.

<sup>80</sup> <http://www.buttleuk.org/areas-of-focus/quality-mark-for-care-leavers>

<sup>81</sup> Leat, D. (2007). Just Change. Strategies for Increasing Philanthropic Impact, p.34. <http://www.carnegieuktrust.org.uk/carnegieuktrust/wp-content/uploads/sites/64/2016/02/pub14550117101.pdf>

<sup>82</sup> <http://www.buttleuk.org/news/award-for-the-quality-mark>

<sup>83</sup> <http://www.buttleuk.org/areas-of-focus/quality-mark-for-care-leavers>

*Care Matters: Transforming the Lives of Children and Young People in Care* and by the Scottish executive in the report *Looked After Children and Young People: We can and must do better*.<sup>84</sup> In making an assessment, the following factors should be considered.

While the trust takes pride in these accomplishments, it acknowledges the importance of having had a favourable political climate and bipartisan consensus.<sup>85</sup> Child poverty was a major component of the Labour party's platform in the early 2000s. In 2003, a coalition of non-governmental bodies known as the End Child Poverty (ECP) had committed to eliminating child poverty by 2020. To this end, civil society throughout the country was mobilizing to reach and influence decision-makers.<sup>86</sup> In 2007, David Cameron's government continued this agenda, which was a matter of cross-party consensus. This led to the passing of the Child Poverty Act in 2010, which essentially committed all future governments of the UK to take action against child poverty until it is eradicated.<sup>87</sup> The momentum around this topic, of which care leavers are a subset, provided a window for adding care leavers in higher education to the political agenda.

Gerri McAndrew played a crucial role in spearheading the programme for care leavers. She was appointed Chief Executive of the trust in 2003 and was well connected in the fields of social services and the voluntary child sector.<sup>88</sup> This bode well for the trust's partnership building efforts, but the newly appointed CEO did much more than strengthen Buttle UK's external ties. She also took an inward look at the trust to see what areas could be improved.

Part of the trust's success in advocating for care leavers can be attributed to the operational improvements spearheaded by McAndrew. In 2004, she launched a review process that resulted in a complete overhaul of the trust's grant-making system. At the time, the grant-making process was still entirely paper based. With the help of an external IT consultant, the trust moved to an electronic grant management system that significantly cut overall administrative costs. Thanks to these changes, the turnaround time for its child support grants went from six weeks to one, and the number of grants awarded increased by 81% within the period from 2004 to 2009.<sup>89</sup>

While these improvements freed up valuable time for the staff, they also led to a doubling of child support applications. The large traffic of requests helped Buttle UK realize that care leavers were a neglected policy area. In

<sup>84</sup> Mallon, J. (2007). Returning to education after care: protective factors in the development of resilience, *Adoption & Fostering*, 31:1, pp. 106–117.

<sup>85</sup> [http://www.powershow.com/view/13b959-MDM30/The\\_Frank\\_Buttle\\_Trust\\_Quality\\_Mark\\_powerpoint\\_ppt\\_presentation](http://www.powershow.com/view/13b959-MDM30/The_Frank_Buttle_Trust_Quality_Mark_powerpoint_ppt_presentation)

<sup>86</sup> <http://www.cpag.org.uk/ending-child-poverty-by-2020>

<sup>87</sup> Ibid.

<sup>88</sup> Ibid.

<sup>89</sup>

[http://www.civilsociety.co.uk/charityawards/content/8964/the\\_frank\\_buttle\\_trust](http://www.civilsociety.co.uk/charityawards/content/8964/the_frank_buttle_trust)

order to continue meeting the needs of its grantees, Buttle UK forged new strategic partnerships. This contributed to the trust's long-term sustainability and also improved its lobbying capacity. By working in collaboration with other social welfare organizations on the national and local level, the trust could pursue more ambitious changes.<sup>90</sup>

As an additional measure in meeting its needs, the trust requested a "total return order" from the Charity Commission. This allowed Buttle UK to use additional funds from its endowment.<sup>91</sup> The charity could increase its small grant giving by 67% within 5 years (an increase of about £500,000 per year).<sup>92</sup> Permission for this was granted in 2006, the same year that the BQM was launched.

By 2014, the trust felt that it had reached its goal of raising awareness among universities and colleges in the UK. It had established the necessary structures to allow other actors and institutions to step in and take its place. Feeling confident that the needs of care leavers in HE had finally become recognized, the trust opted to discontinue the BQM in 2015, when it made its last awards.<sup>93</sup> The BQM thus came to an end after a nearly decade-long run. Instead, the trust has diverted its attention to a new initiative: the study on the benefits of boarding schools for vulnerable children.<sup>94</sup>

In terms of monitoring and support, McAndrew writes: "As the commitment becomes increasingly embedded within the further and higher education sector, we will be looking to the UK governments and umbrella organizations to take over the monitoring of support for this specific cohort through their funding conditionality arrangements." In hindsight, it was felt that more resources could have been invested in cultivating lasting partnerships.<sup>95</sup>

## Lessons Learned

- Framing matters: by reframing the issue of care leavers, McAndrew was able to win the support of the Trust.
- Strategic partnerships and support helped the trust make an impact on public policy that it otherwise would not have been able to achieve.

<sup>90</sup> Ibid.

<sup>91</sup> As of January 2014

<sup>92</sup>

[http://www.civilsociety.co.uk/charityawards/content/8964/the\\_frank\\_buttler\\_trust](http://www.civilsociety.co.uk/charityawards/content/8964/the_frank_buttler_trust)

<sup>93</sup> <http://www.buttleruk.org/areas-of-focus/quality-mark-for-care-leavers>

<sup>94</sup> Buttle UK (2015). Annual Review 2014-15: Launching Children & Young People into Life. London: Buttle UK.

<sup>95</sup> Leat, D. (2007). Just Change. Strategies for Increasing Philanthropic Impact, p. 35.

<http://www.carnegieuktrust.org.uk/carnegieuktrust/wp-content/uploads/sites/64/2016/02/pub14550117101.pdf>



- Success has a life of its own: some of the attention the ‘campaign’ for care leavers was luck, but McAndrew also capitalized on the opportunities in her surroundings.
- When programmatic success hinges overwhelmingly on the leadership of an individual, it is important to ensure that institutional knowledge is adequately dispersed and passed on within the organization; partnerships need long-term and persistent care.

# Calouste Gulbenkian Foundation, PRT

## The Immigrant Doctors' Recognition Project

### Description of Specific Programme

The Immigrant Doctors' Recognition Project was a joint venture between the Calouste Gulbenkian Foundation, the Portuguese Ministry of Health and the Jesuit Refugee Service. From 2003 to 2005, the programme offered support to 120 trained foreign doctors, legally living Portugal during their qualification recognition processes. With the financial backing of the Foundation, the Jesuit Refugee Service offered grants for language courses, internships and professional literature, and also supported the doctors through various bureaucratic processes and enrolment in the Portuguese Medical Association. The project succeeded in integrating 106 immigrant doctors into the Portuguese National Health System. This was a life-changing opportunity for these professionals, who previously had to make their living as cab drivers, on construction sites or in restaurants.<sup>96</sup>

### Origins and Rationale

Through the Immigrant Doctors Recognition Project the Calouste Gulbenkian Foundation addressed a combination of pressing social and economic issues. On the one hand, there was a severe shortage of qualified doctors in Portugal due to rigorous admission restrictions at the country's medical schools 15 years prior.<sup>97</sup> On the other hand, more and more people were migrating to Portugal. In 1981 54,424 foreigners were living in Portugal (0,6% of total population). These were mostly Portuguese speaking immigrants from the former colonies (Brazil, Cape Verde, Angola, Guinea-Bissau), who moved to Portugal in the 1970s due to decolonization.<sup>98</sup> In the 1990s, the second wave of immigration was triggered by the end of the Soviet Union. This new wave was predominantly Eastern European, moving to Portugal to work in the booming construction and tourism industries.<sup>99</sup> But there were significant numbers of highly educated and professionally qualified people among this new wave of immigrants. Among them were many doctors, who were

<sup>96</sup><http://www.gulbenkian.pt/inst/en/TheFoundation/GulbenkianProgrammes/HumanDevelopmentProgramme?a=1853>

<sup>97</sup> Campos Franco, R. (2011). *Exercising political leadership: The Immigrant Doctors' Recognition Project and the Calouste Gulbenkian Foundation*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 008, Heidelberg: Centre for Social Investment of Heidelberg University, p. 2.

<sup>98</sup> *Ibid.*, p. 3.

<sup>99</sup> *Ibid.*, p. 5.

unable to practice because their medical credentials were not formally recognized.<sup>100</sup>

The official qualification recognition process was very demanding; if people had not trained in Portugal, they struggled with the required exam at the medical schools and with the language barrier during their mandatory hospital internships. Because the required internships were unpaid, they were also a financial burden to these immigrant doctors. The doctors not only had to work for free at a hospital, they were also unable to earn money at the same time to provide for themselves and their family. Furthermore, if immigrants were no longer in paid employment, the SEF (Foreigners and Borders Service) cancelled their residence permit. On top of these indirect costs, the direct costs of the recognition process were very high, including the costs of translation of documents, exam registration fees, and purchase of the required books.<sup>101</sup> So instead of filling the gaps in the Portuguese health care system, many foreign doctors worked in low-wage positions for which they were extremely overqualified.<sup>102</sup>

The Foundation decided to spearhead an innovative project to solve this problem: “Portugal could be pro-active towards the influx of people this time, instead of just waiting and anticipating that the immigration problems will solve themselves.”<sup>103</sup>

## Design and Implementation

The underlying idea of the project was to invest in an experimental, innovative initiative on a small scale, which could then be replicated by other organizations. The Calouste Gulbenkian Foundation risked potential failure but continued to improve the project design so that future projects would be less risky and able to serve a larger client base.<sup>104</sup> The foundation worked with the Jesuit Refugee Service, an organization devoted to protecting the rights of refugees around the world. It supported around 5,000 immigrants in Portugal by offering language classes, personalized assistance during the search for employment and housing, and other face-to-face services like medical support and legal counselling. The Jesuit Refugee Service received external funds and relied heavily on the commitment of its experienced volunteers.<sup>105</sup>

<sup>100</sup> Ibid., p. 7.

<sup>101</sup> Ibid., p. 6-7.

<sup>102</sup> Reis Oliveira, C., Fonseca, V. (2013). Highly skilled immigrants in Portugal: analysing policy developments and its impacts with a typology, *Revista Migrações*, 11, p. 81.

<sup>103</sup> Campos Franco, R. (2011). *Exercising political leadership: The Immigrant Doctors' Recognition Project and the Calouste Gulbenkian Foundation*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 008, Heidelberg: Centre for Social Investment of Heidelberg University, p. 3.

<sup>104</sup> Ibid., p. 4.

<sup>105</sup> Ibid., pp. 4-5.

In cooperation with the Calouste Gulbenkian Foundation, the Jesuit Refugee Service decided to give advice and support to 120 doctors in the first round of the project. 65 men and 55 women participated in the project. Of these, 62% were under the age of forty, 33% between forty and forty-nine, and only 5% over fifty years old. The majority of these foreign doctors came from Eastern Europe (91%).<sup>106</sup> The project focused on two types of support: financial assistance that covered the costs of translation services, application and registration fees, professional literature and their expenditures during their internships (maximum 9 months); and social assistance, including language courses and psychological support. To further increase the project's chances of success, the CGF cooperated with the Medical Council, medical schools' boards, SEF (Foreigners and Borders Service) and the Ministry of Health. In addition, the media served an important role in the project;<sup>107</sup> positive press coverage increased public acceptance of the initiative.

## Outcome and Impact

Of the 120 immigrant doctors supported by the project, 107 successfully entered the Portuguese National Health System – a success rate of nearly 89%. However, the impact of the project can be measured in more than numbers. It had an invaluable impact on the doctors' lives and families. The book *Being a doctor again* written by Ricardo Felner, one of the participating doctors, demonstrates the positive ways in which the project influenced the future of the project participants: they thrived in their profession, some brought their families to Portugal, others got married to Portuguese citizens, had children, or bought houses.<sup>108</sup> Furthermore, the project had a more widespread positive impact on Portuguese society. It was an example of the successful integration of non-Portuguese speaking immigrants, influencing the attitudes of many Portuguese people who had previously been hostile to the influx of immigrants from Eastern Europe.<sup>109</sup>

The project also introduced a more collaborative approach between the different agencies in the medical sector, for example between the medical schools and the Medical Council. It also led to a second project in 2008. The Calouste Gulbenkian Foundation continued to manage the project but this time, the Ministry of Health covered the financial costs. An additional 150 doctors received assistance from the Jesuit Refugee Service during their recognition process.<sup>110</sup> However, the success rate of this project was much

<sup>106</sup>[http://www.gulbenkian.pt/images/mediaRep/institucional/actividades/programas\\_projectos/ProjectoM\\_dicos02-05.pdf](http://www.gulbenkian.pt/images/mediaRep/institucional/actividades/programas_projectos/ProjectoM_dicos02-05.pdf)

<sup>107</sup> Campos Franco, R. (2011). *Exercising political leadership: The Immigrant Doctors' Recognition Project and the Calouste Gulbenkian Foundation*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 008, Heidelberg: Centre for Social Investment of Heidelberg University, p. 8.

<sup>108</sup> Ibid.

<sup>109</sup> Ibid., p. 3.

<sup>110</sup> Ibid.

lower: only 67 of the immigrants completed all phases of the recognition process and were registered with the Portuguese Medical Association.<sup>111</sup>

One problem was that the Jesuit Refugee Service only worked on an individual level. A family-wide approach might have been more effective in integrating the doctors as well as their partners and children. More successful was the recognition of qualification of 59 immigrant nurses (2005-2006). 45 immigrant nurses passed their exams - a success rate of 76%.<sup>112</sup>

## Success or Failure Factors

The project was innovative but narrow in scope. It focused on one particular group of immigrants, who were highly qualified but struggling with recognition of their credentials.<sup>113</sup> This narrow focus made it possible to tailor the project design to the specific needs of these clients. The project's initial success may also be related to the fact that the Calouste Gulbenkian Foundation chose a very experienced partner organization (the Jesuit Refugee Service).<sup>114</sup> Their volunteers had in-depth knowledge of the required bureaucratic processes and on a personal level were well-equipped to support immigrants during hard times.

Another important factor in the project's success was the cooperation between the different agencies. With the help of the Jesuit Refugee Service, the Calouste Gulbenkian Foundation identified all relevant partners and managed the cooperation between them; one result of this was that the Ministry of Health supported the initiative and agreed to integrate the successfully recognized doctors. Another result of the Foundation's cooperative approach was that the SEF (Foreigners and Borders Service) agreed that immigrants should be able to maintain their residential permits during the recognition process, and as long as they were participating in the project, they were allowed to live legally in Portugal. In addition, the five national medical schools supported the project and worked together with the other partners to ensure its success.<sup>115</sup> As mentioned before, the project also owes some of its success to the positive coverage in the media, which led to greater acceptance and integration of the immigrant doctors.<sup>116</sup>

<sup>111</sup> Catarina Reis Oliveira, Vera Fonseca, "Highly skilled immigrants in Portugal: analysing policy developments and its impacts with a typology", in *Revista Migrações*, Setem-bro 2013, n.º 11, (Lisboa: ACIDI, 2013), pp. 79-117. [http://www.oi.acidi.gov.pt/docs/Revista\\_11/Migracoes11pp79\\_117.pdf](http://www.oi.acidi.gov.pt/docs/Revista_11/Migracoes11pp79_117.pdf), 104.

<sup>112</sup> *Ibid.*, 103.

<sup>113</sup> Reis Oliveira, C., Fonseca, V. (2013). Highly skilled immigrants in Portugal: analysing policy developments and its impacts with a typology, *Revista Migrações*, 11, p. 1.

<sup>114</sup> *Ibid.*, p. 5.

<sup>115</sup> *Ibid.*, p. 2.

<sup>116</sup> *Ibid.*, p. 3.

## **Lessons Learned**

- Narrowly focused projects can identify and concentrate on what is important to their defined client group.
- Involving key partners from the outset helps to overcome potential obstacles and ensures buy-in and ownership.

# Compagnia di San Paolo, ITA

## Social Microcredit Programme

### Description of Specific Programme

The Social Microcredit programme was an initiative by the Italian foundation Compagnia di San Paolo running from 2003 to 2009. It was the first project that introduced a microcredit scheme in an industrialized country. The objective of the programme was to support the entrepreneurial activities of “non-bankable” clients, who were incapable of offering their own guarantees and, therefore, unable to receive conventional banking loans.<sup>117</sup> The goal of the project was to make these individuals “bankable” by offering funds and training. Through this project the foundation also planned to fight usury and to develop a micro-credit culture in Italy.<sup>118</sup>

The foundation divided € 1.6 million among four partner organizations who in turn established guarantee funds with local banks.<sup>119</sup> The partner organizations were (1) the Fondazione Antiusura Santa Maria del Soccorso, Genoa, (2) the Fondazione Don Mario Operti Onlus, Turin, (3) the Fondazione San Giuseppe Moscati, Naples, and (4) the Fondazione Riorsa Donna, Rome.<sup>120</sup> In addition to the guarantee funds, the foundation supported the partner organizations with € 160.000 annually for the overall management, administrative costs and external evaluation fees.<sup>121</sup> The cooperating banks were two banks of Intesa San Paolo banking group, Sanpaolo IMI and Sanpaolo Banco di Napoli.<sup>122</sup>

### Origins and Rationale

The foundation is rooted in a long banking tradition. It was founded in Turin in 1563 as a charitable lay brotherhood. The pawnshop “Monte di Pietà” served as the financial backbone for the operating charities. In the 17<sup>th</sup> and 18<sup>th</sup> centuries, the brotherhood’s importance grew when influential

<sup>117</sup><http://www.compagniadisanpaolo.it/eng/Intervention-Areas/Social-Policies/Social-inclusion/Pathways-to-social-autonomy-and-labour-policies/Regional-guarantee-fund-for-Microcredit>

<sup>118</sup> Bolognesi, D. & Palenzona, P. (2011). *Money can't Buy Happiness. It Helps Though. The social micro-credit programme of the Compagnia di San Paolo*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 005, Heidelberg: Centre for Social Investment of Heidelberg University, p. 7.

<sup>119</sup> Ibid., p. 13.

<sup>120</sup> Ibid., p. 6.

<sup>121</sup> Ibid., p. 13.

<sup>122</sup>[http://ec.europa.eu/regional\\_policy/opendays/od2006/doc/presentations/e/ricci\\_10e05.ppt](http://ec.europa.eu/regional_policy/opendays/od2006/doc/presentations/e/ricci_10e05.ppt)

members of the court and government joined or made bequests to the organization. By 1900, “Monte di Pietà” was a fully functioning credit institution offering a wide range of account services – loans based on pledges counted for less than 10% of the business. During the Fascist Regime, the organization was an important pillar of the national economy and renamed San Paolo di Torino, Credito e Beneficienza (Credit and Philanthropy). After World War II, the organization was considered a banking institution with philanthropic initiatives.<sup>123</sup>

In the wake of the Amato-Carli Act 1991, Italian banks had to be rationalized and privatized. The act required banks to separate their charitable activities and their lending businesses. As a result, the Compagnia di San Paolo became an independent foundation with its own philanthropic mission. However, the micro-credit initiative is an impressive example of the foundation’s roots in the banking industry. The programme is based on the ideas that even industrialized countries may profit from micro-credit services – they only have to be differently organized and implemented from those in developing countries<sup>124</sup>. The foundation hoped to use the initiative as a pioneer programme, not only to improve the lives of individuals, but also to demonstrate its feasibility. The project was supposed to serve as a social experiment, which could be implemented on a larger scale in the future.<sup>125</sup>

## Design and Implementation

The project was based on a semi-franchise system. The four partner organizations worked on a local level where they could profit from their knowledge of the city and its people. The cities were chosen based on their specific characteristics: Turin as an industrial city, Genoa with its large percentage of immigrants, Naples with lacking opportunities for young people, and finally Rome, which had a large number of entrepreneurial women as possible clients.<sup>126</sup> Compagnia di San Paolo granted € 400.000 to each of the NGOs and in 2003 the partner organizations launched their micro-credit project almost simultaneously.

The clients (individuals, partnerships, social cooperatives) had to apply to one of the four local organizations, which evaluated their requests. In case of a positive assessment, the application was transmitted to the bank that then completed the evaluation and granted appropriate loans. The minimum loans ranged from € 500 to € 2.000 to start up and develop a business, maximum loans ranged from € 20.000 to € 35.000, for individuals and

<sup>123</sup> Bolognesi, D. & Palenzona, P. (2011). *Money can’t Buy Happiness. It Helps Though. The social micro-credit programme of the Compagnia di San Paolo*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 005, Heidelberg: Centre for Social Investment of Heidelberg University, p. 3.

<sup>124</sup> *Ibid.*, p. 7.

<sup>125</sup> *Ibid.*, p. 2.

<sup>126</sup> *Ibid.*, p. 8.



groups respectively. Monthly instalments were paid over a minimum of 18 months up to a maximum of 60 months.<sup>127</sup>

In case of default or insolvency, the grants by the Compagnia di San Paolo were used to guarantee funds. Beginning in February 2005, the banks applied “a ratio “1 to 2” between the guarantee fund and the overall loans”.<sup>128</sup> Each repayment of a loan made the equivalent sum available for another, new loan (rolling fund).<sup>129</sup> As a social programme the interest rates were considerably lower than the market rates and the terms of repayment were negotiable.

Examples of projects approved and financed:

- Start-up of African items shop in Turin
- Start-up of call centre in Genoa
- Start-up of day nursery in Rome
- Start-up of language school in Naples<sup>130</sup>

## Outcome and Impact

Due to the economic crisis, the need for credit was growing significantly during the duration of the project.<sup>131</sup> In March 2009, Turin had processed 636 requests, Genoa 167, Rome 191 and Naples 224.<sup>132</sup> The percentage of approved requests differed significantly between the different locations. While in Rome and Genoa almost half of the applications were approved (45% and 42% respectively), in Turin and Naples the majority was rejected and only a small percentage approved (21% and 16% respectively). There is also a large inconsistency in the percentages of loans paid down with no delay -Turin (40%), Genoa (33%), Rome (81%), Naples (42%) - and the insolvency rates - Turin (31%), Genoa (33%), Rome (13%), Naples (38%).<sup>133</sup>

Yet, the foundations struggled to achieve their main objective: to enable their clients to become “bankable” and more integrated into a market structure. Instead of helping their clients, the clients were often branded as receivers of loans from the foundation and subsequently not able to get traditional loans.<sup>134</sup>

<sup>127</sup> Ibid. p. 13.

<sup>128</sup> [http://ec.europa.eu/regional\\_policy/opendays/od2006/doc/presentations/e/ricci\\_10e05.ppt](http://ec.europa.eu/regional_policy/opendays/od2006/doc/presentations/e/ricci_10e05.ppt).

<sup>129</sup> Ibid.

<sup>130</sup> Bolognesi, D. & Palenzona, P. (2011). *Money can't Buy Happiness. It Helps Though. The social micro-credit programme of the Compagnia di San Paolo*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 005, Heidelberg: Centre for Social Investment of Heidelberg University, pp. 14-15.

<sup>131</sup> Ibid., p. 2.

<sup>132</sup> Ibid., p. 15.

<sup>133</sup> Ibid., p. 17.

<sup>134</sup> Ibid., p. 12.

Nevertheless, the project served as a forerunner to the larger micro-credit initiative, which was launched in 2014: the “Regional Guarantee for Microcredit Fund”. It brings together key players of the Piemonte to create a regional network. Project partners are, among others, the Fondazione Don Mario Operti, which is a leader of a network of non-profit organizations working in the region, and the Confcommercio Piemonte, a network of employers’ associations. The new initiative is financed in varying degrees by Regione Piemonte, Compagnia di San Paolo, Unioncamere Piemonte and Fondazione Cassa di Risparmio di Cuneo. In total € 4.030.000 serve as funds for the second micro-credit programme. Furthermore, Compagnia has recently become part of the share portfolio of PerMicro Spa, a microcredit company characterized by social aims and by a strong link with the region.<sup>135</sup>

### **Success or Failure Factors**

The biggest success factor was the network of reliable project partners, which dealt with local operations (selection of applicants, funding request to be delivered to the banks, training and coaching offered to the beneficiaries, follow-up and consultancy)<sup>136</sup> They could draw from rich experience and knowledge: two project partners were already committed to the fight against usury, three out of four were religious-based organizations with strong social networks, and all organizations were strongly rooted in the territory in which they operate.<sup>137</sup> The semi-franchise system made it possible for the project partners to act individually and to incorporate changes if necessary.<sup>138</sup>

Furthermore, all organizations had strong human resource strategies: volunteers assessed the applications and consulted as well as trained the clients. These volunteers were experts in the fields of banking, finance, entrepreneurship, and business consultancy. They devoted their free time to support the micro-credit programme and to help others to achieve their business goals. The commitment of these experts increased the percentage of loans repaid significantly and contributed considerably to the success of the project.<sup>139</sup>

The most important success factor was that beneficiaries were given a tool not a ready-made solution. The clients were not left alone to start their

<sup>135</sup><http://www.compagniadisanpaolo.it/ita/content/download/7755/70649/version/1/file/20+million+euros+over+three+years+from+the+Compagnia+di+San+Paolo+for+work+and+professional+training.pdf>

<sup>136</sup> Bolognesi, D. & Palenzona, P. (2011). *Money can't Buy Happiness. It Helps Though. The social micro-credit programme of the Compagnia di San Paolo*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 005, Heidelberg: Centre for Social Investment of Heidelberg University, p. 4.

<sup>137</sup> Ibid. p. 5.

<sup>138</sup> Ibid., p. 8.

<sup>139</sup> Ibid., p. 5.

business. Instead, they received extensive training and counselling by experts to achieve their goals.<sup>140</sup>

### **Lessons Learned**

- Experienced and reliable partners make successful projects possible.
- Expert knowledge is indispensable when working on an innovative project.
- Tools and not solutions help people to become pro-active and to empower them to achieve their goals.

<sup>140</sup> Ibid., p. 6.

# Eberhard von Kuenheim Foundation, DEU

## A New Start for Theresienthal

### Description of Specific Programme

The Kristallglasmanufaktur Theresienthal is one of the best-known producers of crystal glass in Germany.<sup>141</sup> In 2001, the factory was closed after its second insolvency in only two years.<sup>142</sup> A year later, the Eberhard von Kuenheim Foundation began to create a strong network of over 60 different partners, including the former employees, to revive the company. The commitment of former employees to rebuild Theresienthal was exceptional and as a result, by their own efforts, they were able to re-enter the labor market. In cooperation with the Deutsche Bank Foundation the “Stiftung Theresientahl” was established in 2004 to restart the company. Two years later, a local investor took over the glass manufacturer.<sup>143</sup> Despite the difficult world economic situation, the Kristallglasmanufaktur Theresienthal continues its successful history.

### Origins and Rationale

Theresienthal was founded in 1836 and quickly became one of the most prestigious glass manufacturers in the world. By the 1950s, over 300 employees produced exquisite glass for the German, European and international markets. The decline of the company began in the 1960s when its handmade, labour-intensive glassware was failing to compete with much cheaper mass-produced goods. In the 1980s and 1990s the company declined even further: it continuously reduced its workforce and was resold twice. After two insolvencies in 2000 and 2001, Theresienthal finally closed its doors.<sup>144</sup>

Although the glass manufacturer was closed, former employees remained loyal to their long-term employer. They continued to check if everything was in order, repaired broken windows and equipment, and continued to sell

<sup>141</sup> [http://www.theresienthal.de/cms/front\\_content.php](http://www.theresienthal.de/cms/front_content.php)

<sup>142</sup> von Schnurbein, G. (2011). *Filling the Glass – Creating Impact through Social Capital*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 011, Heidelberg: Centre for Social Investment of Heidelberg University, p. 3.

<sup>143</sup> <http://www.kuenheim-stiftung.de/theresienthal/das-projekt/>

<sup>144</sup> von Schnurbein, G. (2011). *Filling the Glass – Creating Impact through Social Capital*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 011, Heidelberg: Centre for Social Investment of Heidelberg University, p. 3.

unsold stock to pay for the maintenance of the company.<sup>145</sup> In 2002, the foundation lawyer Peter Lax introduced the CEO of the Eberhard von Kuenheim Foundation, Christoph Glaser, to Max Hannes, who was one of the former employees taking care of the factory. Max Hannes had worked at Theresienthal for almost 40 years and his passion for the traditions of the company inspired Christoph Glaser – it seemed like a promising opportunity for the Eberhard von Kuenheim Foundation.<sup>146</sup>

The Foundation was established in 2000 by the BMW Group to support people who “think and act entrepreneurially with a sense of responsibility”. The focus is, in particular, on regions that are economically less developed.<sup>147</sup> Theresienthal combined both of these factors. On the one hand, the former employees were passionate, highly-qualified and resourceful. On the other hand, the region of Lower Bavaria where the factory was based was in economic decline. The closing of Theresienthal was symptomatic of a struggling region. A successful revival of the glass manufacturer could forcefully demonstrate that entrepreneurship could be done in the most unlikely places. The Foundation decided to take on the challenge of re-inventing Theresienthal.

## Design and Implementation

During the design phase of the project multiple factors became clear: the factory had to be revived as a profitable company, not as a museum to preserve the traditions of the region. It should not have to rely on subsidies – whether by the Foundation or through public funding. To make this possible, the former employees, with their specific knowledge, had to return to Theresienthal and play an integral role in the re-development of the company. One of the first tasks was to focus on the Theresienthal brand.<sup>148</sup> The name and its reputation for quality would serve as the basis for Theresienthal’s future.

As well as supporting the development of the project and advising the people on site, the Foundation's main role was to bring project partners together and establish a strong network to support the venture.<sup>149</sup> Experts from other businesses, foundations, non-profit organizations as well as

<sup>145</sup> Hildebrand, J. (2008). *Das Wunder von Theresienthal*, Welt am Sonntag, 02.03.2008, Nr. 9, p. 28 / Ressort: WIRTSCHAFT.

<sup>146</sup> von Schnurbein, G. (2011). *Filling the Glass – Creating Impact through Social Capital*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 011, Heidelberg: Centre for Social Investment of Heidelberg University, p. 2.

<sup>147</sup> von Schnurbein, G. (2010). Foundations as honest brokers between market, state and nonprofits through building social capital. *European Management Journal*, 28:6, pp. 413–420, p. 416.

<sup>148</sup> von Schnurbein, G. (2011). *Filling the Glass – Creating Impact through Social Capital*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 011, Heidelberg: Centre for Social Investment of Heidelberg University, p. 4.

<sup>149</sup> *Ibid.*, p. 3.

representatives of state agencies joined the former employees in their fight for Theresienthal.<sup>150</sup> The 60 project partners included the local employment office, the Hertie and Deutsche Bank Foundations, consulting firms and many others.<sup>151</sup> All these partners volunteered to support Theresienthal and did not receive any payment or stocks in the future company.<sup>152</sup>

## Outcome and Impact

The project's main achievement was the revival of Theresienthal. The factory is running once again and over 20 employees were able to return to their former workplace.<sup>153</sup> In addition, the project demonstrated the potential of the Foundation's strategy to foster entrepreneurship in a very unlikely place under difficult circumstances. Equally important, it was an example of the power of values over conventional market theory. It was not maximization of profits but the focus on tradition and quality that led to success.<sup>154</sup>

In 2006 a local family acquired Theresienthal; the new owner, Max von Schnurbein, holds 90 percent of shares and the Theresienthal Foundation holds the remaining 10 percent.<sup>155</sup> In 2006 and 2007, the revenues increased each year by 20 percent.<sup>156</sup> However, the global financial and economic crisis did not spare the newly re-established company: 2009 was the most difficult year for the company. The employees had to work shorter hours and the revenue dropped to under € 1 million.<sup>157</sup> Theresienthal recovered and is still successful. Today it makes almost one-third of its profit outside of Europe, with Russia as its biggest market.<sup>158</sup>

The documentarian Dominik Wessely accompanied the project at all stages for over 2 years. He produced a movie based on his experience "Die Unzerbrechlichen" (The Unbreakables)<sup>159</sup> and published a book together with

<sup>150</sup> von Schnurbein, G. (2010). Foundations as honest brokers between market, state and nonprofits through building social capital. *European Management Journal*, 28:6, pp. 413–420, p. 416.

<sup>151</sup> <http://www.kuenheim-stiftung.de/theresienthal/die-partner/>

<sup>152</sup> von Schnurbein, G. (2010). Foundations as honest brokers between market, state and nonprofits through building social capital. *European Management Journal*, 28:6, pp. 413–420, p. 417.

<sup>153</sup> <http://www.faz.net/aktuell/wirtschaft/glasmanufaktur-theresienthal-die-unzerbrechlichen-werden-modern-11011686.html>

<sup>154</sup> von Schnurbein, G. (2011). *Filling the Glass – Creating Impact through Social Capital*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 011, Heidelberg: Centre for Social Investment of Heidelberg University, p. 3.

<sup>155</sup> <http://www.faz.net/aktuell/wirtschaft/glasmanufaktur-theresienthal-die-unzerbrechlichen-werden-modern-11011686.html>

<sup>156</sup> <http://www.handelsblatt.com/unternehmen/mittelstand/vom-hoelzchen-auf-glaeschen-kristallklare-strategie-seite-2/3159604-2.html>

<sup>157</sup> <http://www.faz.net/aktuell/wirtschaft/glasmanufaktur-theresienthal-die-unzerbrechlichen-werden-modern-11011686-p2.html>

<sup>158</sup> Hildebrand, J. (2008). *Das Wunder von Theresienthal*, Welt am Sonntag, 02.03.2008, Nr. 9, p. 28 / Ressort: WIRTSCHAFT.

<sup>159</sup> <http://www.moviepilot.de/movies/die-unzerbrechlichen>

Christoph Glaser about the development, implementation and outcomes of the project “Unternehmen statt unterlassen: Von der ungewöhnlichen Rettung eines Traditionsbetriebs” (Acting instead of retraining: about the exceptional rescue of a traditional company).<sup>160</sup> Through the book and movie, more people learned about this unusual initiative and its underlying values. It inspired others to contact the Foundation and project partners and to dare similar activities.<sup>161</sup>

## Success or Failure Factors

At the start, the project appeared very high risk for the Eberhard von Kuenheim Foundation. The foundation lacked any knowledge regarding the glass industry and the legal requirements of re-starting an old factory;<sup>162</sup> its financial resources were overextended. The Boston Consulting Group estimated that it would cost up to € 10 million to re-start Theresienthal. The Foundation simply did not have enough money to sustain the company until it was profitable.<sup>163</sup> Nevertheless, what the Foundation lacked in financial resources and expert knowledge it made up for with its unique position as an independent, altruistic organization.

Because of its organizational structure, the Eberhard von Kuenheim Foundation was independent of members or owners. It could take higher risks without worrying about the threat of losing the confidence of clients or investors and it could think long term. At the same time, foundations are not self-interested: they do not aim to create profit or grow their business. Because their sole purpose is to benefit others, they are more likely to be considered reliable partners.<sup>164</sup> The other project partners trusted the Foundation to act in the common interest without exploiting anyone of the partners, or pursuing its own gain. The Foundation’s credibility was further heightened by its close relationship to the BMW Group. As one of the largest employers in the region, BMW was held in high esteem.<sup>165</sup>

This trust was essential because the project’s success depended on a well-functioning network. The first project partners involved had already worked with the Foundation and shared its norms and values. They, in turn, talked to some of their close business or project partners who then gave their support to Theresienthal. In this way, the network grew stronger and wider.

<sup>160</sup> Glaser, C., Wessely, D. (2006). *Unternehmen statt unterlassen. Von der ungewöhnlichen Rettung eines Traditionsbetriebs*, Berlin: Econ Verlag.

<sup>161</sup> von Schnurbein, G. (2011). *Filling the Glass – Creating Impact through Social Capital*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 011, Heidelberg: Centre for Social Investment of Heidelberg University, p. 4.

<sup>162</sup> Ibid. p. 7.

<sup>163</sup> Ibid., p. 5.

<sup>164</sup> Ibid., p. 6.

<sup>165</sup> von Schnurbein, G. (2011). *Filling the Glass – Creating Impact through Social Capital*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 011, Heidelberg: Centre for Social Investment of Heidelberg University, p. 3.

Meanwhile, the Foundation made sure that the project was open to all interested parties and the relationships between the different partners conflict-free.<sup>166</sup> The Foundation further fostered cooperation with informal updates and social events.<sup>167</sup>

## Lessons Learned

- Entrepreneurship can be done anywhere, even in a century-old glass factory in an economically depressed region.<sup>168</sup>
- Because of their financial independence and neutrality, foundations are in a strong position to foster networks and collaboration thus extending their financial and non-financial resources.
- Foundations' lack of dependence on shareholders, customers or constituents enables them to take risks other institutions might be wary of.

<sup>166</sup> Ibid.

<sup>167</sup> von Schnurbein, G. (2010). Foundations as honest brokers between market, state and nonprofits through building social capital. *European Management Journal*, 28:6, pp. 413–420, p. 417.

<sup>168</sup> von Schnurbein, G. (2011). *Filling the Glass – Creating Impact through Social Capital*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 011, Heidelberg: Centre for Social Investment of Heidelberg University, p. 3.



# Fondazione Cariplo, ITA

## Social Housing

### Description of Specific Programme

Fondazione Housing Sociale's (FHS) first began working on the issue of social housing in 2000 in order to support the most vulnerable members of the population. After several years of writing grants, it realized that the limited amount of resources it could provide were not a long-term solutions to a structural problem. In 2004, it decided to take a more innovative and sustainable approach based on ethical investments and partnerships with other public and private institutions. What initially started as a programme under the foundation developed into its own foundation, "Fondazione Housing Sociale" (or "FHS").<sup>169</sup> Through this foundation, it focused on four main points:

- Promoting ethical financial initiatives and real estate funds dedicated solely to social housing
- Testing innovative management models for non-profits
- Developing instruments for project design for the entire housing sector
- Developing a public-private partnership for coordinate initiatives with existing house policies.

In addition to housing, FHS works on ethical investment real estate, urban renewal, neighbourhood building, welfare housing, the environment, as well as mission-related investments and exercises in cross-sector cooperation and service provision.

### Origins and Rationale

The Italian housing market underwent considerable change in the 1990's. Rising housing demands from students, temporary workers, immigrants, and single-parent families were met with housing costs that rose faster than household incomes. People falling under these categories had incomes but could not afford the rent prices in the open market. To make matters worse, they also did not qualify for public housing, which was only accessible to the poorest households. Thus the public housing sector, which was still in its

<sup>169</sup> Fondazione Housing Sociale (2014). *Social Housing in Italy –The experience of Fondazione Housing Sociale*. <http://www.eesc.europa.eu/resources/docs/gerevini--ppt.pdf>

infancy, was unable to meet the demands of this income category.<sup>170</sup> FHS therefore stepped in to address this “grey area of housing demanders”.<sup>171</sup>

At the time, Cariplo was active in the social housing field. Over the course of ten years, Cariplo granted €39 million to around 200 projects.<sup>172</sup> After it was clear that grants were insufficient to fully address the problem, the Foundation decided to follow a radically different course and created FHS in 2004 to continue developing the social housing programme. FHS became part of a complex system of local and eventually national funds, including institutional investors (key Italian foundations, banks, insurance companies, etc.), local investors (small foundations, cooperatives, local public bodies, private real estate investors, etc.) and management companies, all of which were strictly regulated by the Italian Central Bank.<sup>173</sup>

FHS had 4 main areas, namely (1) promoting ethical financing initiatives, especially real estate funds for social housing, (2) testing new non-profit management models, (3) developing project designs to disseminate and potentially replicate, and (4) building public–private partnerships to coordinate initiatives with existing public housing policies. It aimed not simply to provide a place to live but rather foster a way of living in which multiple services are shared and a community is nurtured.<sup>174</sup>

## Design and Implementation

First, the Foundation asked Milan Polytechnic University to develop a feasibility study of an autonomous, sustainable system that would provide a variety of social housing options. In 2003, the feasibility study was completed. One year later, Cariplo partnered with Regione Lombardia and ANCI Lombardia (public bodies), and created FHS to experiment with innovative solutions for structuring, financing, constructing, and managing social housing initiatives that were economically sustainable and independent of grants. They defined social housing as “the set of dwellings and services, actions and instruments addressed to those who are unable to meet their housing and related primary needs on the open market for economic reasons or due to a lack of appropriate supply options.”<sup>175</sup> Therefore, FHS focused its efforts on those who had annual incomes of €12,000–50,000 but could not afford open market housing rates. Public

<sup>170</sup> Leat, D. (2014). *The Inventive Foundation: creating new ventures in Europe*, p. 44. <http://www.gulbenkian.org.uk/files/15-05-14-The%20Inventive%20Foundation.pdf>.

<sup>171</sup> Fondazione Housing Sociale. (2014). In D. A. Evers, B. Ewert & T. Brandsen (Eds.), *Social innovations for social cohesion: transnational patterns and approaches from 20 European cities* (pp. 191). Liege: Wilco

<sup>172</sup> Ibid., p. 45.

<sup>173</sup> Ibid.

<sup>174</sup> Ibid., p. 43.

<sup>175</sup> Fondazione Housing Sociale (2014). *Social Housing in Italy –The experience of Fondazione Housing Sociale*. <http://www.eesc.europa.eu/resources/docs/gerevini--ppt.pdf>

sector housing, on the other hand, is primarily for those with annual incomes below €12,000.<sup>176</sup>

FHS had an eight-person board of directors drawn from its main partners (including Cariplo). Initially, Cariplo covered only FHS's set-up and operating costs. However, they later gave FHS a €10 million endowment to subsidize FHS's income from fees for technical services (architectural, service design, business planning, etc.).

FHS began to develop a sustainable business model for social housing initiatives by starting the first real estate ethical fund in Italy, "Fondo Federale Immobiliare di Lombardia" (FIL). Investors were offered returns 3% above inflation (capped at 4%) on long-term, 20-year investments. This was considered very low but was marketed as a social investment. Eventually, nine high-profile public and private organizations agreed to invest, with the first fund closing at €85 million. The name and reputation of the Foundation were considered a critical factor in FIL's initial success. The National Housing Plan later used this success to set up a national Integrated Funds System (SIF).<sup>177</sup>

FHS approached social housing development as a partnership between public and private entities. It envisioned its role as a supervisor that would see projects completed, share knowledge, and ensure competence, thereby creating a market rather than a collection of projects. Housing developments combined urban and environmental planning, high-impact social and commercial services, and occasionally special residential services. Ideally, both local stakeholders and investors would agree on these elements at the outset so they could be included in the implementation contract prior to finalizing the building design and development, property allocation, and property and community management.<sup>178</sup>

FHS was involved with the renovation of an old building in the centre of Milan, which was privately owned and rented out to tenants. The building was in a culturally-diverse area and designed to include existing residents, migrants, young people, and people with disabilities. FHS invested €7 million in renovating a park behind the building for neighbourhood use. Two commercial spaces in the building were allocated to a fair trade coffee outlet and clothing recycling centre/boutique. The tenants for the commercial spaces were chosen to help the broader goal of regenerating the neighbourhood. The building management was another experiment. To encourage the involvement of non-profit organizations in social housing, Fondazione Cariplo granted four organizations €1.5 million to form a

<sup>176</sup> Leat, D. (2014). *The Inventive Foundation: creating new ventures in Europe*, pp. 45-46.

<http://www.gulbenkian.org.uk/files/15-05-14-The%20Inventive%20Foundation.pdf>.

<sup>177</sup> Ibid

<sup>178</sup> Ibid.

consortium and set up a social enterprise to buy part of and manage the building.<sup>179</sup>

## Outcome and Impact

FHS provides diverse social housing options for low-income tenants. More fundamentally, it created an effective and sustainable business model for social housing initiatives, created the first real estate ethical fund in Italy, challenged established real estate markets, and provided a model for the National Housing Plan to create the SIF.<sup>180</sup>

## Success or Failure Factors

FHS's success has been attributed to many factors, including:<sup>181</sup>

- A vision beyond grant-making
- Willingness to take risks on innovative models
- Planning and commissioning a feasibility study
- Skilful use of the Foundation's reputation to gain access to and influence potential investors
- Willingness to oppose the established real estate market
- Persistence and patience in pursuing partnerships with private and public entities
- A focus on the 'social' aspect of social housing
- A refusal to equate low cost housing with low quality housing
- Continuous improvement
- Development of a dynamic and repeatable model

Challenging aspects of the program were:

- Reconciling its dual identity of an economic enterprise on the one hand and an institutional enterprise on the other. While it needed to instil a sense of confidence and long-term stability in its investors, it needed to be innovative in finding the best public-private partnership model to meet the needs of those left behind in the "grey area" of housing.<sup>182</sup>
- Encouraging different stakeholders with different incentives towards common goals. FHS needed to be attractive to private stakeholder but also be fully embedded in the local welfare system.<sup>183</sup>

<sup>179</sup> Ibid.

<sup>180</sup> Ibid.

<sup>181</sup> Ibid.

<sup>182</sup> Fondazione Housing Sociale. (2014). In D. A. Evers, B. Ewert & T. Brandsen (Eds.), *Social innovations for social cohesion: transnational patterns and approaches from 20 European cities* (pp. 191). Liege: Wilco

<sup>183</sup> Ibid.

- Developing sustainable management models that can be replicated in contexts other than Lombardy or Milan.<sup>184</sup>
- Ensuring an integrated approach. In order to mould sustainable communities, housing initiative are urban, social, and financial projects at the same time. A “social manager” not only provides important community services, but also improves the risk-performance ration for investors.<sup>185</sup>

## Lessons Learned

- A foundation’s name and reputation can exert considerable influence and provide access to influential networks.
- Working cooperatively with public and private bodies can be very powerful.
- A foundation’s willingness to take risks on innovation and challenge entrenched interests can foster real change.
- A foundation’s ability to make long-term plans can determine whether ambitious projects reach their goals.

<sup>184</sup> Ibid.

<sup>185</sup> Del Gatto, M. Ferri, G., & Pavesi, A. (2012). The social manager as the guarantor of sustainability in social housing interventions. *Techne: Journal of Technology for Architecture and Environment*, 4: p. 112.

# Freudenberg Foundation, DEU

## Service Learning

### Description of Specific Programme

Service-Learning – (S-L), also known as Learning through Civic Engagement (*Lernen durch Engagement*), is a teaching and learning method that combines formal instruction with relevant civic engagement for students<sup>186</sup>. Children and adolescents get involved in civil service projects for the common good, usually related to social, ecological, political or cultural endeavours. While providing a service that is deemed beneficial to society, they benefit from gaining democratic and practical experience that often allows students to apply lessons-learned from the classroom.

S-L/*Lernen durch Engagement* was initiated in Germany in 2001 via a pilot project of the Freudenberg Stiftung called *Verantwortung Lernen*. Within a span of eight months, S-L was tested at ten schools, under the leadership of Dr. Anne Sliwka. Schools were selected based on distinct differences in location, type (*Haupt-, Real-, Gesamtschule, or Gymnasium*<sup>187</sup>) and degree of pre-existing experience with service learning. Each school had an “innovation team” that consisted of at least two teachers/managers, two students, a parent representative, and a representative from one of the local partner organizations whenever possible. These teams received training to form a regional S-L representative and were responsible for implementing the programme. Each school was free to develop a service project of its choice, with themes varying from the construction of community gardens, to offering computer courses and hiking trips for senior citizens.<sup>188</sup>

The specific goals listed by the foundation are to:

- Teach students and teachers democratic and social competence.
- Teach students how to put their knowledge into practice in a productive manner.

<sup>186</sup> Seifert, A. & Zentner, S. (2010). *Service-Learning – Lernen durch Engagement: Methode, Qualität, Beispiele und ausgewählte Schwerpunkte*. Weinheim: Freudenberg Foundation.

<sup>187</sup> German secondary education includes three types of school. The Gymnasium prepares pupils for higher education. The Realschule has a broader range of emphasis for intermediate pupils and the Hauptschule prepares pupils for vocational education.

<sup>188</sup> Rauschert, P. (2014). *Intercultural Service Learning im Englischunterricht: Ein Modell zur Förderung interkultureller Kompetenz auf der Basis Journalistischen Schreibens*. Münster: Waxmann Verlag GmbH.

- Help students become more motivated, self-assured and effective, while improving their attitude towards school.
- Promote more openness towards the community, develop a climate of cooperation and strengthen individual student support.

The programme is financed by Freudenberg Foundation, the Siemens Foundation (since 2014), the Deutsche Bahn Foundation (since 2015), the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth (sponsored training courses for teaching assistants , throughout Germany from 2012-2014). Community Foundations, volunteer organizations, and “RAAs” (regional centres for issues regarding foreigners, school and youth work in the new German states and the promotion of children and adolescents from immigrant families in North-Rhine Westphalia) served as “competence centres” and were responsible for their own fundraising.<sup>189</sup> As of 2013, there are some 150 schools in Germany that employ this method.<sup>190</sup> The S-L programme represents and promotes Service Learning to the stakeholders of education, youth, and civil engagement policies in Germany.

## Origins and Rationale

Serving Learning is an educational approach originating from the progressive and pragmatic movements in the US. Progressivism in education was popularized by John Dewey and emphasized the importance of hands-on learning, while pragmatism was pioneered by William James and focused on the practical applicability of education. Combined, these philosophies make up the core components of service learning. S-L has been established in the U.S. since the 1960s, later having gained some popularity in Germany as well.

Service Learning began to become popular in German primary and secondary schools in the 1990s. It then caught on in post-secondary schools about a decade later, although similar concepts had already been in place at practice-oriented schools of applied sciences. S-L became more widely adopted in higher education when Germany transitioned to the Bachelor/Master system.

The foundation conceived of the service-learning project as an important component of its programme area *Democratic Culture in School and Communities / “Demokratische Kultur in Schulen und Gemeinden.”* Moreover, the concept is closely related to the goals of the Freudenberg Foundation, in particular with regard to strengthening democracy, integration and participation of all members of society and “learning and experiencing democratic culture from as early an age as possible.”<sup>191</sup>

<sup>189</sup> <http://www.servicelearning.de/index.php?id=38>

<sup>190</sup> <http://www.youngcaritas.de/beitraege/lernen-durch-engagement/210643/>

<sup>191</sup> <http://www.freudenbergstiftung.de/en/key-tasks/learning-through-civic-engagement/learning-through-civic-engagement.html>

## Design and Implementation

For all of its projects, the Freudenberg foundation cooperates with government institutions and other foundations. In order to promote learning through civic engagement, the programme has built an association of Service Learning schools and regional partners in fifteen German federal states. The partner organizations, which function as competence centres, assist schools throughout the region to add S-L to their curriculum and assist with implementing the programmes. As part of their mentoring services, they provide teaching materials based on research and on practical experiences. These include quality standards that are used to evaluate different approaches and determine whether a curriculum should be revised. This teaching method is not only used in K-12 education, but also in universities and colleges. At the postgraduate level, this is particularly relevant for the students who are training to become teachers. Service learning in higher education largely began at the University of Mannheim, and the Freudenberg foundation played a pivotal role in the expansion of this initiative.

## Outcome and Impact

Thanks to the Freudenberg Foundation's pilot project, the nation-wide network *Lernen durch Engagement* was developed. At the end of the pilot, all schools involved had declared a readiness to further develop service learning and to work towards expanding the S-L network; however, the pilot project failed to create an impact beyond the specific partner schools.<sup>192</sup> At the same time, it has strong potential to expand, as it is only at the "pioneer stage" in Germany.<sup>193</sup> The ultimate goal is to create systemic changes in Germany's education system,<sup>194</sup> which has not yet been achieved.

During the assessment phase, schools found that the project helped improve class cohesion and provided students with a sense of ownership. Its biggest shortcoming was that students did not have enough say in choosing a project, which led to a lack of motivation in some students. Moreover, many of the external partners were not familiar enough with the concept, and understood S-L to be equivalent to an internship. If S-L was to be implemented on a larger scale, then it was clear that there needed to be improvements to the process.<sup>195</sup>

<sup>192</sup> Based on an inquiry to Volker Then.

<sup>193</sup> Zentner, S. (2011). *Lernen durch Engagement' - Service-learning in German Schools*. Weinheim: Service-Learning - Lernen durch Engagement, p. 12.

<sup>194</sup> Striebens, C. (2014). Interview with Sandra Zentner. *Positionierung und Beitrag von Stiftungen*.

<sup>195</sup> Zentner, S. (2011). *Lernen durch Engagement' - Service-learning in German Schools*. Weinheim: Service-Learning - Lernen durch Engagement, p. 12.



In 2013, Holger Backhaus-Maul and Christiane Roth published a book to evaluate service learning in post-secondary education. They are the first to take inventory of this approach, ten years after schools began implementing it. They found that within ten years, S-L became a component of many educational institutions throughout Germany. In colleges, it was implemented for subjects ranging from political science to engineering. About 15% of all post-secondary schools (56 of 368) use a form of S-L.

The number of higher education institutions that use S-L is still relatively small. Of the 368 surveyed post-secondary schools, 129 said they explicitly chose not to offer Service Learning. The most common reason for this was the lack of prominence of this concept. Other reasons for this are that universities do not have the human resources to develop S-L programmes, and that many students already work and do not need the practical experience.<sup>196</sup>

### **Success or Failure Factors**

Compared to other service projects, research has demonstrated that Service-learning is particularly beneficial for disadvantaged and underserved students.<sup>197</sup> Since it is integrated into school curricula, it gives students that would normally not engage in community service the opportunity to do so and discover it for themselves. The German national education report from 2010 states that 20% of students at a lower educational level volunteer, whereas 50% of the students at the higher level do. Service-learning is working towards closing this discrepancy to provide equal opportunities for service and learning.<sup>198</sup>

One of the major challenges has been the sustainability of the programme. There are about 40.000 schools in the country, and the Service-Learning network only knows about 100 to 200 schools that are involved in S-L projects.<sup>199</sup> Part of this problem with wider adoption is that a project cannot simply be replicated from one location to another. Each programme needs to cater to the specific needs of a school and its surrounding community, which takes much time and effort to develop. For instance, administrators must ensure that a program is “closely integrated into the curriculum, involves cognitively challenging reflection activities, incorporates students’ voices in decision making, fosters diversity, includes monitoring of progress, has a significant duration, develops reciprocal partnerships with community partners, and requires students to participate in meaningful service.”<sup>200</sup>

<sup>196</sup> Ibid.

<sup>197</sup> Seifert, A. (2011). Resilienzförderung an der Schule: Eine Studie zu Service-Learning mit Schülern aus Risikolagen. Wiesbaden: Springer Fachmedien GmbH.

<sup>198</sup> Zentner, S. (2011). *Lernen durch Engagement’ - Service-learning in German Schools*. Weinheim: Service-Learning - Lernen durch Engagement, p. 12.

<sup>199</sup> Ibid.

<sup>200</sup> Ibid.

There is no such thing as a “one size fits all” approach in this kind of learning, since both the students and the community should mutually benefit from the experience.

Even though the expansion of sustainability of service learning has been challenging, Freudenberg’s pilot project inspired several other projects that followed and became part of school curricula. For instance, the WGZ Bank cooperative (owned by *Aktive Bürgerschaft* e.V.) sponsored a project an S-L project called *sozialgenial – schüler engagieren sich*, which was supported by the Ministry of Education and Vocational Training in North Rhine Westphalia. The programme has been running since 2009 and has been implemented in 500 schools.<sup>201</sup>

While S-L was implemented in many schools, the quality from one programme to another varied widely. Sandra Zentner, who is the contact person for this programme, notes that “one of the most important challenges is to develop and sustain high quality service-learning projects.”<sup>202</sup> At the end of the experiment in 2007, many schools had adopted service-learning, but lacked high quality standards and had trouble distinguishing between specialized service-learning and community service.

This was troublesome, given that the success of a programme is primarily rooted in the quality of its implementation. Moreover: the link between the theoretical and applied learning was not always well established. For instances, in some cases, students engaged in work that was unrelated to their class curricula.<sup>203</sup> This led to question about the overall rationale behind service learning.

Backhaus-Maul and Christiane Roth note that the beginning of S-L in post-secondary schools coincides with a time when universities and colleges were seeking ways to economize. It is unclear whether the implementation of S-L was a product of this, or if schools were engaging in a trend that would improve their profiles and allow them to become more innovative. Thus there is the question whether the motivation of schools engaged in S-L is properly places.

The ways in which schools decided to engage in this programme varied widely; some took a top-down approach (e.g. *Hochschule Ludwigshafen am Rhein*), while others took a more grassroots approach (e.g. *Universität Mannheim*). Some schools created their own S-L centres, and in other cases, decisions were entirely left to S-L protagonists. The reason for implementing S-L programmes greatly diverged as well; some saw it as a way to build professional qualifications, while others felt it was a tool to develop social

<sup>201</sup> [http://www.aktive-buergerschaft.de/service\\_learning/](http://www.aktive-buergerschaft.de/service_learning/)

<sup>202</sup> Zentner, S. (2011). *Lernen durch Engagement? - Service-learning in German Schools*. Weinheim: Service-Learning - Lernen durch Engagement, p. 9.

<sup>203</sup> Ibid.

competences. Surveys and interviews revealed that the service learning functioned best when it was diffused from within, rather than imposed from outside or above. The ‘societal impulse’ for civil engagement seems to hold strongest in these cases, even though society and academia traditionally remain separate, unless the focus of study is a socially-oriented.<sup>204</sup>

Questions that remain to be addressed are the extent to which the curriculum prepares students for their service, whether students are actively engaged in the selection of their civic engagement, whether schools are prioritizing the development of competences, and whether teachers are working to foster positive relationships with the partner institutions.<sup>205</sup> In the end, effective service-learning is not just about “getting youth engaged in their community.” It needs to follow the logic of a curriculum, create opportunities for “cognitively challenging reflection activities,” solicit the views and opinions of the students, encourage diversity, monitoring progress, and develops partnerships with communities that are reciprocal and mutually beneficial.

## Lessons Learned

- Although a project may have been successfully implemented in one location, success is far from guaranteed somewhere else. Context matters.
- Before a program is implemented, the administrators should have a proven understanding of the rationale and added benefit to all stakeholders.
- Questions of quality should be intricately linked to assessments of programmatic success.

<sup>204</sup> Backhaus-Mau, H., Roth, C. (2013). *Service Learning an Hochschulen in Deutschland: Ein erster empirischer Beitrag zur Vermessung eines jungen Phänomens*. Wiesbaden: Springer Fachmedien.

<sup>205</sup> Seifert, A. (2011). *Resilienzförderung an der Schule: Eine Studie zu Service-Learning mit Schülern aus Risikolagen*. Wiesbaden: Springer Fachmedien GmbH.

# Fryshuset, SWE

## Easy Street (“Lugna Gatan”) Programme

### Description of Specific Programme

In 1995, the Swedish Fryshuset foundation initiated the Lugna Gatan Programme to reduce violence and crime among young people in Stockholm’s most segregated neighbourhoods.<sup>206</sup> Instead of relying on trained social workers or security personnel to curb criminal activities, the foundation decided to employ young, unemployed adults from the same neighbourhoods. Because they shared the same, often immigrant, background and life experiences as many of the young perpetrators, they were able to gain the trust of at-risk teenagers. They “knew the language of the street” but also served as viable role models for the young.<sup>207</sup> The programme focused first on vandalism, violence and crime in Stockholm’s subway system. Over the next years, the programme was expanded to include initiatives in schools and personal protection of young victims. The name “Lugna Gatan” was taken from the silent movie “Easy Street” (1917) in which Charlie Chaplin first rehabilitates himself and then transforms a whole street.<sup>208</sup>

### Origins and Rationale

In 1984, the YMCA of Stockholm and a group of supporters founded Fryshuset, which is today one of the largest youth centers in the world. In the 1980s, the center was located in a former cold-storage warehouse (Fryshuset in Swedish). A few years later, the youth organization moved to a larger building in the South of Stockholm.<sup>209</sup> In its early years, Fryshuset mainly offered social activities for children and teenagers, for example, sport courses and music classes. When youth riots and juvenile crime spiked in the mid-1980s, the organization, supported by the Swedish government, also focused on anti-violence and anti-crime initiatives.<sup>210</sup> Yet, in 1995 the youth violence and crime escalated in the city and threatened to ruin one of Stockholm’s largest festivals. The organizers of the festival, the executive director of the public transport system and multiple high-ranking politicians

<sup>206</sup> <http://fryshuset.se/in-english/>

<sup>207</sup> Roth, N. (2004). The ‘Lugna Gatan’ Project-An Example of Enterprise in Crime Prevention Work. *Drugs: Education, Prevention, and Policy*, 11:3, pp. 193–98, p. 195.

<sup>208</sup> <http://www.imdb.com/title/tt0007880/>

<sup>209</sup> <http://fryshuset.se/in-english/>

<sup>210</sup> Westlund, H. & Gawell, M. (2012). Building Social Capital For Social Entrepreneurship. *Annals of Public and Cooperative Economics*, 83:1, pp. 101–16. p. 106.

decided that something needed to be done to curb the violence and to make the city safe again.<sup>211</sup>

At this point, Fryshuset was already well known for its crime prevention programmes and its work with disadvantaged children and teenagers.<sup>212</sup> So, they were formally approached to develop a programme to reduce the violence and crime among young people in the most deprived areas of Stockholm. The goal was not only to make Stockholm's street safer, but also to integrate these young people in the Swedish society.<sup>213</sup> To develop this project, Fryshuset was able to draw from the "Non-Fighting Generation" programme, which enabled young former street fighters to work against violence.<sup>214</sup> However, while this programme was extremely successful, it mainly focused on teenagers. Once these teenagers left school, many faced unemployment and became involved in drugs and crime. Fryshuset decided to base its new initiative "Lugna Gatan" on these struggling young people.<sup>215</sup>

## Design and Implementation

The project "Lugna Gatan" evolved over four specific phases. First, young disadvantaged adults were employed in 1995 to patrol Stockholm's underground system. These "stewards" or "hosts" mediated conflicts, intervened to prevent crime and build a close relationship with at-risk teenagers who were meeting and hanging out in the subway stations.<sup>216</sup> In 1997, the project expanded to include initiatives at schools which were having massive problems with vandalism, drugs, violence, and harassment. Again, young adults were employed to monitor student behavior and to cooperate with them to improve their school environment. Only a year later, this school project was broadened to include the students' socially deprived neighbourhoods. With the help of Fryshuset employees, teenagers between fourteen and twenty, so called "Juniors", had the opportunity to organize social activities and to form street patrols to prevent crime and conflicts. Beginning in 1999, "Lugna Gatan" also offered protection services to young individuals. The project "Home Visits" supported children and teenagers that

<sup>211</sup> Sjöblom, L. & Wijkström, F. (2011). *Fryshuset*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 006, Heidelberg: Centre for Social Investment of Heidelberg University, p. 4.

<sup>212</sup> Ibid.

<sup>213</sup> Roth, N. (2004). The 'Lugna Gatan' Project-An Example of Enterprise in Crime Prevention Work. *Drugs: Education, Prevention, and Policy*, 11:3, pp. 193–98, p. 194.

<sup>214</sup> Westlund, H. & Gawell, M. (2012). Building Social Capital For Social Entrepreneurship. *Annals of Public and Cooperative Economics*, 83:1, pp. 101–16. p. 106.

<sup>215</sup> Sjöblom, L. & Wijkström, F. (2011). *Fryshuset*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 006, Heidelberg: Centre for Social Investment of Heidelberg University, p. 4.

<sup>216</sup> Roth, N. (2004). The 'Lugna Gatan' Project-An Example of Enterprise in Crime Prevention Work. *Drugs: Education, Prevention, and Policy*, 11:3, pp. 193–98, p. 193.

felt threatened or unsafe. In some cases, Fryshuset employees even served as bodyguards.<sup>217</sup>

The most integral part of the “Lugna Gatan” project was its employees. Fryshuset fostered “leadership among those who earlier represented the problem.”<sup>218</sup> The young adults were highly integrated into their neighbourhoods and had large social networks. Many came from an immigrant background and had their own experiences with crime, violence and drugs. Because of their experiences earlier in life, they could relate to marginalized teenagers who in turn trusted them.<sup>219</sup> However, before someone could become a “steward”, they had to distance themselves from the use of violence and pass multiple unannounced drug tests.<sup>220</sup> This was followed by a short training period, which was run in cooperation with local high schools and the police.<sup>221</sup> Self-defence, first aid, conflict resolution and anger management were part of their training schedule, but also human rights and moral training.<sup>222</sup> After the training the young “stewards” began their work in the streets, subway stations and schools of Stockholm.<sup>223</sup>

Around 5 % of Fryshuset’s activities are covered by public funding; the other 95 % are financed through grants, donations and fees for services. “Lugna Gatan” works like a free contractor. Companies and organizations, like the Stockholm transport authority, local business associations and authorities, pay for its services.<sup>224</sup>

## Outcome and Impact

The “Lugna Gatan” had a big social impact. It employed many young adults who lacked job opportunities before and in many cases had turned to drug dealing and other criminal activities to support their livelihood. Instead, the programme offered training and work experience and can, therefore, also be understood as a “labour market programme”.<sup>225</sup> But not only did the promise

<sup>217</sup> Ibid., p. 196.

<sup>218</sup> Sjöblom, L. & Wijkström, F. (2011). *Fryshuset*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 006, Heidelberg: Centre for Social Investment of Heidelberg University, p. 3.

<sup>219</sup> Ibid, 4.

<sup>220</sup> Roth, N. (2004). The ‘Lugna Gatan’ Project-An Example of Enterprise in Crime Prevention Work. *Drugs: Education, Prevention, and Policy*, 11:3, pp. 193–98, p. 195.

<sup>221</sup> <http://www.nordiclbourjournal.org/i-fokus/i-fokus-2008/reaching-the-fringes-a-more-including-working-place/social-entrepreneurs-fighting-for-outsiders>

<sup>222</sup> Sjöblom, L. & Wijkström, F. (2011). *Fryshuset*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 006, Heidelberg: Centre for Social Investment of Heidelberg University, p. 5.

<sup>223</sup> Roth, N. (2004). The ‘Lugna Gatan’ Project-An Example of Enterprise in Crime Prevention Work. *Drugs: Education, Prevention, and Policy*, 11:3, pp. 193–98, p. 195.

<sup>224</sup> <http://fryshuset.se/in-english/>

<sup>225</sup> Sjöblom, L. & Wijkström, F. (2011). *Fryshuset*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 006, Heidelberg: Centre for Social Investment of Heidelberg University, p. 5.

of a safe income motivate the participants, many former criminals joined the programme to help teenagers to make better choices than they did.<sup>226</sup> For example, the “Lugna Gatan” team members convinced teenagers of the importance of a formal school education. In one case, seven truants who missed classes 80 percent of the time started going to school regularly and improved their grades from 30 to 200 points. One policeman concluded: “They are very competent and a great help. They meet the youths on their own terms”.<sup>227</sup>

The programmes impact on crime rates is more contested. According to Fryshuset, vandalism and crime in Stockholm’s subway stations had fallen up to 80 percent in the first year of the programme. However, an external evaluation concluded that crime rates did not only drop in the patrolled stations but were overall declining – even in the uncontrolled stations. At the same time, multiple problems emerged: the project depended on young adults who came from the most deprived areas of Stockholm. Many had connections to the criminal scene and had difficulties cutting the ties to their former lives. As a result, “Lugna Gatan” employees became repeatedly suspects in connection with drug delicts, sexual assaults or illegal weapon charges. This severely damaged the credibility of the project.<sup>228</sup> Some even questioned the legality of the services. “Lugna Gatan” had no authorization to run a security company or personal protection business. In particular the “Home Visit” project operated in a grey area.<sup>229</sup>

Overall, however, the media coverage and public debate of the project was mainly positive. Large Swedish newspapers published articles praising “Lugna Gatan” as a successful anti-youth-crime project. Representatives of the project were considered experts with a special knowledge on youth criminality that the police and social services lacked. They were often invited to share their experiences on national television and radio, for example after a young immigrant was killed in a notorious inner city neighbourhood.<sup>230</sup> Members of Fryshuset were also invited to speak at police academies, in schools and universities. Anders Carlberg, the founder of Fryshuset, estimated that he “held speeches for 100,000 people in total”.<sup>231</sup> Ulf Adelsohn, County Governor in Stockholm, stated that “Lugna Gatan” was “the most important occupational, social and youth work that he had ever

<sup>226</sup> Ibid., p. 7.

<sup>227</sup> <http://www.nordiclbourjournal.org/i-fokus/i-fokus-2008/reaching-the-fringes-a-more-including-working-place/social-entrepreneurs-fighting-for-outsiders>

<sup>228</sup> Roth, N. (2004). The ‘Lugna Gatan’ Project-An Example of Enterprise in Crime Prevention Work. *Drugs: Education, Prevention, and Policy*, 11:3, pp. 193–98, p. 197.

<sup>229</sup> Ibid., p. 198.

<sup>230</sup> Ibid., p. 196.

<sup>231</sup> <http://www.nordiclbourjournal.org/i-fokus/i-fokus-2008/reaching-the-fringes-a-more-including-working-place/social-entrepreneurs-fighting-for-outsiders>

participated in”.<sup>232</sup> Even the financial impact of the programme was discussed. A place in a juvenile institution cost around one million Swedish crowns (€ 107,000) a year – money that could possibly be saved due to this project.<sup>233</sup>

The programme became also an international model. In 2016, a similar project is planned in Langa, a former township outside Cape Town in South Africa.<sup>234</sup> The programme “Great Corner” specifically cites “Lugna Gatan’s” concept as its biggest inspiration. They state on their website: “The long-term aim with Great Corner is to follow the path of Lugna Gatan. We will engage in social entrepreneurship to create employment and, in turn, increase community integration and reduce crime and unemployment.”<sup>235</sup>

### **Success or Failure Factors**

To be successful, the programme focused on winning over the role models of at-risk teenagers: their older brothers, neighbours and friends. One of the Fryshuset employees emphasized: “Youth themselves just have to be allowed dealing with their own lives and communities they live in. They know the problems and also how to solve them.”<sup>236</sup> As mentioned before, the young adults involved in the project had a close connection to their neighbourhoods and understood the local circumstances.<sup>237</sup> They were well equipped to gain the trust of disadvantaged children and teenagers. One “steward” explained: “We approach young people in their own environments, and get to know them. We gain their trust by returning over and over to the same group, so they know we're there to help, not to make problems for them”.<sup>238</sup> Teenagers and young adults were not simply the target group of the “Lugna Gatan” project; they were its most integral part. By bringing them together with politicians and other decision makers and by providing them with the necessary resources, Fryshuset enabled these youth groups to tackle their own problems.

Another important success factor was Fryshuset’s ability of storytelling. Again and again, the stories of successful participants were told to decision

<sup>232</sup> Roth, N. (2004). The ‘Lugna Gatan’ Project-An Example of Enterprise in Crime Prevention Work. *Drugs: Education, Prevention, and Policy*, 11:3, pp. 193–98, p. 196.

<sup>233</sup> <http://www.nordiclbourjournal.org/i-fokus/i-fokus-2008/reaching-the-fringes-a-more-including-working-place/social-entrepreneurs-fighting-for-outsiders>

<sup>234</sup> <http://fryshuset.se/in-english/>

<sup>235</sup> <http://project-playground.org/fryshuseteng.aspx>

<sup>236</sup> Westlund, H. & Gawell, M. (2012). Building Social Capital For Social Entrepreneurship. *Annals of Public and Cooperative Economics*, 83:1, pp. 101–16. p. 107.

<sup>237</sup> Sjöblom, L. & Wijkström, F. (2011). *Fryshuset*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 006, Heidelberg: Centre for Social Investment of Heidelberg University, p. 7.

<sup>238</sup> <http://www.nordiclbourjournal.org/i-fokus/i-fokus-2008/reaching-the-fringes-a-more-including-working-place/social-entrepreneurs-fighting-for-outsiders>



makers, politicians and the public media<sup>239</sup> One example was the story of a former "steward" who began running his own business, with a yearly turnover of 250 million Swedish crowns (€ 26 million).<sup>240</sup> Not only did this positive reaffirmation increase the respect and influence of the programme, it also boosted the self-confidence of the participating young adults and teenagers.

## Lessons Learned

- Everyone can bring something to the table. The project shows that the target group of an initiative can also be a programme's biggest asset.
- Expertise pays off. Fryshuset is well known for its longstanding work experience with teenagers and children. They were approached by local authorities because of their insight knowledge.
- Story telling is essential. The programme expanded because the stories of the involved individuals inspired people.

<sup>239</sup> Sjöblom, L. & Wijkström, F. (2011). *Fryshuset*, CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 006, Heidelberg: Centre for Social Investment of Heidelberg University, p. 7.

<sup>240</sup> <http://www.nordiclabourjournal.org/i-fokus/i-fokus-2008/reaching-the-fringes-a-more-including-working-place/social-entrepreneurs-fighting-for-outsiders>

# Joseph Rowntree Charitable Trust, GRB

## Campaign for Freedom of Information

### Description of Specific Programme

The Campaign for Freedom of Information (CFI) was founded in 1984 and consistently funded by the Joseph Rowntree Charitable Trust (JRCT) since 1989. Before the Freedom of Information Act (FOIA) was introduced in 2005, the British public sector was not legally obliged to make any information or documents accessible to citizens, businesses or the media.<sup>241</sup> Not only did the Campaign succeed in influencing the British government to introduce the Freedom of Information Act (FOIA), it also played an important role in improving the initially weak bill. Even after the FOIA was introduced, the CFI continued to campaign for more extensive and far-reaching information rights. To this day, it gives advice to the public as well as public authorities on how to use the FOIA.<sup>242</sup>

### Origins and Rationale

The JRCT's financial support for the CFI was inspired by a couple significant events that occurred in the two years prior to 1989. First, the sale of the Chocolate manufacturer Rowntree Company to Nestle freed up large amounts of resources for the Trust, which had heavily invested in the company. Secondly, Trustee Grigor McClelland called on JRCT to protect, bolster and renew democratic processes in the UK following Margaret Thatcher's election to a third term in 1987. It was feared that her re-election would lead to an erosion of consensus politics<sup>243</sup>, an emasculation of local government, a politicization of the senior civil service, and the suppression and distortion of official information. Moreover, it was thought that the growth of quasi-autonomous non-governmental organizations (quangos) would result in patronage through "elective dictatorship."<sup>244</sup> The year following Thatcher's election, JRCT commissioned a mapping study to determine what was already being done in that area and identifying

<sup>241</sup><http://www.theguardian.com/commentisfree/libertycentral/2009/may/18/freedomofinformation-information-commissioner>

<sup>242</sup> <https://www.cfoi.org.uk/about/>

<sup>243</sup> List, R. (2011). *The Joseph Rowntree Charitable Trust's Support for the Freedom of Information Campaign: Are We There Yet?*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 010, Heidelberg: Centre for Social Investment of Heidelberg University, p. 2.

<sup>244</sup> Davies, J. (2004). The Foundation as a Political Actor: The Case of the Joseph Rowntree Charitable Trust. *The Political Quarterly*, 75:3, pp. 275–84, p. 276.

potential partners.<sup>245</sup> The goal was to combine short term, achievable aims on a small scale and long term activity to change the climate of opinions on migration's impact on the British society.

In 1989, JRCT created a new grant-making programme titled, "The Democratic process and the Abuse of Power." The aim of this programme was to ensure the continuation of the UK's consensual style of politics in the absence of a written constitution in order to uphold the rights of the citizens, and strengthen the democratic process.<sup>246</sup> One of the first grant recipients of the Democracy Programme was the campaign for Freedom of Information (CFI). It was based in London and created in 1984 by a coalition of 25 diverse national organizations to fight against unnecessary official secrecy and for an effective Freedom of Information Act.<sup>247</sup>

## Design and Implementation

The campaign for Freedom of Information (CFI) is a non-profit organization which is not affiliated with any political party. Only two staff members worked on this campaign: Maurice Frankel, the director, (since 1984) and Katherine Gundersen (since 1999).<sup>248</sup>

In 1989, the CFI received its first £29,000 grant from the JRCT. In the first year, the goal was to hire experienced researchers to focus on the topic of information rights, for example to explore if the United States' FOIA was applicable to the British context. After this one-year grant, the JRCT proceeded to fund the Campaign with multiple larger grants over longer periods of time.<sup>249</sup> Overall, the JRCT provided the CFI with more than 50 percent of its income.<sup>250</sup>

The CFI supported the introduction of a FOI in multiple different ways: Maurice Frankel lobbied government representatives and MPs, tried to convince civil servants, and networked with other non-profit organizations. The CFI also produced high-quality research on the subject, prepared briefings and bill drafts. In addition, it used its expertise to answer questions

<sup>245</sup> List, R. (2011). *The Joseph Rowntree Charitable Trust's Support for the Freedom of Information Campaign: Are We There Yet?*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 010, Heidelberg: Centre for Social Investment of Heidelberg University, p. 2.

<sup>246</sup> *Ibid.*, p. 3.

<sup>247</sup> *Ibid.*, p. 5.

<sup>248</sup> <https://www.cfoi.org.uk/about/>

<sup>249</sup> List, R. (2011). *The Joseph Rowntree Charitable Trust's Support for the Freedom of Information Campaign: Are We There Yet?*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 010, Heidelberg: Centre for Social Investment of Heidelberg University, p. 5.

<sup>250</sup> Davies, J. (2004). The Foundation as a Political Actor: The Case of the Joseph Rowntree Charitable Trust. *The Political Quarterly*, 75:3, pp. 275–84, p. 277.

by the public and to increase the visibility of the issue.<sup>251</sup> After the implementation of the FOIA, the Campaign continued to improve and defend the act, in particular by monitoring compliance with the law.<sup>252</sup>

## Outcome and Impact

In 1991, the first draft of the Freedom of Information Bill was unsuccessfully introduced by the Liberal MP Archie Kirkwood. After this setback, the next, incremental step forward was the introduction of a voluntary code of practice for the public access of information. However, this was a very limited approach and the Campaign continued to press for a strong FOIA. Their work seemed finally to come to fruition in the mid-1990s when Tony Blair spoke in favour of new legislation ahead of the 1997 election.<sup>253</sup> And indeed, after the election the Cabinet Office, headed by David Clark, published a White Paper “Your Right to Know – The Government’s proposals for a Freedom of Information Act”. This paper introduced far-reaching legislation to end the “culture of secrecy” and facilitate a more open and transparent democracy.<sup>254</sup>

However, Clark lost his office and the responsibility for the FOIA was transferred to the Home Office under Jack Straw. To the surprise of many, including the CSI, the Home Office published a much weaker bill in 1999. The CSI concluded that this was an “astonishing retreat from the Government’s White Paper, published only 17 months ago”.<sup>255</sup> The new proposal was criticized in both houses and the CFI successfully proposed multiple amendments to the bill.<sup>256</sup> Despite these efforts, a much watered-down FOIA gained Royal Assent in 2000. It included 21 exemption clauses, compared to just seven exemptions mentioned in the White Paper.<sup>257</sup> Furthermore, the implementation of the act was delayed by more than four years (January 2005). Some critics argued that this gave several public agencies the opportunity to destroy documents before the first requests for information could be made.<sup>258</sup> Maurice Frankel concluded: “[The Bill] achieves the

<sup>251</sup> List, R. (2011). *The Joseph Rowntree Charitable Trust’s Support for the Freedom of Information Campaign: Are We There Yet?*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 010, Heidelberg: Centre for Social Investment of Heidelberg University, p. 6.

<sup>252</sup> *Ibid.*, p. 7.

<sup>253</sup> Davies, J. (2004). The Foundation as a Political Actor: The Case of the Joseph Rowntree Charitable Trust. *The Political Quarterly*, 75:3, pp. 275–84, p. 277.

<sup>254</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/272048/3818.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/272048/3818.pdf)

<sup>255</sup> Davies, J. (2004). The Foundation as a Political Actor: The Case of the Joseph Rowntree Charitable Trust. *The Political Quarterly*, 75:3, pp. 275–84, p. 277.

<sup>256</sup> <https://www.cfoi.org.uk/about/>

<sup>257</sup> <http://www.independent.co.uk/news/information-bill-attacked-as-toothless-1095736.html>

<sup>258</sup> <http://www.theguardian.com/commentisfree/libertycentral/2009/may/18/freedomofinformation-information-commissioner>

remarkable feat of making the code, introduced by a government opposed in principle to freedom of information, appear a more positive measure than legislation drawn up by a Government committed to the issue for 25 years.”<sup>259</sup>

Yet, many observers concluded that the bill would not have been passed at all without the continuous efforts of the Campaign. In 1999, Jack Straw praised Maurice Frankel and stated that the FOIA was “the product of a brilliant campaign by the Campaign for Freedom of Information.”<sup>260</sup> The CFI added that without the moral and financial support of the JRCT the campaign would have been much less influential. At the same time, it is also difficult to claim that there would be no information legislation without the JRCT. Today, it is EU legislation and every EU member is obliged to provide citizens with access to information.<sup>261</sup>

## Success or Failure Factors

The CFI is a forceful example of one of JRCT’s success strategies. The foundation fosters close and long-term relationships with its grant recipients. On average, up to two-thirds of grantees receive follow-on or repeat grants. The foundation sees itself as a “critical friend” that accompanies and supports project partners over long periods of time. The CFI demonstrates that this support can last many decades and even continue when the initial goals seem to slip from the grantees’ grasp. Long-term commitment and accountability also entail deep knowledge and trust between the project partners. Trust and understanding are also important elements in JRCT’s organizational philosophy. The foundation was built on Quaker values. To this day, the trustees and senior staff of the JRCT are Quakers. The religion and common values offer the foundation members a sense of purpose and serve as a base for trust and mutual understanding. This close relationship is extended to its grantees.

But the programme was also heavily criticized for the close relationship between the foundation and the CFI. By law, charities are prohibited from engaging in political campaigns or from funding political parties. On the other hand, they are allowed to finance research which serves as an information base for political decisions. Already in the late 1980s, Robin Guthrie, Head of the Charity Commission, criticized charities for being highly-involved in left-wing campaigns (I’m not sure it was Guthrie so maybe just say the Charity Commission?). There were suggestions that JRCT was “testing the limits” of the existing charity laws. The JRCT was well aware of

<sup>259</sup> <http://www.independent.co.uk/news/information-bill-attacked-as-toothless-1095736.html>

<sup>260</sup> <https://www.cfoi.org.uk/about/>

<sup>261</sup> Davies, J. (2004). The Foundation as a Political Actor: The Case of the Joseph Rowntree Charitable Trust. *The Political Quarterly*, 75:3, pp. 275–84, p. 278.

this balancing act. At the same time they considered the CFI as “probably the most effective lobby organization with which we have been associated, achieving a series of pieces of legislation even during the inauspicious Tory years.”

It was not only the strategy of the foundation and Campaign that were criticized; the FOIA itself continues to be heavily contested. Time and again, the government tried to curtail the rights of citizens by restricting freedom of information: bills were proposed to make it easier to refuse requests, to exclude Parliamentary expenses or to remove all cabinet documents from the FOIA. Each time the CFI successfully supported the rejection of these bills. The experience and deep knowledge of the Campaign were critical in opposing political critics. The FOIA remains controversial legislation. Tony Blair stated: “It's not practical for government. If you are trying to take a difficult decision and you're weighing up the pros and cons, you have frank conversations. Everybody knows this in their walk of life. Whether you are in business – or running a newspaper – there are conversations you want to have preliminary to taking a decision that are frank.”<sup>262</sup>

## **Lessons Learned**

- The political climate is essential to the influence of campaigns. Labour was going through a political crisis in the early 1990s which increased its openness to new ideas from the outside. Once Labour was in power it was less dependent on external support.
- Financial support of political campaigns is a balancing act. Foundations have to ensure that they conform to the existing charity laws to protect themselves and their other grantees.

<sup>262</sup><https://www.theguardian.com/politics/2010/sep/01/tony-blair-a-journey-interview>

# King Baudouin Foundation, BEL

## The Training of Imams

### Description of Specific Programme

The Training of Imams was a programme launched by the King Baudouin Foundation in 2003. It was part of a wider collection of initiatives underway in the state to improve social cohesion among the various ethnic and religious groups living in Belgium. Under this broad heading, the Board decided to focus on areas where they believed the foundation would have the greatest impact. Among these were schools and health, establishing a dialogue between Muslim and non-Muslim communities and addressing the important leadership role of Imams in the Muslim communities. Given that Imams often place an important leadership role within communities, KBF believed that a focus on this subgroup would have the potential of promoting positive change within and between the various ethnic and religious subgroups residing in Belgium.

Before embarking on this initiative, there were important points to consider: first, unlike many other religions, Islam has no defined hierarchical structure; second, Imams often play an important leadership role beyond the confines of a Mosque; finally, the role of Imams varies depending on the religious school of thought. KBF was aware of these differences, yet there was little public knowledge of how Imams were trained and how this differed from other major religions. For this reason, the first phase of the programme consisted of gathering vital information through an external steering committee.

### Origins and Rationale

KBF's programme was not only a response to a lack of understanding of Islamic religions, but also a means to address blatant examples of discrimination and growing concerns for radicalization. When the programme began in 2003, there were an estimated 350,000 Muslims living in Belgium, primarily of Moroccan and Turkish descent.<sup>263</sup> This was about 4% of the population (today there are an estimated 6%). Given its minority status, there was a lack of knowledge about the practice of Islam and the training of Imams.

While Catholics and Protestants had specific institutions and guidelines for the training of their clergy (e.g. seminary schools, faculties of theology) there

<sup>263</sup> <http://www.state.gov/j/drl/rls/hrrpt/2003/27828.htm>

was no clear training scheme for Imams. Imams were often brought in from abroad, and many feared that Imams were contributing to the radicalization of Muslims. This led to the question of where and how Imams received their training and to what extent this included knowledge of the local culture and national laws. Fear of radicalization, on the part of the media and others, was an important thread in the thinking behind the programme.

A lack of mutual understanding between Muslim and non-Muslim communities had been evident in the media, which often spoke of the supposed danger of Imams.<sup>264</sup> After the attacks of 9/11, the political climate was already unfavourable to Muslims and rife with prejudices. Although Islam had been a recognized religion in Belgium since 1971, the local mosques and Imams were still not benefiting from public funds that were accessible to other religious groups. Freedom of religion in Belgium is coupled with financial support from the state for recognized religions (Roman Catholicism, Protestantism, Anglicanism, Orthodox Christianity, Judaism, Islam, and non-confessional humanism) and the government paid the salaries and pensions of the clergy from these religions (Article 181 of the constitution). State recognition brought additional privileges, such as free broadcasting time, subsidized housing and materials, and religious education in public schools.<sup>265</sup> Muslims were not only excluded from many of these but were also experiencing a higher degree of discrimination. Although the *Centre Interfédéral pour l'égalité des Chances* (CECLR) had been charged with investigating discrimination based on race, little had actually been done. In 2002, CECLR received 1,316 complaints, of which only 17 were brought to court.<sup>266</sup>

Several factors contributed to a path dependence of the status quo. Attempts by the government to arrive at a solution were stymied by the divisions between Flanders and Wallonia and compounded by a fragmented Muslim community. For a long time, Belgium was slow to implement reforms due to a lack of political incentives and the lack of a representative Muslim body.<sup>267</sup> The enforcement of anti-discrimination laws is particularly challenging in Belgium, in which the jurisdiction between the region, local and national levels is not clearly delineated.<sup>268</sup> A state reform in 2002 that

<sup>264</sup> Leat, D. (2007). , *Just Change. Strategies for Increasing Philanthropic Impact*, p. 71. <http://www.carnegieuktrust.org.uk/carnegieuktrust/wp-content/uploads/sites/64/2016/02/pub14550117101.pdf>

<sup>265</sup> Loobuyck, P. & Meier, P. (2013). Imams in Flanders, Belgium: Toward the First Flemish Imams. In M. Kortmann & K. Rosenow-Williams (Eds.), *Islamic Organizations in Europe and the USA, a Multidisciplinary Perspective*. Palgrave Macmillan, New York, p. 170.

<sup>266</sup> <http://www.state.gov/j/drl/rls/hrrpt/2003/27828.htm>

<sup>267</sup> Loobuyck, P. & Meier, P. (2013). Imams in Flanders, Belgium: Toward the First Flemish Imams. In M. Kortmann & K. Rosenow-Williams (Eds.), *Islamic Organizations in Europe and the USA, a Multidisciplinary Perspective*. Palgrave Macmillan, New York, p. 170.

<sup>268</sup> Anti-Discrimination Law in Belgium: Legal Memorandum, January 2013.



decentralized the recognition of religious communities gave this jurisdiction to the regions - Brussels, Flanders, and Wallonia. Each had its own approach to implementing recognition of Islam, and the Federal Government generally avoided this issue by localizing decisions.<sup>269</sup> This contributed to a fragmented and slow process. For instance, the first school inspectors of Islamic religious education were only appointed in 2005, the Belgian government did not fund Imams until 2007, and Islamic television and radio programming did not begin until 2011.<sup>270</sup>

Belgium's federal system was one barrier to progress, but another was the Muslim community's difficulties in forming a united representative body. To benefit from public funds, religions are required to have an official representative council, but forming such a body was difficult for a religion with no hierarchical structure and a very diverse group of followers.<sup>271</sup> The Islamic Cultural Centre (ICC) became the de facto interlocutor of the government, but it was not considered to be representative of the local Muslim community as it was run by the Gulf Arab States.<sup>272</sup> The government's expectation that different Islamic sects would unite under one representative body only highlighted the lack of understanding about the religion and its followers in Belgium.

Thus, the King Baudouin Foundation set out to find answers to questions about the role of imams, the knowledge and skills they needed, and how their training could be supported at the local level. In order to provide cross-national and inter-religious comparisons, the foundation gathered data on the training of leaders in other religious congregations in Belgium and in other European states. KBF knew that it had the reputational capital to play an important role in this issue, as well as the network to unite stakeholders from within Flanders and Wallonia. Unlike government, it also had the ability to act as a neutral platform for deliberation on this highly political and sensitive subject— a risk many politicians were not willing to take.

## Design and Implementation

The first priority was to involve all the stakeholders and to go on a fact-finding mission. As a first step, KBF created an advisory committee that included leaders from business, academia, religious groups, and the public

<sup>269</sup> Loobuyck, P. & Meier, P. (2013). Imams in Flanders, Belgium: Toward the First Flemish Imams. In M. Kortmann & K. Rosenow-Williams (Eds.), *Islamic Organizations in Europe and the USA, a Multidisciplinary Perspective*. Palgrave Macmillan, New York, p. 171.

<sup>270</sup> Kortmann, M. & Rosenow-Williams, K. (2013). Islamic organizations in Europe and the USA: A multidisciplinary perspective. Houndmills, Basingstoke, Hampshire: Palgrave Macmillan.

<sup>271</sup> Ibid., pp. 171-172.

<sup>272</sup> Husson, J. (2007). *The Training of Imams in Europe: The Current Status*. Brussels: King Baudouin Foundation, p. 14.

and non-profit sectors. It was essential to include the view of leaders from Muslim communities as well, who were selected by the Programme Officer (PO) at the time. This allowed the foundation to gather detailed information without imposing its own perceptions and priorities, acting as a neutral convener that informs policy decisions.

One of the most difficult tasks in this process was determining which religious leaders to involve and who to partner with from the Muslim community. Given the differences and divisions between many followers of the Islamic faith, it would be important to find leaders that were open to cooperation. The PO was not fully aware of all the various groups, but his 'naïveté' was beneficial in the sense that it brought opposing voices and unexpected groupings to the table. In the end, the foundation used a process of 'trial and error' that allowed for enough flexibility to make adjustments. The PO came up with a final list for the steering committee, which was chaired by a well-respected, retired senior diplomat. Their responsibility was to identify and prioritize issues around Muslim inclusion within Belgian society, and most importantly to advise KBF on the role it could play.

The committee issued a report with recommendations, which received considerable coverage from the press. It underscored the lack of information about Islam: How many mosques are there in Belgium, and where are they located? What are the dominant schools of thought, and where do their Imams come from? How are Imams trained, and do they receive any training at all? The topics of religious leadership in Islam had already been highly contested in Belgium, prompting an immediate response by the government that it would not be involved in finding these answers. However, KBF gladly took on the responsibility.

Following the committee's recommendation, KBF commissioned a report from two sociologists from the ULB and the University of Ghent to carry out a study. The research had the objective to take stock of the current situation in the three regions of the country, to determine priority issues to be resolved and to highlight existing initiatives, including those in neighbouring countries. The report, "Mosques, imams et professeurs de religion islamique" (Mosques, Imams and Professors of the Islamic Religion) was published in 2004 and was the first survey of its kind in Belgium.<sup>273</sup> The publication made note of the important difference within Islam and the different roles of Mosques, writing that knowledge about this is critical to the understanding of how local Muslim communities function.<sup>274</sup>

The report spared the interest of many, including the European Union. Following a roundtable organized by the European Parliament, the

<sup>273</sup> Ibid.

<sup>274</sup> El Battioui, M. & Kanmaz, M. (2004). *Mosquées, imams et professeurs de religion islamique en Belgique: État de la question et enjeux*, Brussels: King Baudouin Foundation.

Foundation published a further report titled “The case for training imams in Belgium: Reference points in Belgium and Europe.”<sup>275</sup> An additional question that arose was what type of training imams would need and how this compared to the training of other religious clergy. It was clear that more information needed to be gathered if the report was to inform public policies. To answer this question, KBF commissioned a report from Jean-Francois Husson, a highly respected academic who had in depth knowledge of the relationship between organized religion and state. His report, “The Training of Imams in Europe: The Current State,” was published in 2007 and summarized how leaders of other religions and recognized cults are trained in Belgium, France, the Netherlands, England, Germany, and Sweden. The King Baudouin Foundation was the primary funder of this project; at a later stage the Belgian government co-funded parts of the report.

## **Outcome and Impact**

Various initiatives were born from the roundtable discussions that KBF hosted, as well as the subsequent research reports. For instance, the representative from the office of the Minister for Schools and Higher Education for the French-speaking community persuaded the Minister to co-finance an additional small project that focused on identifying existing Muslim education centres and programmes. Following on from this, the University of Louvain received a small grant to host a training session for Islamic leaders. However, this became a point of contention with one of the Muslim bodies which was running its own programme and for which it was seeking recognition and financial support. Moreover, the Minister of the Flemish speaking community supported a different approach, in which the first step was for the Muslim community to define its own training needs and requirements.<sup>276</sup>

In spite of these initial disagreements, the issues gained traction in the following years. In 2005, the Belgian Minister of Justice relied on research funded by KBF for an initiative to harmonize the existing divisions of funding quotas, which prompted the Muslim Community to come forward with its own proposals. The following year, KBF gave a presentation to the European Parliament and organized a seminar for EU decision-makers together with the European Policy Centre<sup>277</sup>. The European Commission and Parliament took a particular interest in this issue, also on a European scale. This inspired

<sup>275</sup> Husson, J. (2007). *The Training of Imams in Europe: The Current Status*. Brussels: King Baudouin Foundation, p. 5.

<sup>276</sup> Diana Leat, *Just Chance*, “The Training of Imams – King Baudouin Foundation,” (2007)

<sup>277</sup> [http://www.epc.eu/events\\_rep\\_details.php?pub\\_id=656&cat\\_id=6](http://www.epc.eu/events_rep_details.php?pub_id=656&cat_id=6)

KBF to commission the report that was published in 2007 on the training of Imams in Europe.<sup>278</sup>

The report concluded that all religions had a proportion of foreign ministers or leaders, meaning that Islam was not unusual in this regard. It also identified two key elements for the training of religious leaders: theological knowledge on the one hand, and knowledge of the language, culture and society on the other. Another important finding in the report was that whereas other religions clearly define the roles and process of becoming ministers or leaders, Islam has no formal rules, making it more difficult to define authority and knowledge. The report ended with possible options for ways in which Imam training might be organized in Belgium, all of which included the necessity to recruit the support of local Muslim leaders.<sup>279</sup>

By 2007 the programme had achieved results at various levels. Information was available for the training of imams in Belgium and other countries. The communication between key stakeholders from the Muslim community, education and government improved, the issue gained political salience. Internationally, there was also a stronger interest in developing training programmes for Imams that were recognized internationally.<sup>280</sup> By the end of 2007, the Walloon and Flemish governments had recognized the first mosques in which 1-2 imams were paid. That same year, Belgium passed an Anti-Discrimination Act outlawing discrimination based on religion.

## Success or Failure Factors

The research that KBF endorsed on Muslims and Islam in Belgium and other European member states helped draw attention to the issue of Imam training and ultimately contributed to more equal opportunities for Muslims; both Flemish and Walloon governments began to subsidize Imams in 2007. The foundation successfully convened the key stakeholders from a variety of sectors to come up with important conclusions about the training of Imams. This led to the involvement of the government and also highlighted the issue at the level of the European Union. In the end, an initiative that began with the modest goal of research and dissemination catalysed a more pragmatic discourse on Islam that emphasized inclusion and cooperation.<sup>281</sup>

<sup>278</sup> Jean-Francois Husson, *The Training of Imams in Europe: The Current Status* (Brussels: King Baudouin Foundation, 2007).

<sup>279</sup> KBF Newsletter Autumn/Winter 2005 p.4

<sup>280</sup> Leat, D. (2007). , *Just Change. Strategies for Increasing Philanthropic Impact*, p. 71. <http://www.carnegieuktrust.org.uk/carnegieuktrust/wp-content/uploads/sites/64/2016/02/pub14550117101.pdf>

<sup>281</sup> Loobuyck, P. & Meier, P. (2013). Imams in Flanders, Belgium: Toward the First Flemish Imams. In M. Kortmann & K. Rosenow-Williams (Eds.), *Islamic Organizations in Europe and the USA, a Multidisciplinary Perspective*. Palgrave Macmillan, New York, p. 170.

However, this was only the tip of the iceberg, and much work remains to be done to counter discrimination. Muslims continue to be the most contested religious minority in Belgium.<sup>282</sup> Even after passing the Anti-Discrimination Act, Belgium has since passed laws that limit the freedom of religious expression, such as the banning of the niqab in 2011 (the only other EU country with this ban is France). Officials have tried to make financial assistance to mosques contingent on certain conditions, such as the surveillance of Imams.

This issue continues to be extremely pertinent, especially in light of Belgium's recent reputation for harbouring a high number of Muslims that are susceptible to radicalization. In a digital age, one is left to question the extent to which a programme that focuses on Imams alone can effectively counter radicalization. The public policy issue at hand may rather be the broader picture of Muslim integration in Western Europe. Compared to other groups, Muslim communities in Europe are often more marginalized, both socially and economically, and more homogenous and isolated by country of origin, thus hampering integration. While the King Baudouin Foundation laid the groundwork for more Imams to be trained in Europe, the work of building bridges between disconnected communities is far from finished.

## Lessons Learned

- Foundations play a critical role as neutral conveners and knowledge entrepreneur around a controversial and sensitive issue. In this case, KBF was also an important bridging institution between its two divided regions, Flanders and Wallonia.
- Change is often slow, requires a favourable external environment, and often depends on the actions of others over whom the foundation has no control. The heightened level of media coverage on Muslims provided an opportunity for KBF to step and as a neutral voice.
- The lack of knowledge, or 'the power of naiveté,' -being willing to step into a complicated and politically sensitive situation can be a powerful role for foundations.
- 'Smart' recommendations - KBF made sure that its recommendations were carefully formulated to be actionable.
- Bringing in the government as a partner was important for the research and convening to inform decision makers on the policy level.

<sup>282</sup> Ibid.

# Körper Foundation, DEU

## History Competition of the Federal President

### Description of Specific Programme

In 1973, the former Federal President Gustav Heinemann and the entrepreneur Kurt A. Körper initiated the first German history competition, the “Geschichtswettbewerb des Bundespräsidenten” (History Competition of the Federal President). It is considered the “largest organized amateur research movement” in Germany. Over the last 40 years, more than 136,000 young Germans participated and submitted around 30,000 papers, presentations and exhibits.<sup>283</sup> The research topic is announced in September and the submission deadline is at the end of February the following year. All children and teenagers who are under the age of 21 and living in Germany can participate in the competition.<sup>284</sup> A network of over 200 institutions and organizations, including schools, museums and archives, supports the young historians during their work.<sup>285</sup>

### Origins and Rationale

The “History Competition of the Federal President” can be understood as a countermovement to the post-1968 area. While reform-minded politicians and the public consciously focused on the future, the competition highlighted historical issues and asked questions about the past. Germany was struggling with historical disillusionment, and the competition was a way to emphasize the values of traditions and of knowing your own history.<sup>286</sup> Kurt Körper and his foundation considered the competition also a way of giving back to the society. Kurt Körper explained: “Those who are using the freedom and creative forces of the social market economy are also obligated to ensure its preservation and advancement, and should return their fortune on a voluntary basis to the society.”<sup>287</sup>

Overall, the goal of the competition was to spark the interest of young people in their own history. Equally important, the foundation hoped that

<sup>283</sup> <http://www.eustory.org/417/items/german-award-ceremony-2015.html>

<sup>284</sup> <http://www.koerber-stiftung.de/bildung/geschichtswettbewerb/portraet.html>

<sup>285</sup> Sack, H. (2010). Meine Erinnerung – Unsere Geschichte. Museale Angebote und Projekte Deutscher Stiftungen, Geschichtsschreibung als aktiven Prozess zu gestalten. In: K. Volke (Ed.) *Intervention Kultur. Von der Kraft kulturellen Handelns* (pp. 110-121). Wiesbaden: VS Verlag für Sozialwissenschaften, , p.118.

<sup>286</sup> Ibid.

<sup>287</sup> <http://www.wiwo.de/unternehmen/handel/koerber-gruppe-der-herr-der-zigarettenmaschinen/6088148.html>

the research projects would promote independent thinking and strengthen the students' sense of responsibility.<sup>288</sup> Dr. Thomas Paulsen, member of the executive board of Körber Foundation, stresses this point: "The gleam in the eyes of the participants shows their enthusiasm for the historical topic they chose. It is very impressive to see that young people take a stand in their works with regard to current issues".<sup>289</sup>

## Design and Implementation

The Office of the Federal President (Bundespräsidialamt) and the Körber Foundation organize and host the competition together. All young people, including high school students, university students and apprentices, who are 21 or younger, can participate. There is no advance application or registration necessary. All contributions uploaded by the end of February will be considered.<sup>290</sup> The guidelines and other important information are available online and in the magazine *spurensuchen* ("searching for traces"): The magazine is published by the foundation and introduces last year's winners, evaluates the competition qualitatively and quantitatively, and includes articles on broader historical subjects.<sup>291</sup>

The topic - or research question - changes from year to year. It is chosen by the advisory board of the history competition, which is headed by the State Secretary of the Office of the Federal President. The director of the Körber foundation is co-chairman. The board members include presidents and CEOs of other foundations focusing on history and education, authors and journalists, and political representatives. The topics are not considered "political statements" or as an "intervention". For the most part, the research questions are not influenced by current discussions in the media but instead revolve around medium or long term issues.<sup>292</sup> Past topics were, for example, "Everyday life in Nazi Germany", "Environment has History", "Heroes: adored, misjudged, forgotten"<sup>293</sup>

The young contestants can tackle these issues in multiple different formats. Their submissions can be written contributions, multimedia presentations,

<sup>288</sup>[http://www.koerber-stiftung.de/fileadmin/user\\_upload/bildung/geschichtswettbewerb/pdf/2015/Teilnahmebedingungen.pdf](http://www.koerber-stiftung.de/fileadmin/user_upload/bildung/geschichtswettbewerb/pdf/2015/Teilnahmebedingungen.pdf)

<sup>289</sup> <http://www.eustory.org/417/items/german-award-ceremony-2015.html>

<sup>290</sup> <http://www.koerber-stiftung.de/bildung/geschichtswettbewerb/portraet.html>

<sup>291</sup>[http://www.koerber-stiftung.de/fileadmin/user\\_upload/bildung/geschichtswettbewerb/pdf/2015/spurensuchen-2015\\_nr29.pdf](http://www.koerber-stiftung.de/fileadmin/user_upload/bildung/geschichtswettbewerb/pdf/2015/spurensuchen-2015_nr29.pdf)

<sup>292</sup> Sack, H. (2010). Meine Erinnerung – Unsere Geschichte. Museale Angebote und Projekte Deutscher Stiftungen, Geschichtsschreibung als aktiven Prozess zu gestalten. In: K. Volke (Ed.) *Intervention Kultur. Von der Kraft kulturellen Handelns* (pp. 110-121). Wiesbaden: VS Verlag für Sozialwissenschaften, , p.118.

<sup>293</sup>[http://www.koerber-stiftung.de/fileadmin/user\\_upload/bildung/geschichtswettbewerb/pdf/2015/spurensuchen-2015\\_nr29.pdf](http://www.koerber-stiftung.de/fileadmin/user_upload/bildung/geschichtswettbewerb/pdf/2015/spurensuchen-2015_nr29.pdf)

movies or audio productions, or three-dimensional projects, for example exhibitions or games. In addition to these contributions the participants hand in work reports demonstrating and explaining their research methods.<sup>294</sup> Overall, 550 monetary prizes are awarded on a national and state level.<sup>295</sup> A state jury chooses and honours the best reports of each state – 250 first-prize winners (€250 each). Additionally, 250 advancement awards (€100) and a prize for the best school in each state are given. The 250 state champions compete for 50 national awards: the jury chooses 5 first prize winners (€2,000 each), 15 second-prize winners (€1,000) and 30 third-prize winners (€500).<sup>296</sup> The first-prize winners are honoured by the President at Bellevue Palace. Laureates aged 16 and older also qualify to apply for the national and European Academy of the Körber Foundation.<sup>297</sup>

## Outcome and Impact

Every two years the competition highlights a new topic. Often, issues which have not been discussed extensively by the public are brought to the forefront. Even if a better-known research subject is chosen, the discussion is enriched by the perspectives of young people. Still, in many cases the competition focuses on history of everyday life and local history and thereby shining a light on questions which have been neglected by the academic discipline. In the 1980s, for instance, students from across the nation researched the topic of forced labour in Germany. The topic was not covered by the media until the late 1990's in the context of compensatory payments by German industry. Throughout the competition's history, students have pioneered new research methods, for example oral history and inter-generational conversations.<sup>298</sup> In many cases these new methods brought fresh insights and broke new ground for formerly neglected research approaches. In the same way, students also explored forgotten material in archives.<sup>299</sup> In many cases they were the first ones to access and use certain documents.

The competition has a particularly strong significance on the local level. For the most part, students choose projects with a connection to the city or region they live in. The research projects can help strengthen the link between people and places. This is an important side effect of the history

<sup>294</sup> [http://www.koerber-stiftung.de/fileadmin/user\\_upload/bildung/geschichtswettbewerb/pdf/2015/Teilnahmebedingungen.pdf](http://www.koerber-stiftung.de/fileadmin/user_upload/bildung/geschichtswettbewerb/pdf/2015/Teilnahmebedingungen.pdf)

<sup>295</sup> <http://www.koerber-stiftung.de/bildung/geschichtswettbewerb/portraet.html>

<sup>296</sup> <http://www.eustory.org/417/items/german-award-ceremony-2015.html>

<sup>297</sup> <http://www.koerber-stiftung.de/bildung/geschichtswettbewerb/portraet.html>

<sup>298</sup> Sack, H. (2010). Meine Erinnerung – Unsere Geschichte. Museale Angebote und Projekte Deutscher Stiftungen, Geschichtsschreibung als aktiven Prozess zu gestalten. In: K. Volke (Ed.) *Intervention Kultur. Von der Kraft kulturellen Handelns* (pp. 110-121). Wiesbaden: VS Verlag für Sozialwissenschaften, , p.118.

<sup>299</sup> *Ibid.*, p. 119.



competition, especially because many people feel disconnected from their birth place and suffer from the anonymity of their daily lives. But the project does not only influence the individual researcher. In many cases the projects spark local discussions and discourse. Local media highlight the research results. In this way small-scale student projects can encourage people to grapple with their own history and identity.<sup>300</sup>

Due to its success, the “History Competition of the Federal President” also served as an international model. Over 15 years ago, the Russian human rights organization MEMORIAL initiated a similar school competition following the German model.<sup>301</sup>

### **Success or Failure Factors**

Overall, the competition is widely known and many young people participate each year. The focus on fascinating research questions is one of the success factors. Topics such as “Used-loved-killed: animals in our history“ (Genutzt-geliebt-getötet: Tiere in unserer Geschichte)<sup>302</sup> spark the interest of young people. The strong network of schools, cultural and historical institutions, museums and archives also contribute to the competition’s success. Dedicated teachers support the students during their research projects and the history competition is an integral part of the curriculum in many schools. Archives and museums grant students access to historical documents and help them understand their significance. Furthermore, the involvement and patronage of the Federal President increase the visibility and appeal of the competition. Together with the prize money, a visit to the Bellevue Palace serves as an attractive motivation to participate.

Despite its visible success, the history competition is also criticized. To name a major point of contention: The Körber AG specializes in machines for the production of filter-tipped cigarettes and the Foundation’s endowment is directly linked to the tobacco industry. Some argue, therefore, that the close cooperation between the Office of the Federal President and the Körber Foundation violates the guidelines of the World Health Organization (WHO). Its guidelines state that political leaders “should not accept, support or endorse the tobacco industry organizing, promoting, participating in, or performing, youth, public education.”<sup>303</sup> Nick Schneider, a physician and expert on WHO guidelines agrees: “You cannot simultaneously represent the interests of health politics and on the other hand work for a foundation or

<sup>300</sup> *ibid.*, p. 120.

<sup>301</sup> [http://www.koerber-stiftung.de/fileadmin/user\\_upload/bildung/geschichtswettbewerb/pdf/2015/spuren-suchen-2015\\_nr29.pdf](http://www.koerber-stiftung.de/fileadmin/user_upload/bildung/geschichtswettbewerb/pdf/2015/spuren-suchen-2015_nr29.pdf)

<sup>302</sup> <http://www.koerber-stiftung.de/edition-koerber-stiftung/programm/politikgesellschaft/artikel-detailseite/buch/genutzt-geliebt-getoetet-tiere-in-unserer-geschichte.html>

<sup>303</sup> [http://www.who.int/fctc/guidelines/article\\_5\\_3.pdf](http://www.who.int/fctc/guidelines/article_5_3.pdf)

company that produces a product, which is evidentially co-responsible for sickness and death.”<sup>304</sup> Politicians object to this criticism and emphasize the good reputation of the foundation and the societal impact of the sponsored projects in education and research.<sup>305</sup> Whether a history competition can be considered to be promoting tobacco use, is indeed questionable. Yet, a contradiction between the revenue source of a foundation and its goals cannot be disregarded.

## Lessons Learned

- Cooperation with political leaders can heighten visibility and, with the right incentives, increase the motivation of participants.
- Fresh and interesting topics can keep a long-running project relevant.
- Competitions can serve as tools to motivate young people.
- Unlike grant-making for new activities where money is committed before results, prizes spend money after the event. Prizes are no longer very fashionable in the foundation world but, arguably, have some important advantages - they tend to be low risk (because you pay on the basis of outputs) and high profile. In terms of the immediate output the foundation cannot lose.
- Foundations need to consider the congruence between the sources of their income and the groups with whom they work.

<sup>304</sup><http://www.swr.de/report/presse/-/id=1197424/nid=1197424/did=5286398/1f0tbjl/>

<sup>305</sup> Ibid.

# Mozaik Foundation, BiH

## EkoMozaik

### Description of Specific Programme

EkoMozaik Ltd. is one of two social enterprises founded by the Mozaik Foundation. It is the first and largest social business in Bosnia that was created in 2009 to provide an employment opportunity to the people of the economically depressed Municipality of Sekovici in the Eastern Republika Srpska, but also as a source of income for the foundation.<sup>306</sup>

Thanks to a contract between Mozaik and the Municipality of Sekovici, Mozaik was able to cultivate the land of a former military complex free of charge for the duration of 20 years. Within a couple years, it was the fastest-growing organic honey producer in BH. In addition to producing honey, EkoMozaik grows organic foods, ornamental flowers, and rents out agricultural equipment. The profits are reinvested into the foundation and the community. The financial objective of the social enterprise is to operate independently without external financial support or human capital, but this has proven to be difficult.<sup>307</sup>

### Origins and Rationale

EkoMozaik was founded for three principle reasons: first, to generate jobs, second, to maintain long-term sustainability, and third, to provide opportunities for divided ethnic groups to cooperate.

Given the urgent need for increased economic activity, job creation was a priority. When the for-profit was founded in 2009, Sekovici had the highest unemployment rate of Srpska. Bosnia and Herzegovina's social and economic situation continues to be characterized by high unemployment, poverty, social exclusion, and stagnant GDP growth.<sup>308</sup> A World Bank survey (2010) sheds light on the dire economic situation in BiH: 60% of the population at risk of poverty or social exclusion compared to average for the region. The unemployment rate for the total labour force in 2009 was about 24%; the

<sup>306</sup> Leat, D. (2014). *The Inventive Foundation: creating new ventures in Europe*, p.53. <http://www.gulbenkian.org.uk/files/15-05-14-The%20Inventive%20Foundation.pdf>.

<sup>307</sup> European Movement Serbia (2014). *Strategic Study on Social Economy Development in the Context of the South East Europe 2020 Strategy*, <http://www.eevg.eu/wp-content/uploads/2014/08/ks/Study%20on%20Social%20Economy%20in%20SEE%20countries.pdf>.

<sup>308</sup> <http://www.mott.org/news/news/2011/20110616BeekeepinginBosnia>

rate for women was about 27%. The rate increased with time, rising to 28% total and about 30% for women in 2013.<sup>309</sup>

Moreover, BH's financing model is one of the major barriers to the government's ability to reduce poverty. In 2010, the government spent about 7% of its GDP on financial assistance, compared to 1.6 % GDP average for the region.<sup>310</sup> 13% of GDP came from public sector salaries, the highest rate in Europe.<sup>311</sup>

An additional factor was Mozaik's need for long-term sustainability. The Mozaik Community Development Foundation needed to generate income in order to sustain its activities in case international funders were to pull out of the Western Balkans.<sup>312</sup>

Finally, a social business was thought to be productive way if contributing to ethnic reconciliation. Ethnic tensions still remain between Bosniaks, Serbs and Croats in the former Yugoslavia.<sup>313</sup> EkoMozaik builds bridges between these different groups by purposefully hired people from the three different ethnic groups.

It is against this backdrop that the Mozaik Foundation decided to step into the picture.

## Design and Implementation

The method used by Mozaik is social entrepreneurship, which "strives to involve residents in analysing their community needs, identifying solutions based on available resources, developing a plan of action and implementing the plan."<sup>314</sup> Social businesses are an important part the social economy in South-eastern Europe and are often supported by international development agencies and foundations.

Start-up capital for EkoMozaik was provided by the Ministry of Agriculture of the Czech Republic and Sekovici (public-private partnership). Mozaik initially

<sup>309</sup><http://databank.worldbank.org/data/reports.aspx?source=2&country=BIH&series=&period=#>

<sup>310</sup> World Bank (2012). Bosnia and Herzegovina: Challenges and Directions for Reform – A Public Expenditure and Institutional Review, Report No. 66253-BA.

<sup>311</sup> European Movement Serbia (2014). Strategic Study on Social Economy Development in the Context of the South East Europe 2020 Strategy, <http://www.eevg.eu/wp-content/uploads/2014/08/ks/Study%20on%20Social%20Economy%20in%20SEE%20countries.pdf>.

<sup>312</sup> Ibid.

<sup>313</sup> Ibid.

<sup>314</sup> Ibid.

provided 75 % of the funding, leaving the rest to government, businesses and private individuals. Today, this ration is reversed.<sup>315</sup>

Before creating its social enterprises, Mozaik's was completely dependent on foreign direct investment. The economic downturn in 2008 had also limited the availability of external funds.

In order to become more independent and sustainable, the foundation sought ways to balance its expenses. Mozaik consulted with various experts before it decided to take a leap into profitable social enterprises.

Among those consulted were the International Finance Corporation (IFC) of the World Bank and members of the board. As part of a project on Corporate Governance, IFC had assisted EkoMozaik in attracting new investors, expanding its production, and creating additional jobs via the construction of a greenhouse for lavender and vegetables.<sup>316</sup> The first phase of the project (2005-2008) focused on introducing corporate governance concepts to the market, and the second phase (2009-2011) worked together with specific companies and public sector institutions to improve performance.<sup>317</sup>

## Outcome and Impact

During 2012, Mozaik supported 326 actions, of which 48% were collected from local resources: state institutions, entrepreneurs, municipal authorities and individuals. Work in the communities involved over 5.700 volunteers and 105.199 volunteer hours. These results confirm that Mozaik is a leader in mobilizing local resources.

- Provides employment and living wages to 181 residents<sup>318</sup>
- Encouraged gender equality by empowering women to become more economically independent.
- In 2010, the Schwab Foundation named Mozaik's director social entrepreneur of the year in Central and Eastern Europe by. That same year, USAID in Washington awarded two grants to Mozaik at global calls, which was important for the future development of Mozaik.<sup>319</sup>
- The social enterprise was able to take on a role in crisis management as well. After floods devastated much of the country in 2014, EkoMozaik distributed half of its vegetable seedlings to farmers who

<sup>315</sup> Ibid.

<sup>316</sup> [http://www.ifc.org/wps/wcm/connect/region\\_\\_ext\\_content/regions/europe+middle+east+and+north+africa/ifc+in+europe+and+central+asia/news/feature+story+eca+improving+corporate+governance+in+southern+europe](http://www.ifc.org/wps/wcm/connect/region__ext_content/regions/europe+middle+east+and+north+africa/ifc+in+europe+and+central+asia/news/feature+story+eca+improving+corporate+governance+in+southern+europe)

<sup>317</sup> Ibid.

<sup>318</sup> <http://www.mozaik.ba/en/drustveni-biznisi/eko-mozaik>

<sup>319</sup> [http://www.mozaik.ba/media/k2/attachments/izvjestaji/Annual\\_Report\\_2010.pdf](http://www.mozaik.ba/media/k2/attachments/izvjestaji/Annual_Report_2010.pdf)

had suffered major losses.<sup>320</sup> It also installed LifeSaver plants for water purification in Sekovici and helps reconstruct devastated roads and buildings.<sup>321</sup>

## Success or Failure Factors

Starting a business in the economic and socio-political context of Bosnia-Herzegovina was challenging.

Civil society still largely depends on foreign donors, and local communities are very much dependent on the state. Foreign Direct Investment fills some of this need, but does not reach all parts of the country or make up for lacking local initiatives.<sup>322</sup> Moreover, the structure of government is complex and overlapping, which has led to delays in aid distribution. For instance, in 2013 the ethnic divisions within the country, composed of the Serb Republic and the Federation of Bosnia and Herzegovina, have prevented agreement on how to manage and distribute EU pre-accession funds (IPA). Although the EU has required a streamlined distribution mechanism, both regions have insisted on managing the funds independently of each other.<sup>323</sup> EkoMozaik works to mitigate these political challenges by working together with the political factions. Thanks to Mozaik, the two local political parties' cooperated together for the first time.<sup>324</sup> A joint and vested interest in the social enterprise motivated both sides to work together in the maintenance of the track that grants access to field.

Using the land on the former barracks has proven to be challenging as well. The site is high up in the mountains and hard to reach, making it difficult for basic equipment to reach the business. The remote location also made it challenging to find nearby staff and makes transportation costs especially high.<sup>325</sup> While Mozaik was able to leverage the land made available to them, the agricultural sector is not a steady or reliable source of income. For instance, as with most agricultural sectors, EkoMozaik suffered great losses during the floods in 2012.<sup>326</sup> Its Greenhouse was also completely destroyed by strong winds in March 2015, shortly before EkoMozaik was ready to produce 1.12 million vegetable seedlings.<sup>327</sup> In order to ensure the continuation of

<sup>320</sup> <http://www.sarajevotimes.com/ekomozaik-will-soon-plant-850-000-seedlings-vegetables/>

<sup>321</sup> <http://www.sarajevotimes.com/ekomozaik-will-soon-plant-850-000-seedlings-vegetables/>

<sup>322</sup> <http://www.schwabfound.org/content/zoran-puljic>

<sup>323</sup> <http://www.reuters.com/article/bosnia-eu-funds-idUSL5N0H63W620130910>

<sup>324</sup> Leat, D. (2014). The Inventive Foundation: creating new ventures in Europe. <http://www.gulbenkian.org.uk/files/15-05-14-The%20Inventive%20Foundation.pdf>.

<sup>325</sup> Ibid.

<sup>326</sup> <http://www.mozaik.ba/en/vijesti/item/267-nakon-prirodne-katastrife-osigurali-alternativne-proizvodne-kapacitete/267-nakon-prirodne-katastrife-osigurali-alternativne-proizvodne-kapacitete>

<sup>327</sup> Ibid.

production, the foundation needed to rent a greenhouse to plant 850,000 new vegetable seedlings. Other issues relate to personnel and trends towards local markets and home grown foods.<sup>328</sup> Low market demand has led EkoMozaik to exports its total production of berries to the international market.<sup>329</sup>

Although it is the financial object of the Mozaik's social enterprises to be self-sustainable, their factors have contributed to EkoMozaik falling short of this objective. Even so, the foundation continues to learn and adapt its methods to find the most effective approach.

## Lessons Learned

- Think carefully be accepting a gift. Although Mozaik was granted land to develop a social enterprise based on horticulture and apiculture, it has not been very profitable. It has, however, had the social value of bringing together politically opposed groups.
- Even the best of projects can falter due to uncontrollable circumstances. Some of the adversity Mozaik faced was due to corruption and the difficulty of doing business in Bosnia and Herzegovina. It has also been difficult to find qualified professionals in such a remote area.
- Building up a reputation takes time and a market for your products takes time
- Flexibility is key, especially in the early phases of an enterprise and when working with unpredictable circumstances. After the devastating floods, Moziak switched gears by helping local farmers rebuild their livelihoods.

<sup>328</sup> Leat, D. (2014). The Inventive Foundation: creating new ventures in Europe. <http://www.gulbenkian.org.uk/files/15-05-14-The%20Inventive%20Foundation.pdf>.

<sup>329</sup> European Movement Serbia (2014). *Strategic Study on Social Economy Development in the Context of the South East Europe 2020 Strategy*, <http://www.eevg.eu/wp-content/uploads/2014/08/ks/Study%20on%20Social%20Economy%20in%20SEE%20countries.pdf>.

# Open Society Foundations, USA

## Central European University

### Description of Specific Programme

The Central European University (CEU) is one of the most international universities and the leading academic institution in Central and Eastern Europe (CEE)<sup>330</sup>. It is “based on the premise that human fallibility can be counterbalanced by the critical discussion of ideas and that this critical spirit can be sustained best in societies where citizens have the freedom to scrutinize competing theories and openly evaluate and change government policies.”<sup>331</sup> Moreover, it is guided by the pursuit of truth wherever it leads, respect for the diversity of cultures and peoples, and commitment to resolving differences through debate not denial.<sup>332</sup> Today, the University has about 1,400 students from more than 100 countries and 370 faculty members from more than 130 countries. It offers a wide range of both Master’s and Doctoral level degrees.

### Origins and Rationale

The idea for the University was conceived by George Soros along with intellectuals and former dissidents at an educational conference in Dubrovnik in 1989, which became operational in 1991.<sup>333</sup> The overarching motive behind funding a liberal-minded University in the heart of Eastern Europe was to aid the process of transformation and democratisation of the formerly Soviet-influenced states. After the fall of the iron curtain, Soros believed that the region urgently needed to begin taking a critical and Western-style approach to education, which had previously been banned under communist influence. Prior to establishing CEU, George Soros helped fund curricula in established universities that previously followed communist ideologies. He reformed the Karl Marx University of Economics in Budapest, with the goal of creating liberal ‘western’ business education.<sup>334</sup> As a native of Hungary, Soros cared deeply about supporting the democratization and reconstruction of Central and Eastern Europe. Soros’

<sup>330</sup> <http://www.ft.com/intl/cms/s/0/b43b0572-fe68-11df-845b-00144feab49a.html>

<sup>331</sup> <http://www.ceu.edu/about>

<sup>332</sup> *Ibid.*

<sup>333</sup> Bollag, B (2001, November, 2). George Soros Will Give \$250-Million to Central European University. *Chronicle Of Higher Education*, 48:10: A62.

<sup>334</sup> Soros, G. (1990). *Underwriting Democracy: Encouraging Free Enterprise And Democratic Reform Among the Soviets and in Eastern Europe*. New York: PublicAffairs.



ultimate vision was to “facilitate the transition from dictatorship to democracy in Central and Eastern Europe and the former Soviet Union.”<sup>335</sup>

## Design and Implementation

George Soros donated \$25 million for the creation of CEU and made annual contributions that covered everything except for rent and local salaries, which was left to the government. This contribution was paramount to the rapid growth of the university, as it was able to cut through red tape relatively quickly compared to publicly funded schools. Soros ended his annual payments in 2001, and instead endowed the university with \$250 million. At the time, the only other universities to have larger endowments were Cambridge (\$940M) and Oxford (\$725M).<sup>336</sup> The Open Society Foundation recruited professors and students from across the world with the intent of replicating the traditional Anglo-American research university. Although it was initially thought that CEU would simply train future western academics, the university evolved into a research hub of its own and attracted a vast number of MA and PhD students.

## Outcome and Impact

After only 10 years, CEU made a considerable name for itself and attracted some of the most talented professors and students. According to the *Chronicle of Higher Education*, the university is a “regional and intellectual powerhouse.”<sup>337</sup> The university anchored itself as a western institution within the former soviet bloc and has educated thousands of students on the values of liberal democracies. The university began as a hybrid university of three distinct traditions from the US, Europe (mostly the UK), and Central Europe. Eventually, it evolved into its own international “network tradition.”<sup>338</sup>

## Success or Failure Factors

The CEU succeeded in becoming “a beacon of academic excellence, cultural tolerance, and advanced research in the service of democracy and policymaking.”<sup>339</sup> Twenty-five years after its inception, the university reached its goals of promoting an open society and becoming a fully independent

<sup>335</sup> <http://www.ceu.edu/about/history>

<sup>336</sup> Bollag, B (2001, November 2). George Soros Will Give \$250-Million to Central European University. *Chronicle Of Higher Education*, 48:10: A62.

<sup>337</sup> Avogino, T. (1998, October 16). Central European University Faces Dilemma as its Benefactor Limits his Support, *Chronicle of Higher Education*.

<sup>338</sup> Stepan, A. (2009). The Early Years of Central European University as a Network: A Memoir, *Social Research: An International Quarterly*, 76:2, pp. 687-710.

<sup>339</sup> Fleishman, J., Kohler, S. & Schindler, S. (2007). *Casebook for The Foundation: A Great American Secret*. New York: PublicAffairs, p. 216.

and academically reputable institution.<sup>340</sup> Needless to say, it faced a number of challenges along the way. George Soros ceased his annual contributions in 2001, and endowed the university with a \$250 million gift. The University was growing rapidly, and developing a donor base as quickly proved difficult. Soros had stipulated that external support should come from matching funds, which created an additional challenge.<sup>341</sup>

During this time, the university faced difficulties in clearly identifying its mission and direction. Soros had created two other supporting organizations that worked with CEU: the Higher Education Support Programme (HESP), The Open Society Institute (OSI). The three institutions often clashed over goals, missions, and territories, but all had the best interest of the university in mind. Initially, CEU was entirely steered by Soros alone, but later he recruited an international board to help steer the school in the right direction and create an “authoritative, knowledgeable, and autonomous” entity.<sup>342</sup> As one of the most controversial philanthropists, George Soros’ has been widely praised but also criticized for his efforts in CEE, of which education has been a significant component. While many celebrate Soros’ achievements in Central and Eastern Europe, others accuse him of funding ‘liberal extremism’ and singlehandedly engaging in his own diplomacy and foreign policy, sometime in conflict with government policies. Soros has been accused of ‘meddling in domestic affairs’ and even taking down governments by supporting colour revolutions.<sup>343</sup> Moreover, he has been criticized in the US for undermining US foreign policy by creating more friction between the US and Russia and provoking opposition in allied countries.<sup>344</sup>

## Lessons Learned

- Foundations should have a clear exit strategy when funding Educational institutions and ensure that the university is on track to becoming independent and self-sustainable.
- Giving up control as donor and trusting stakeholders to steer an institution in the right direction important factors in fostering sustainable and credible institutions.
- Philanthropy with a political agenda may run the risk of conflicting with, and in some cases undermining domestic government policies.

<sup>340</sup> The rector of CEU, John Shattuck, states that these goals have been achieved, although other challenges remain. <http://www.ft.com/intl/cms/s/0/b43b0572-fe68-11df-845b-00144feab49a.html>

<sup>341</sup> Avogino, T. (1998, October 16). Central European University Faces Dilemma as its Benefactor Limits his Support, *Chronicle of Higher Education*.

<sup>342</sup> Stepan, A. (2009). The Early Years of Central European University as a Network: A Memoir, *Social Research: An International Quarterly*, 76:2, pp. 687-710.

<sup>343</sup> <http://www.mrc.org/special-reports/special-report-george-soros-godfather-left>

<sup>344</sup> <http://www.forbes.com/sites/richardminiter/2011/09/09/should-george-soros-be-allowed-to-buy-u-s-foreign-policy/>

# Pew Charitable Trusts, USA

## Global Warming and Climate Change Programme & Pew Center on Global Climate Change

### Description of Specific Programme

The Pew Charitable Trusts' (PCT) work on climate began with the Global Warming and Climate Change Programme in 1990 under the leadership of Joshua Reichert. Pew partnered with the Energy Foundation to make a total of 261 grants worth \$39.8 million over the span of 8 years. The programme ended in 1998, when PCT founded the independent, nonpartisan, not-for-profit Pew Center on Global Climate Change.<sup>345</sup> Its mission was to “provide credible information, straight answers, and innovative solutions that address global climate change.” As such, it worked “to [depoliticize] global climate change as a domestic issue and... [work] with ‘the more constructive elements of the business community.’”<sup>346</sup>

In 2011, the centre separated from PCT and became an independent, non-profit organization: the Center for Climate and Energy Solutions (C2ES). It was funded from a broader base of charitable and corporate sponsors, including three strategic partners: Entergy, HP and Shell. This transition was overseen by Pew Center founder and president, Eileen Claussen, until 2013. Ms. Claussen stayed on board for three years to allow for a smooth transition. With this change came a new mission and strategic approach as well, which is described as follows:<sup>347</sup>

- **“A Reliable Source** – We provide timely, impartial information and analysis on the scientific, economic, technological and policy dimensions of climate and energy challenges.
- **Working Together** – We bring together business, the environmental community, other stakeholders, and policymakers to achieve common understandings and consensus solutions.
- **Concrete Action** – We work with members of our Business Environmental Leadership Council and others to take action on the ground.

<sup>345</sup> Kohler, S. (2007). Sustainable Environment Programs: Pew Charitable Trusts, 1990. In J. Fleishman, S. Kohler, S. & S. Schindler (Eds.), *Casebook for The Foundation: A Great American Secret*. New York: PublicAffairs, p. 204.

<sup>346</sup> Ibid.

<sup>347</sup> <http://www.c2es.org/about>

- **Innovative Policy** – We work closely with policymakers and stakeholders to promote pragmatic, effective policies at the state, national and international levels. “

## Origins and Rationale

When the programme was created in the 1990s, there was a growing body of evidence on the reality of climate change and a heightened awareness of its dangers. The initial programme was conceived as a means to find non-partisan policy solutions based on deeper research and analysis. Part of the impetus for this project was the perceived failure of the Federal government at the time to adequately address the issue of climate change. Federal climate change spending was consistently low and did not begin to pick up until 2002, as a result of President Bush’s climate change plan.<sup>348</sup> Federal spending increased again in 2009, following the American Recovery and Reinvestment Act (ARRA).<sup>349</sup>

## Design and Implementation

The Global Warming and Climate Change Programme sought to provoke federal legislation that would reduce the drivers of climate change. After many failed attempts at this, the programme shifted its focus to coastal states California, New York, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, and Maine.<sup>350</sup> By raising awareness on global warming, they sought to convince state governments to invest in renewable energy. It did so by providing resources on carbon pollution standards and climate change, making frequent media appearances, collaborating with partners to support the use more environmentally friendly vehicles, and launching the award-winning “Make an Impact” programme that helped employees and consumers reduce their carbon footprints.

## Outcome and Impact

The Global Warming and Climate Change Programme “was widely recognized in the United States and abroad as a credible, independent force for pragmatic climate action.”<sup>351</sup> The Pew Center on Global Climate Change boasts several achievements:<sup>352</sup>

<sup>348</sup> <http://www.c2es.org/federal/executive/george-w-bush-climate-change-strategy>

<sup>349</sup> [http://www.gao.gov/key\\_issues/climate\\_change\\_funding\\_management/issue\\_summary#t=0](http://www.gao.gov/key_issues/climate_change_funding_management/issue_summary#t=0)

<sup>350</sup> Kohler, S. (2007). Sustainable Environment Programs: Pew Charitable Trusts, 1990. In J. Fleishman, S. Kohler, S. & S. Schindler (Eds.), *Casebook for The Foundation: A Great American Secret*. New York: PublicAffairs, p. 204.

<sup>351</sup> <http://www.c2es.org/about/history>

<sup>352</sup> *Ibid.*

- Publishing close to 100 peer-reviewed reports on climate science, economics, policy and solutions;
- Testifying before Congress 30 times and working to promote bipartisan legislation;
- Advising the Regional Greenhouse Gas Initiative, the Western Climate Initiative, Fortune 500 companies, and states and regions across the country on climate and energy issues;
- Advancing international climate efforts by serving as a communication platform for ministers and negotiators;
- Engaging over 100,000 people across 16 states and the UK to save energy and money through the “Make an Impact” programme.

Under Claussen's tenure, the programme established the Business Environmental Leadership Council (BELC), which is “the largest coalition of major U.S. corporations that have agreed that mandatory government policies are needed to reduce greenhouse gas emissions.”<sup>353</sup> BELC has grown from 13 to 32 companies today, which have committed themselves to taking measures to combat global climate change. As a member of the U.S. Climate Action Partnership, Claussen was also an important part of Pew’s efforts to reduce greenhouse gas emissions through a government cap-and-trade programme. In 2009, the Pew Center was recognized as one of the top non-profit organizations working on climate change by 139 national climate change expert.<sup>354</sup>

### **Success or Failure Factors**

Pew’s work on climate change went through several phases before culminating in 2011, and can be interpreted in several different ways. One view is that Pew’s work followed a logical progression based on trends in public opinion, federal and philanthropic spending, and the regulatory landscape.

Capstick et al. aggregated survey data on climate change, starting with the early 1980s. Following an assessment, they identified four general phases of awareness surrounding global climate change: (1) 1980s and early 1990s, showing increases in knowledge and awareness; (2) mid-1990s to the mid-2000s, a period marked by growing public concern but also variability in opinion; (3) mid- to late-2000s, showing declining public concern and increasing scepticism in some nations, with polarization of viewpoints within and between nations; and (4) 2010s, which so far suggest possible stabilization of public concern about climate change.<sup>355</sup>

<sup>353</sup> <http://www.eenews.net/stories/1059988494>

<sup>354</sup> <http://www.myphilanthropedia.org/blog/2010/11/07/press-release-15-top-national-climate-change-nonprofits-identified-by-139-experts/>

<sup>355</sup> Capstick, S. et al. (2015). International trends in public perceptions of climate change over the past quarter century. *WIREs Climate Change*, 6, pp. 35-61.

Based on this, Pew began working on climate issues in 1990 when awareness and concern about climate change were growing worldwide; it expanded its work to a stand-alone centre in 1998 when scepticism was rising, and finally discontinued it in 2011 when public concern in the US stabilized. In terms of government spending, appropriations for climate change programmes remained relatively low from 1998 to 2009, never going beyond 0.6% of discretionary spending.<sup>356</sup> This increased drastically with the passing of the American Recovery and Reinvestment Act of 2009 (ARRA), which brought spending up to 3% discretionary spending.<sup>357</sup> A year before this, foundation-giving for climate change more than tripled in 2008, leaping from \$240 million to \$897 million in just one year.<sup>358</sup> This was thanks to the Hewlett Foundation's \$500 million contribution, which served as seed money for the NGO ClimateWorks.<sup>359</sup>

Following this narrative, PCT saw an investment opportunity in the early 1990s to promote a popular and growing concern. When climate change became more contested and federal spending remained low, Pew created the Center on Global Climate Change, which had a wider reach and broader impact. This came at a critical point in time, when strong countervailing forces began to emerge. After the Kyoto Protocol was adopted in 1998, climate change became a hugely politicized and contested issue. At this point, industries were lobbying against the regulation of greenhouse-gas emissions. ExxonMobil spearheaded these efforts by funding research groups like the Global Climate Science Team, which directly challenged the science behind climate change.<sup>360</sup> At the same time, the Global Warming Petition Project was circulating among scientists who believed that climate change was unfounded and manmade. Pew also created the Business Environmental Leadership Council (BELC) at this time, which served as an important counterweight to the growing consensus of climate-change sceptics.

After thirteen years of work in the field, PCT defunded climate change, confident perhaps that the centre was established enough to work independently against the backdrop of stable public concern and elevated levels of public and philanthropic spending.

Alternatively, Pew may have discontinued its work on climate change because it had not achieved the large-scale impact it sought. In spite of extensive funding efforts, climate change legislation did not pass at the

<sup>356</sup> Congressional Budget Office (2010). *Federal Climate Change Programs: Funding History and Policy Issues*. Washington D.C.: Congressional Budget Office, p. 5.

<sup>357</sup> Ibid.

<sup>358</sup> <http://foundationcenter.org/gpf/climatechange/chart-giving.html>

<sup>359</sup> <http://www.insidephilanthropy.com/fundraising-for-climate-change/hewlett-foundation-grants-for-climate-change.html>

<sup>360</sup> <http://www.pbs.org/wgbh/pages/frontline/environment/climate-of-doubt/timeline-the-politics-of-climate-change/>

federal level. To date, the US has not ratified the Kyoto Protocol after dropping it in 2001, while many federal efforts have faltered. The McCain-Lieberman Climate Stewardship Act fell through in a 2005 senate vote; the Global Warming Pollution Reduction Act of 2007 failed; the American Clean Energy and Security Act of 2009 (ACES) passed in the House but never made it to the Senate. There was a brief win in 2007 with the Supreme Court ruling that permitted the EPA to regulate carbon emission, but Republicans attempted to reverse this in 2011.<sup>361</sup> It has been a long and bumpy road, to say the least. When hope for federal environmental legislation diminished, PCT focused on smaller scale initiatives at the state level, which had proven to be a more effective strategy.<sup>362</sup>

Today, climate change is regarded as a top global threat by populations across the world, particularly in Latin American and Africa.<sup>363</sup> However, it remains less of a concern to Americans, who rank climate change second-to-last among seven global threats.<sup>364</sup> President Barack Obama has attempted to push the agenda forward through such ambitious policies as the Clean Power Plan,<sup>365</sup> but much work remains to be done. Although Pew ended its direct support for climate change in 2011, many other foundations have stepped up to the plate. For instance, the Hewlett Foundation and Packard Foundation have significantly increased their pledges to climate and are calling on other grant-makers to follow suit. Whether or not Pew made the right decisions, there is still only less than 2% of philanthropic going towards climate change.

## Lessons Learned

- The political landscape often determines whether or not a foundation programme is successful in promoting meaningful change, particularly for controversial topics like climate change.
- Flexibility is paramount when impact largely depends on public leaders.
- While it is important to have ambitious visions, it is equally important to refocus priorities when lofty goals are unreachable.

<sup>361</sup><http://www.reuters.com/article/2011/03/04/us-epa-emissions-bill-idUSTRE7226UJ20110304>

<sup>362</sup> <http://www.eenews.net/stories/1059988494>

<sup>363</sup> Carle, J. (2015). *Climate Change Seen as Top Global Threat*. Washington D.C.: Pew Research Center.

<sup>364</sup> Ibid. At the time of the survey, the order of concern for global threats in the US is: ISIS, Iran's nuclear program, cyber-attacks, tensions with Russia, global climate change, and territorial disputes with China.

<sup>365</sup> The Clean Power Plan sets achievable standards to reduce carbon dioxide emissions by 32 percent from 2005 levels by 2030. <https://www.whitehouse.gov/climate-change>

# Robert Wood Johnson Foundation, USA

## The Tobacco Use Programmes

### Description of Specific Programme

RWJF's major tobacco programme was a conglomeration of individual projects, including *SmokeLess States®: National Tobacco Policy Initiative, Campaign for Tobacco-Free Kids, Addressing Tobacco in Managed Care, Smoke-Free Families: Innovations to Stop Smoking During and Beyond Pregnancy and National Tobacco Cessation Leadership Center*.<sup>366</sup> A core principle of the tobacco use programme was to build on existing efforts instead of seeking new approaches to combat the use of tobacco. The goal was thus to expand on the health infrastructure and smoke inhibiting policies while encouraging smoking cessation.<sup>367</sup>

### Origins and Rationale

Smoking remains the leading cause of preventable death worldwide. In addition to taking lives, smoking has cost the US government billions of dollars each year on medical costs.<sup>368</sup> When the programme began, the US was far behind other countries, including England and France, when it came to tobacco controls.<sup>369</sup> At the same time, groups like the Tobacco Institute were releasing studies that downplayed the risks of smoking. Thus, while the overall number of smokers had decreased since the mid-1950s, RWJF saw an opportunity to further “improve the health and health care of all Americans” by contributing to the anti-smoking cause, particularly because no other major foundations was working on tobacco-related programming. When M.D. Steven Schroeder became director of the foundation in 1990, he convinced the board to begin working on tobacco controls. A focus on teen smoking was to become a particular priority.

### Design and Implementation

Over the lifetime of its tobacco work, RWJF dedicated about 30 major projects to combatting tobacco use. It took a multi-step, coalition-based strategy, beginning with research programmes on tobacco addiction and the

<sup>366</sup> Grob, G. (2011). *RWJF Retrospective Series: Major Programs, Strategies and Focus Areas*. Princeton, NJ: Robert Wood Johnson Foundation.

<sup>367</sup> *RWJF Retrospective Series: The Tobacco Campaigns*

<sup>368</sup> [http://www.cdc.gov/tobacco/data\\_statistics/fact\\_sheets/fast\\_facts/index.htm](http://www.cdc.gov/tobacco/data_statistics/fact_sheets/fast_facts/index.htm)

<sup>369</sup> Center for Public Program Evaluation (2011). *RWJF Retrospective Series: The Tobacco Campaigns*. Princeton, NJ: Robert Wood Johnson Foundation.



relative effectiveness of state and federal policies on tobacco use prevention. Next, it worked together with stakeholders (such as the American Medical Association) to build a coalition of supporting organization. This put the foundation in a strong position to advocate for stricter state tobacco-controls. The next phase was a tactical leadership and communications strategy involving media campaigns and research dissemination on a national and international scale. In the final two phases, RWJF worked on promoting effective approaches to smoke-cessation and empowering minorities.<sup>370</sup> Two years after teen smoking had picked up again (peaking in 1994), RWJF decided to change its strategy by focusing more strongly on research and collaboration.

## Outcome and Impact

Given that the tobacco use programmes were based on broad coalitions working on cumulative projects over the span of about twenty years, it is impossible to attribute credit to any one of RWJF's grants or partners. For this reason, the foundation focused its evaluation on its investment levels, its contribution strategies, and its leadership style.

In 2001, the Center for Public Programme Evaluation (CPPE) did an overall assessment of the tobacco use programmes. Several reports sought to analyse the extent of impact and summarized the efforts of each project. According to CPPE, the tobacco use programmes contributed to several major achievements, including:

- A reduction in the portrayal of smoking in movies and on television (The PRISM Awards™);
- Widespread adoption of clean indoor air ordinances in U.S. communities (SmokeLess States®: National Tobacco Policy Initiative);
- Funded nearly all states during various times throughout the 1990s and 2000s to “support policy and media advocacy efforts to raise tobacco taxes, adopt and strengthen smoke-free air policies, and implement other policy initiatives.”<sup>371</sup>

These efforts correspond with a positive health impact on Americans, demonstrated by:

- A decline in smoking rates among adults from 25.5 percent in 1993 to 20.6 percent in 2009.
- A drop in 36 percent in 1997 to 19.5 percent in 2009.

<sup>370</sup> Ibid.

<sup>371</sup> Chaloupka, F., Levy, D. and Huang, J. (2011). *RWJF Retrospective Series: The Impact of Tax and Smoke-Free Air Policy Changes*, Princeton NJ: Robert Wood Johnson Foundation.

- 5.3 million fewer people smoking and 60,000 smoking-related deaths avoided by 2010 thanks to smoke-free indoor air policies, higher state and federal excise taxes (from 1993 through mid-2009), and the Master Settlement Agreement of 1998, all of which RWJF supported.

Even though the effect was rather indirect, the impact assessment includes all the state and federal smoke-restricting laws that were passed between 1990 and 2009 to create stronger incentives not to smoke via higher excise taxes and indoor smoking bans. Two conclusions were that “RWJF’s early and continuing leadership was important” and that “synergies among all the collaborators were also critical.”

Thanks to these achievements, the foundation decided to end the programme in 2010 and focus on other pressing health challenges, such as child obesity.<sup>372</sup> Even so, the foundation admits, “it is not possible to categorically attribute or allocate a fair share of the results of their combined efforts to RWJF or to any of the leading tobacco-control funders and advocates.”<sup>373</sup>

## Success or Failure Factors

The rate of cigarette use among adults was already in steady decline as early as the mid-1960s, thus the timing of the programme was favourable to positive results.<sup>374</sup> The pre-existing decline was a result of a combination of forces that had contributed to a shift in social norms and a better awareness of associated health risks. Other contributing factors were:

- Grassroots initiatives, such as the first World Conference on Smoking OR Health
- Warning labels on cigarette packaging (implemented in 1965)
- The emergence of medication/treatments for nicotine addiction
- NCI’s American Stop Smoking Intervention Study (ASSIST)
- CDC’s Initiative to Mobilize for the Prevention and Control of Tobacco Use (IMPACT)
- Programmes run by states (first by California in 1989) using tobacco tax revenues and legal settlements for anti-smoking campaigns

When RWJF began its tobacco use programmes in 1991, 27.5% of the students surveyed had smoked one or more cigarettes during the thirty days prior. This number increased steadily until 1997 (reaching 36.4%), after which it slowly began decreasing again.<sup>375</sup> It was in also in 1997 that RWJF increased

<sup>372</sup> Grob, G. (2011). *RWJF Retrospective Series: Major Programs, Strategies and Focus Areas*. Princeton, NJ: Robert Wood Johnson Foundation.

<sup>373</sup> <http://www.rwjf.org/en/library/research/2011/04/the-tobacco-campaigns-.html>

<sup>374</sup> [http://www.cdc.gov/tobacco/data\\_statistics/tables/trends/cig\\_smoking/](http://www.cdc.gov/tobacco/data_statistics/tables/trends/cig_smoking/)

<sup>375</sup> Ibid.

its spending on tobacco use programmes by over \$20 million. It wasn't until 2003, however, that numbers reached levels below the 1991 rates. This was also after two years of elevated spending by RWJF in 2001 and 2002, of about \$100 million and \$82 million respectively.<sup>376</sup> With positive trends taking hold, the foundation began to scale back its tobacco programmes in 2004. After the programmes officially ended in 2010, the smoking rate continued to decrease among high school students, reaching an all-time low of %15.7 in 2013.<sup>377</sup>

The evaluation of these programmes has measured the successes of its interventions against overall trends that were happening in public opinion, legislation, media and health. While this demonstrated that RWJF's efforts did correspond with lower smoking rates, it does not speak to the effectiveness of RWJF's strategy, nor does it reveal whether its intervention would have succeeded without these pre-existing trends. For instance, the programmes worked best in areas that were already open to change, and failed in the most conservative and resistant states. In fact, even today there are sixteen states with no restrictions at all on smoking.<sup>378</sup> Smoking rates also continue to be disproportionately high among American Indian/Alaska Natives and lower income people, which was not a particular focus of any of the projects.<sup>379</sup> This suggests that projects may have partially been designed with an "easy win" in mind.

Finally, an effect of tighter smoking restrictions in the US led to more aggressive cigarette campaigns abroad, particularly in third world countries. As profits in the US declined, tobacco firms sought markets elsewhere. African and Mediterranean countries have even seen upward trends in smoking, meaning that tobacco use has not been significantly decreasing on a global scale.<sup>380</sup> States that have sought to intervene with invasive tobacco companies have often been threatened with lawsuits by tobacco firms for wanting to interfere in the free market,<sup>381</sup> to which poorer countries are often powerless. Even though the foundation focuses on the health of Americans, it had the indirect effect of exacerbating the health of populations abroad. In order to provide a good overall picture of the

<sup>376</sup> Grob, G. (2011). *RWJF Retrospective Series: Major Programs, Strategies and Focus Areas*. Princeton, NJ: Robert Wood Johnson Foundation.

<sup>377</sup> [http://www.cdc.gov/tobacco/data\\_statistics/tables/trends/cig\\_smoking/index.htm](http://www.cdc.gov/tobacco/data_statistics/tables/trends/cig_smoking/index.htm)

<sup>378</sup> <http://www.marketwatch.com/story/the-16-states-that-still-allow-smoking-in-bars-and-restaurants-2015-02-03>

<sup>379</sup> <http://www.cdc.gov/tobacco/campaign/tips/resources/data/cigarette-smoking-in-united-states.html>

<sup>380</sup> <http://www.businessinsider.com/afp-study-paints-mixed-picture-of-global-smoking-trends-2015-3?IR=T>

<sup>381</sup> For example, Philip Morris and British American tobacco sued the British government because of a law that requires cigarettes to be sold in plain and simple packaging (effective as of May 2015). In another case, Philip Morris sued Uruguay for increasing the size of its health warnings on cigarette packages.

programme, its unintended consequence should also be included in evaluations.

### **Lessons Learned**

- Timing plays an important role in the perceived success or failure of a programme.
- Attributing impact is impossible with coalition based approaches over long periods, making it difficult for the foundation to critically assess its work.
- The strategy should be evaluated independently of the outcome.
- Pre-existing trends should be taken into account and unintended consequences anticipated when planning programmes.

# Foundation anstiftung & ertomis, DEU

## Stiftung Interkultur: Intercultural Gardens Movement

### Description of Specific Programme

The Stiftung Interkultur (intercultural foundation) is a project by the foundation anstiftung & ertomis. The project was founded in 2003 and serves as a platform to facilitate intercultural community gardening.<sup>382</sup> By supporting the activities of these gardens, the Stiftung Interkultur hopes to create common spaces for environmental education and intercultural communication.<sup>383</sup> One of the project's goals is to bring people from different backgrounds and countries of origin together. However, at the same time, the project does not consider itself an "integration programme" but rather a platform to share knowledge and connect expertise. Thus, activities of the project are directly related to the practical needs of the people working in the gardens. Instead of designing the project from above, the staff aims to facilitate incremental but sustainable change by supporting the people on the ground to connect and learn from each other.<sup>384</sup> The foundation invests € 300.000 annually in the project, of which € 100.000 are earmarked for small scale grants.<sup>385</sup>

### Origins and Rationale

The project Stiftung Interkultur was enabled by two, seemingly unrelated, discourses: On the one hand, urban community gardens became increasingly popular worldwide. They satisfied the need for fresh produce, but also improved whole neighbourhoods and communities. Especially in urban centres, they also served as a way to connect to the environment and nature.<sup>386</sup> On the other hand, debates about migration policies and the integration of foreigners reached at that time new highs in Germany.<sup>387</sup>

<sup>382</sup> Krüger, S. (2011). *Tapping local expertise and creating networks: Stiftung Interkultur and the Intercultural Garden movement*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 009, Heidelberg: Centre for Social Investment of Heidelberg University, p. 3.

<sup>383</sup> Ibid., p. 4.

<sup>384</sup> Ibid., p. 2.

<sup>385</sup> <http://www.futurzwei.org/#87-stiftung-interkultur>

<sup>386</sup> Krüger, S. (2011). *Tapping local expertise and creating networks: Stiftung Interkultur and the Intercultural Garden movement*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 009, Heidelberg: Centre for Social Investment of Heidelberg University, p. 3.

<sup>387</sup> Ibid., p. 4.

In 1995, the first “international garden” brought these two issues together. Bosnian migrant women, who missed their big gardens at home, started a gardening project in Göttingen.<sup>388</sup> Over time, Germans and other migrants from a wide variety of backgrounds joined the project. The success of this garden encouraged other municipalities, churches and non-profit organizations to consider similar projects and to contact the organizers in Göttingen, asking for help with their own international gardens. The sheer number of inquiries overstrained the organizers of the first international garden and the foundation *Stiftung Interkultur* offered to take on this advisory role.<sup>389</sup> As a result, the *Stiftung Interkultur* was founded in 2003 to consult and fund the growing intercultural garden movement.<sup>390</sup>

## Design and Implementation

Overall the project has a low-key approach; it does not aim to force social change. One staff member explained: “When people make friends, they automatically establish roots somewhere.”<sup>391</sup> Based on this idea, the *Stiftung Interkultur* pursues different strategies to support intercultural gardens: First, it offers small grants for gardening projects, which can be used to buy plants or tools. The money cannot be used to purchase or lease land. Second, the project collects and generates valuable information for experienced and inexperienced gardeners; it publishes various books and articles on migration, gardening and urbanization; and its website gives detailed information about the different gardens, best practice examples, and how-to tools from beekeeping to toilet composting. Third, the *Stiftung Interkultur* organizes conferences and workshops, which provide networking opportunities for members of the gardening community.<sup>392</sup>

To foster connections and exchanges between the different gardens, the *Stiftung Interkultur* also serves as the coordinator for the “Intercultural Garden Network”. This association brings together different gardening projects across Germany and Europe. In addition, the *Stiftung Interkultur* established in 2004 the “Intercultural Gardens Research Network” to “explore the social and cultural practices” that were observable in the gardens. The members of this network meet once a year to present and discuss their research projects.<sup>393</sup>

<sup>388</sup> <http://www.difu.de/publikationen/german-journal-of-urban-studies-vol-46-2007-no-1/intercultural-gardensurban-places-for-subsistence.html>

<sup>389</sup> Krüger, S. (2011). *Tapping local expertise and creating networks: Stiftung Interkultur and the Intercultural Garden movement*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 009, Heidelberg: Centre for Social Investment of Heidelberg University, p. 2.

<sup>390</sup> *Ibid.*, p. 3.

<sup>391</sup> *Ibid.*, p. 6.

<sup>392</sup> *Ibid.*, p. 4.

<sup>393</sup> *Ibid.*, p. 5.

## Outcome and Impact

The Stiftung Interkultur increased the visibility of the intercultural garden movement, which also had political impact. Examples of the movements' impact on policy are illustrated in German and international media attention, further contributing to the boom of intercultural gardens.<sup>394</sup> Many gardens received prestigious prizes for their work and political recognition increased. In 2007, the London Sustainable Development Commission (LSDC) chose the international garden in Göttingen as an example for its urban policy objectives.<sup>395</sup> The Prince of Wales visited a garden in Berlin and praised it as a "model" for integration.<sup>396</sup> Local governments embraced the gardening movement and began to promote intercultural projects. For example, in Berlin the Senate adopted measures which made it easier to designate land for gardens and to assist with the purchase of equipment and plants.<sup>397</sup>

The gardens have a very positive impact on the individual lives of people but on whole communities. People from different ethnic, cultural and social backgrounds work together and learn from each other - work in these gardens is 'practiced multiculturalism'.<sup>398</sup> For immigrants the gardens serve as "safe havens" in an often challenging environment. Many immigrants suffer from isolation and the gardens are an effective way to bring people out of their homes and together. By growing fruits, herbs and vegetables they can also actively add to their daily diet without being reliant on welfare or charity.<sup>399</sup> The impact is particularly strong for migrant women. In many parts of the world gardening is a female activity and, consequently, the share of female gardeners is significantly higher in intercultural gardens.<sup>400</sup> The gardens give them the opportunity to provide for their families, to socialize with other women, and to have a sense of belonging.<sup>401</sup> Often they bring

<sup>394</sup> <http://www.difu.de/publikationen/german-journal-of-urban-studies-vol-46-2007-no-1/intercultural-gardensurban-places-for-subsistence.html>

<sup>395</sup> Ibid.

<sup>396</sup> Krüger, S. (2011). *Tapping local expertise and creating networks: Stiftung Interkultur and the Intercultural Garden movement*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 009, Heidelberg: Centre for Social Investment of Heidelberg University, p. 4.

<sup>397</sup> <http://www.difu.de/publikationen/german-journal-of-urban-studies-vol-46-2007-no-1/intercultural-gardensurban-places-for-subsistence.html>

<sup>398</sup> Krüger, S. (2011). *Tapping local expertise and creating networks: Stiftung Interkultur and the Intercultural Garden movement*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 009, Heidelberg: Centre for Social Investment of Heidelberg University, p. 5.

<sup>399</sup> Ibid., p. 6.

<sup>400</sup> <http://www.difu.de/publikationen/german-journal-of-urban-studies-vol-46-2007-no-1/intercultural-gardensurban-places-for-subsistence.html>

<sup>401</sup> Krüger, S. (2011). *Tapping local expertise and creating networks: Stiftung Interkultur and the Intercultural Garden movement*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 009, Heidelberg: Centre for Social Investment of Heidelberg University, p. 7.

their children who benefit from the interaction with other people and with nature.<sup>402</sup>

Furthermore, the gardens have also had a lasting influence on German participants. For example in Berlin, Germans plant and harvest side-by-side with newcomers to the city. While this improves the German language skills of many immigrants, the gardens offer Germans the opportunity to learn more about other cultures and religions.<sup>403</sup> Even during the long winter months the gardens serve as meeting and educational spaces. Many larger gardens offer language and computer classes, lectures and workshops on a variety of subjects, activities for children, and even excursions and tours.<sup>404</sup> Overall, the gardens have an important impact on neighbourhoods and communities: “Community gardens both require communities and at the same time create communities”.<sup>405</sup>

### **Success or Failure Factors**

The Stiftung Interkultur is well known for its research activities and held in high esteem by the gardening community. Gardeners across Germany value the projects’ expertise and their dedication to the subject. The project staff also fosters information and knowledge sharing between different gardens.<sup>406</sup> In addition, the Stiftung Interkultur benefits from its close relationship with the people managing the gardens and its deep knowledge of the gardening community. In general, the project staff maintains daily and direct contact with garden organizers.<sup>407</sup> Instead of acting from above, the Stiftung Interkultur aims to learn from those carrying out the work. By these means the project management is able to know exactly what their partners need on the ground.<sup>408</sup>

This approach is particularly successful because immigrants are an integral part of this communication process. From the start immigrants are integrated into the planning and managing process. Joint activities are the basis of the success, not discussions about immigration issues. The project’s success is also based on its devotion to diversity. In some gardening projects,

<sup>402</sup><http://www.difu.de/publikationen/german-journal-of-urban-studies-vol-46-2007-no-1/intercultural-gardensurban-places-for-subsistence.html>

<sup>403</sup><http://wealthofthecommons.org/essay/practicing-commons-community-gardens-urban-gardening-corrective-homo-economicus>

<sup>404</sup><http://www.difu.de/publikationen/german-journal-of-urban-studies-vol-46-2007-no-1/intercultural-gardensurban-places-for-subsistence.html>

<sup>405</sup><http://wealthofthecommons.org/essay/practicing-commons-community-gardens-urban-gardening-corrective-homo-economicus>

<sup>406</sup> Krüger, S. (2011). *Tapping local expertise and creating networks: Stiftung Interkultur and the Intercultural Garden movement*. CSI research project Strategies for Impact in Philanthropy, Case Study CSI TC 009, Heidelberg: Centre for Social Investment of Heidelberg University, p. 5.

<sup>407</sup> Ibid., p. 4.

<sup>408</sup> Ibid., p. 6-7.



people from over 20 different countries work side-by-side. Diversity is embraced and desired. To avoid cultural dominance of one particular group, the statutes of many gardens contain a diversity clause, which stipulates that people from as many different backgrounds as possible should be represented.<sup>409</sup>

## **Lessons Learned**

- Cooperation flourishes on an equal footing. Foundations can profit as much from the knowledge of their grantees as the grantees from the foundation's support.
- An indirect approach can be successful. Instead of addressing the issue of integration in discussions or debates, the project focused on common spaces and shared practical activities to bring immigrants and Germans together. It was able to successfully bring together two unrelated issues – urban gardening and immigration - in a highly creative way.
- One successful project like the intercultural garden in Göttingen can serve as a powerful catalyst for a whole movement. Foundations have a role in broadcasting/amplifying what might otherwise remain isolated experiments.

<sup>409</sup><http://www.difu.de/publikationen/german-journal-of-urban-studies-vol-46-2007-no-1/intercultural-gardensurban-places-for-subsistence.html>

# Walton Family Foundation, USA

## Charter Schools Funding

### Description of Specific Programme

The Walton Family Foundation started funding charter schools in 1996.<sup>410</sup> The K-12 Education Programme is the foundation's second biggest investment by far; it spent \$202.5 Million in 2014 alone, more than its other three programmes combined.<sup>411</sup> As part of its Education Programme, the foundation provides grants to school developers to launch a new charter school. As part of its new 2015-2020 strategic plans, the foundation has selected 13 target districts that are "both full of need and ready for change."<sup>412</sup>

The *Public Charter Startup Grant* funds grantee organizations who serve low-income children in one of these districts.<sup>413</sup> In order to qualify for the grant, a developer must still be in 'start-up' mode and be able to draw a majority of students from one the foundation's thirteen target school districts.<sup>414</sup> Start-up mode is defined as being anywhere between 15 months prior to filing a charter and the first year of operation. Once the criteria are met, the school is eligible for three different types of start-up grants: pre-authorization (up to \$30,000), post-authorization (up to \$220,000), and combination start-up (up to \$250,000). Pre-authorization is designed to help developers implement their planned activities before their charter petition is approved, whereas a combination start-up grant is provided within the first year of operation. In addition to its start-up grants, the Walton Family Foundation provides funding to current grantees and offers additional financial support to the charter schools where students demonstrate exemplary performance. Each

<sup>410</sup>[http://www.philanthropyroundtable.org/topic/excellence\\_in\\_philanthropy/charter\\_schools\\_challenges\\_and\\_opportunities](http://www.philanthropyroundtable.org/topic/excellence_in_philanthropy/charter_schools_challenges_and_opportunities)

<sup>411</sup> <http://2014annualreport.waltonfamilyfoundation.org/>

<sup>412</sup> <http://www.waltonfamilyfoundation.org/our-impact/k12-education>

<sup>413</sup> These districts are as follows: Arkansas: Any District; California: Los Angeles Unified School District, Oakland Unified School District; Colorado: Denver Public Schools; Georgia: Atlanta Public Schools; Indiana: Indianapolis Public Schools; Louisiana: Orleans Parish; Massachusetts: Boston Public Schools; New Jersey: Camden City School District; New York: New York City; Oklahoma: Any District; Tennessee: Memphis City Proper; Texas: Houston Independent School District; San Antonio Independent School District; Washington, D.C.: District of Columbia Public Schools.

<sup>414</sup> <http://www.waltonfamilyfoundation.org/grants/public-charter-startup-grants>

school is required to track its students' performance using specific metrics and benchmarks.<sup>415</sup>

## Origins and Rationale

The Walton Foundation first began working in education in the early 1990s, with the belief that the best way of promoting meaningful change was by focusing on alternative schools. The early education grants failed to be sustainable in the long-term, prompting the foundation to undertake research on how to best achieve impact. The foundation concluded that the most efficient way to improve K-12 education is to transfer financial control from local and state politicians to parents by giving them the choice of which school their child attends. Subsequently, the foundation began focusing on Charter Schools.

A charter school is a public school that is unaffiliated with the district board of education, in effect making it a one-school district. Educators, parents, community leaders, educational entrepreneurs, and others draft a charter plan outlining the school's guiding principles, governance structure, and accountability measures. If the charter is approved by the state, the school receives per-pupil funding. Generally, charter schools operate with increased autonomy in exchange for increased accountability driven largely by consumer demands for enrolment.<sup>416</sup>

After providing direct support to charters, Walton opted to provide indirect funding via support organizations. The rationale behind this was a worsening political climate; legislators had come under increasing pressure by communities to limit and control the growth of charters.<sup>417</sup>

## Design and Implementation

The foundation supported Charter schools in two phases. In the first phase, the foundation supported a limited number of charter schools to test the potential improvement this intervention would yield. The second phase spanned across ten years and focused on building the capacity of the organizations that support charter schools. It did so in the form of operating grants to support research and better media relations, by supporting national organizations that assist charter school advocates, and by helping

<sup>415</sup><http://www.waltonfamilyfoundation.org/grants/public-charter-startup-grants/student-achievement-goals>

<sup>416</sup><http://www.pbs.org/closingtheachievementgap/faq.html>.

<sup>417</sup>[http://www.philanthropyroundtable.org/topic/excellence\\_in\\_philanthropy/charter\\_schools\\_challenges\\_and\\_opportunities](http://www.philanthropyroundtable.org/topic/excellence_in_philanthropy/charter_schools_challenges_and_opportunities)

finance the infrastructure.<sup>418</sup> This occurred against the backdrop of rising charter school opposition.

## Outcome and Impact

In 2014, the Foundation provided start-up and expansion grants to charter, districts, and private schools.<sup>419</sup> According to Marc Sternberg, director of K-12 education reform, Walton has given grants to one in every four charter start-ups in the country, totalling \$335 million. As one of the largest private contributors to education, Walton has been able to exert an immense amount of influence on education policy in districts throughout the country. For instance, the Charter Schools in Washington D.C. received \$1.2 million from Walton in direct grants over the span of 12 years and are effectively funded by the Foundation. Moreover, the majority of the teachers for these schools are alumni of *Teach for America*, which received the largest amount of funding from Walton. A NYTimes article writes, “With its many tentacles, it has helped fuel some of the fastest growing, and most divisive, trends in public education — including teacher evaluations based on student test scores and publicly funded vouchers for students to attend private schools.”<sup>420</sup>

## Success or Failure Factors

According to Marc Sternberg, who directs the K-12 education programme, the foundation is “deeply committed to the theory of change, which is that we have a moral obligation to provide families with high quality choices.”<sup>421</sup> However, the way in which the foundation has implemented its vision has been widely criticized and raises numerous questions. Some of the underlying factors in critique of the programme are outlined below:

Although the foundation writes that it focused its grant-making on cities that are “full of need and ready for change,”<sup>422</sup> it is unclear how and why targeted school districts were selected, and why some of the worst performing school districts were not included, while relatively good performing schools were. Some of the school districts the foundation supported had median incomes well above the median household income, such as the Douglas County School District in Colorado, which has high performing schools and high comparatively high median income.

<sup>418</sup> [http://www.philanthropyroundtable.org/topic/excellence\\_in\\_philanthropy/charter\\_schools\\_challenges\\_and\\_opportunities](http://www.philanthropyroundtable.org/topic/excellence_in_philanthropy/charter_schools_challenges_and_opportunities)

<sup>419</sup> <http://2014annualreport.waltonfamilyfoundation.org/>

<sup>420</sup> <http://www.nytimes.com/2014/04/26/us/a-walmart-fortune-spreading-charter-schools.html>

<sup>421</sup> Ibid.

<sup>422</sup> <http://www.waltonfamilyfoundation.org/our-impact/k12-education>

There is mounting evidence that the Charter School reform movement is failing. A Fordham University study found that 72% of low-performing charters remained in operation and remained low performing in five years.<sup>423</sup> Another study by Stanford University in 2009 concluded that 83 % of charters are either worse or no better than traditional public schools. The Charter Schools that do perform well very much depend on foundation money and their ability to send low-performing schools back to public schools.<sup>424</sup> Several other studies refute the merits of “pay for performance” and standardized testing, which are heavily promoted by the Foundation. A 2010 Vanderbilt University study demonstrated that merit pay for teachers does not produce higher test scores for students; while the National Research Council confirmed that standardized test scores do not measure student learning adequately.<sup>425</sup>

Major international studies on education are conducted every five years. Two of these, Progress in International Reading Literacy Study and the Trends in International Math and Science Study, examine the factors that contribute to school performance. According to these, the most significant indicator was poverty (measured by the percent of students in the school eligible for free or reduced price lunch). Results from 2011 found that “[i]n comparison to the U.S. national average score, 4th-graders in schools in very low to moderate poverty (from less than 10 percent to almost 50 percent of students eligible for free or reduced-price lunch) scored higher, on average, while those in schools with higher proportions of poverty (50 percent to 75 percent or more of students eligible for free or reduced-price lunch) scored lower, on average.”<sup>426</sup> This suggests that the issue at hand is poverty rather than public schools.

The proliferation of Charter schools has contributed to a two-tier system by taking tax dollars and ‘the most motivated families’ away from existing public schools. In Washington DC, Walton has ‘steered the direction of public education [...] for more than a decade.’ As part of this, it supported controversial policy change, such as overhauling tenure, implementing stricter evaluation systems, and introducing pay for performance in public schools. Some of these measures undermine the safeguards of the teacher’s unions. The foundation has supported ‘taxpayer funded vouchers for students to attend private schools.’ Moreover, the foundation may be disproportionately influencing education politics given its size and wealth. Members of the Walton family have donated large sums in campaign

<sup>423</sup> Stuit, D. (2010). *Are Bad Schools Immortal?*. Washington DC: Thomas B. Fordham Institute.

<sup>424</sup> Ibid.

<sup>425</sup> <https://www.dissentmagazine.org/article/got-dough-how-billionaires-rule-our-schools>

<sup>426</sup> U.S. Department of Education (2012): *Highlights From PIRLS 2011 Reading Achievement of U.S. Fourth-Grade Students in an International Context*. Washington DC: U.S. Department of Education. <http://nces.ed.gov/pubs2013/2013010rev.pdf>

donations to support candidates for local school boards and state legislatures who favour their cause.<sup>427</sup>

Unlike other foundations that support education, Walton seems to follow a distinctly ideological path.<sup>428</sup> Although charter schools are by and large a bipartisan issue, the starkest critics tend to come from the left.<sup>429</sup> The foundation disproportionately funds right-leaning think tanks, like the Thomas B. Fordham Institute and the American Enterprise Institute for Public Policy Research (but has also given grants to more moderate organizations, like New Leaders for New School). The programme officer behind the charter school initiative came from the American Legislative Exchange Council, a conservative business-backed group.<sup>430</sup> Unbalanced research risks overshadowing many of the dissenting opinions, which undermines a full perspective on the costs and benefits of alternative schools.

Moreover, 'critical in-depth investigations' are rare.<sup>431</sup> This is noteworthy, given that Walton is one of the three biggest contributors to K-12 education (the other two being Bill and Melinda Gates and the Eli and Edythe Broad), all of which support market-based goals for overhauling public education.

It is evident that the Walton Family Foundation has often fallen under heavy critique for seeming to contradict its own mission of "creating opportunity so individuals and communities can live better in today's world."<sup>432</sup> The family's fortune comes from the late Sam Walton, who founded Walmart stores and Inc., a multinational retail corporation. Walmart's business-model depends heavily on outsourcing jobs, keeping wages low, providing limited benefits, and outbidding its competitors due to its size and reach. However, rather than investing more strongly in living wages, the Walton Family has pursued different philanthropic interests. For instance, in 2011, Alice Walton founded the Crystal Bridges Museum,<sup>433</sup> which cost the foundation more than \$1.4 billion.<sup>434</sup>

While the foundation is entitled to decide over its charitable giving, this is another example of the contradictions between corporations and the stated goals of their charitable foundations.

<sup>427</sup> <http://www.nytimes.com/2014/04/26/us/a-walmart-fortune-spreading-charter-schools.html>

<sup>428</sup> Ibid.

<sup>429</sup> Ibid.

<sup>430</sup> Ibid.

<sup>431</sup> <https://www.dissentmagazine.org/article/got-dough-how-billionaires-rule-our-schools>

<sup>432</sup> <http://www.waltonfamilyfoundation.org/who-we-are>

<sup>433</sup> <http://www.bloombergview.com/articles/2011-12-13/wal-mart-heiress-s-museum-a-moral-blight-commentary-by-jeffrey-goldberg>

<sup>434</sup> [http://walmart1percent.org/the-walton-family-foundation-how-much-do-they-give-and-to-whom/#\\_ftn13](http://walmart1percent.org/the-walton-family-foundation-how-much-do-they-give-and-to-whom/#_ftn13)

## Lessons Learned

- Supporting efforts that indirectly distort public policy leads to complicated political entanglements and can undermine the values rooted in our democratic system.
- Philanthropic dollars have a decisive influence on policy areas that are usually in the governmental domain and can thus distort and or/ undermine public policy.
- Solving policy problems is complex and requires more than one kind of intervention. It is difficult to draw causalities when multiple mechanisms are at play, which is the case for low-performing schools.

# William and Flora Hewlett Foundation, USA

## Neighbourhood Improvement Initiative

### Description of Specific Programme

The Neighbourhood Improvement Initiative (NII) was founded to improve the lives of three underserved communities in the Bay Area—West Oakland, East Palo Alto, and the Mayfair area of East San Jose. The goal was to “achieve tangible improvement for residents and to strengthen the long-term capacity of the community foundations and neighbourhood organizations to sustain change.”<sup>435</sup> Three community foundations were chosen to serve as managing partners, and over the span of the project, the Hewlett foundation committed over \$20 million. In order to achieve community change, the foundation needed to develop neighbourhood leaders, organizations and networks that would support the residents and connect them to resources within and outside of the community.<sup>436</sup>

NII began with the following goals:<sup>437</sup>

- Connect fragmented efforts to address poverty-related issues in select communities.
- Improve the capacity (proficiency and resources) of participating community-based organizations.
- Improve Bay Area community foundations’ capacity to support neighbourhood improvement.
- Develop neighbourhood leaders by creating a vehicle for increasing resident involvement in neighbourhood planning and improvement strategies.
- Leverage significant public/private resources to support community improvement.

While there was no articulated theory of change, the foundations believed in the overall theory that “improvement in the physical, social, and economic conditions in lower-income neighbourhoods will result from the active involvement of residents in community planning and decision-making processes, in combination with a comprehensive, coordinated, multi-year

<sup>435</sup> Brown, P. & Fiester, L. (2007). *Hard Lessons about Philanthropy & Community Change from the Neighborhood Improvement Initiative*. Menlo Park, CA: William and Flora Hewlett Foundation.

<sup>436</sup> *Ibid.*, p. xi

<sup>437</sup> Brown, P. & Fiester, L. (2007). *Hard Lessons about Philanthropy & Community Change from the Neighborhood Improvement Initiative*. Menlo Park, CA: William and Flora Hewlett Foundation, p. i.



strategy to address the problems that impair the quality of life in these neighbourhoods.”<sup>438</sup>

## Origins and Rationale

The long-term goal of the initiative was to “provide long-term statistical evidence of changes in poverty indicators (e.g. unemployment, welfare dependency, vacant and abandoned structures.”<sup>439</sup> It was born from the belief that the condition of underserved communities would improve if more residents were actively involved in decision-making processes and community planning. With the help of a consultant, the foundation selected Mayfair (1996), West Oakland (1998) and East Palo Alto (1999) as its three sites for investment. These neighbourhoods were selected based on a combination of factors that include poverty, failing schools, and substandard housing. All three locations varied in terms of demography but had all suffered from gentrification due to the dot-com expansion.

## Design and Implementation

Key Elements to Hewlett’s approach were:

- Resident engagement
- The creation of a neighbourhood intermediary
- Connecting neighbourhood improvement efforts to the larger region

The basic design of the initiative consisted of six elements: a resident-driven process (one year); an implementation phase (per site) supported by grants, technical assistance and training that is overseen by a neighbourhood-based lead organization (six years); local, cross-sectorial advisory committees; partnership with community foundations; data collection and tracking system for each site; and a multi-site implementation evaluation.<sup>440</sup>

Local community foundations served as partners for the project and were responsible for the management of each site. Their work included identifying the local lead agency; helping the lead agency implement the neighbourhood improvement plan with the help of local residents; and managing the advisory committee. The three managing partners for the project were the Community Foundation of Silicon Valley (CFSV) in Mayfair, the San Francisco Foundation (TSFF) in West Oakland, and the Peninsula Community Foundation (PCF) in East Palo Alto.

A change in leadership at the Hewlett Foundation in 2001 led to a shift from a process- to a more result-oriented approach. For this reason, Hewlett used an “explicitly outcomes-based framework” starting that same year. Included

<sup>438</sup> Ibid., p. iii.

<sup>439</sup> Ibid., p. 5.

<sup>440</sup> Ibid., p. ii.

were “restructuring around a small number of communitywide outcomes, cornerstone projects developed to address each one of these targeted outcomes, and the development of logic models specifying target populations, project outcomes, and performance measures.”<sup>441</sup>

## Outcome and Impact

### *Mayfair*

The “Mayfair Improvement Initiative” (MII) in 1997 and was the first site Hewlett used to test comprehensive community improvement, a new concept at the time.<sup>442</sup> Hewlett chose this site because of its struggle with poverty, but also for its history of activism and leadership.<sup>443</sup> The two local partners - Silicon Community Foundation and the Mexican American Community Service Agency (MACS) – were responsible for the planning process after which the Mayfair Improvement Initiative began the implementation phase.<sup>444</sup>

Hewlett’s \$6.3 million contribution leveraged \$9.6 million in additional funds for Mayfair. This made it possible for MII to yield tangible results in terms of recreational, cultural and infrastructural improvements, additional social housing options, and economic opportunities.<sup>445</sup> Families were also supported in obtaining health insurance and better preparing their children for school. It also improved the level of local education and skills for adults by enrolling them in literacy, ESL, and GED classes.<sup>446</sup>

MII continued to operate with “substantial credibility and increasing capacity” even two years after the initiative formally ended in 2006. Ten years after the initiative was formed, it became semi-autonomous from the Hewlett Foundation and changed its name to *Somos Mayfair* “We Are Mayfair.”<sup>447</sup>

### *West Oakland*

The West Oakland project took off in 1998 as Hewlett’s second initiative, and was called the 7<sup>th</sup> Street McClymonds Corridor Neighbourhood Improvement Initiative. This site proved more problematic than the first and faced challenges from the very beginning.

<sup>441</sup> Ibid., p. iv.

<sup>442</sup> Hull Teegarden, P., Rothman Hinden, D. & Sturm, P. (2011). *The Nonprofit Organizational Culture Guide: Revealing the Hidden Truth that impact performance*. San Francisco: John Wiley & Sons, p. 44.

<sup>443</sup> Ibid.

<sup>444</sup> Ibid.

<sup>445</sup> Ibid., p. C-1

<sup>446</sup> Ibid.

<sup>447</sup> Ibid.

Hewlett was not able to find a lead agency for the initiative, and thus asked The San Francisco Foundation (TSFF) to serve in this role. After two-and-a-half years, 7<sup>th</sup> Street McClymonds Corridor NII starting taking shape, but “mistrust of outsiders and factionalism in the community undercut the fledgling organization”.<sup>448</sup>

The lead agency made a total of 57 grants worth \$1.6 million, but there is little data on their outcome and impact. The organization was dissolved in 2001, shortly after the executive director was terminated.<sup>449</sup>

### *East Palo Alto*

The final site in East Palo Alto was launched in 1999. The Peninsula Community Foundation (PCF) was the managing partner and One East Palo Alto (OEPA) was the local intermediary for the planning process in Palo Alto. OEPA helped bring about positive change to jobs, education and crime. However, this was only after PCF resigned as managing partner in 2002 due to disagreements on “how communities change, what the pace of change should be, and how best to develop civil capital.”<sup>450</sup> Hewlett took over the management, and although it was faced with challenges due to inexperienced staff, a high turnover in leadership, and disagreements with the OEPA’s board, the initiative brought many positive changes to the community. The NII helped create a special task force to reduce crime, produced mentoring programmes for at-risk youth, English classes and after school programmes.

## **Success or Failure Factors**

When the initiative was launched, community change was still a young and developing concept. The Hewlett foundation played an important role in testing and pioneering new approaches, thereby making significant advances in the field. Although the formal assessment of the initiative was not complete until ten years later, the experiences on the ground served as immediate lessons-learned for other foundations and the future generations of community leaders. For instance, funders realized how important it is to have a clear theory of change and to focus on results from the beginning. Today, investors are more likely to build on existing strengths within communities and realistically assess them rather than attempt to implant their own ideas and constantly needing to change one's approach to meet the demands of those on the ground. Nevertheless, these lessons came with a very high price-tag.

The foundation did not have a detailed theory of change that linked the six NII goals, outlined a detailed strategy and addressed the underlying

<sup>448</sup> Ibid.

<sup>449</sup> Ibid.

<sup>450</sup> Ibid.

assumptions.<sup>451</sup> Rather, NII's approach to implementing its theory was untested and problematic. For instance, one of the key principles of the initiative was the importance of resident involvement, but there were no guidelines on how to operationalize this. The only requirement in place was that residents make up 51% of the planning group.<sup>452</sup> This led to differences between Hewlett and its partners on site on how best to leverage the support of the community, and also made it more difficult for Hewlett to justify its approach.

Community foundations were beneficial partners for a neighbourhood initiative because they already had an established relationship with the community, a fundraising capacity, and could continue the work even after the project ended. Yet, this was challenging at times because of misalignments of goals and expectations, an unclear division of roles, and challenging power dynamics.<sup>453</sup> The community foundations did not feel that Hewlett regarded them "respected partners" and that they had adequate support to build their capacities.<sup>454</sup>

The neighbourhood intermediaries that were created as new non-profit organizations were too inexperienced and lacked a strategic vision. The intermediaries were expected to demonstrate results only six years, which in hindsight was too ambitious for a start-up organization.<sup>455</sup>

The sites didn't benefit as much from the efforts to connect the neighbourhood to external resources and expertise because there were too many internal distractions.<sup>456</sup>

Not only did the programme fail to keep up with changes in the community, but a change in Hewlett's leadership in 2001 and the ensuing shift in NII's approach created uncertainty for Hewlett's partners and stirred unrealistic expectations. A new leadership meant changes for the NII process, which created new tensions with its partners. Community foundations were caught off guard by the sudden changes and felt that it would undermine citizen involvement and cause communities to lose momentum.<sup>457</sup> The community foundations needed time to build the necessary capacity for self-evaluation and outcome tracking, and the partners had to implement these changes while the project was already underway.

<sup>451</sup> Ibid., p. iii.

<sup>452</sup> Ibid., p. iii.

<sup>453</sup> Ibid., pp. 25-16.

<sup>454</sup> Ibid., p. v.

<sup>455</sup> Ibid., p. iv.

<sup>456</sup> Ibid.

<sup>457</sup> Ibid., p. v.

## Lessons Learned

- Enough time should be allocated to understand that organizational culture of partners and to make sure everyone is on the same page in terms of goals, strategies and timelines.
- Partners should be treated as fellow change agents and involved early-on so that both sides share a common vision.
- A framework for evaluation should be established from the beginning and be developed with the help of an external advisory committee.
- Local knowledge should be included and results shared for the benefit of other communities.
- The timeframe should be reasonable and realistic in terms of deliverables for a project that was built from scratch. It should also allow for a change in track if the status quo has proven not to work.
- Transitions should be determined by milestone rather than arbitrary dates.
- The way money is positioned and disbursed is equally if not more important than how much money is spent.