



Case Studies of Grantmaker Associations Around the World:

Introductory Essay

Grantmaker Associations: Enhancing the Effectiveness of Grantmakers

Grantmakers can be said to represent the organizational building blocks of civil society. They can help ensure that some components of an enabling environment will be put in place. They can provide resources for civil society institutions to undertake their activities. They can help them build their institutional capacity so they can implement these activities more effectively. They can require that the results be assessed and therefore help to build confidence in the institutions of civil society. There are, however, not enough foundations to do all that is necessary and there is only so much that foundations can do acting on their own.

An increasingly common answer to this dilemma is for foundations to look to philanthropic support organizations for help, and especially for national groupings of foundations to form *associations* to strengthen and support their work. This essay reviews the growing trend in the creation of these support organizations, explores the roles they play in the civil society sector, and describes the value they add.

There are essentially three types of philanthropic support organizations. The first includes philanthropic support organizations that are membership-based.

There are some 70 membership-based grantmaker associations around the world at the multinational (regional), national, and subnational levels. Some of these associations serve both grantmakers and grantseekers; others serve only grantmakers, but serve all the different types of grantmaking organizations. A small number of associations target support to a particular type of grantmaker, such as corporate giving programs or community foundations.

WRITTEN BY:

Barry D. Gaberman
Senior Vice President,
The Ford Foundation,
and Chair Emeritus of
WINGS, New York

WINGS

<http://www.wingsweb.org>

Most have been started by grantmakers themselves, recognizing both their shared needs and those of the overall field of philanthropy in which they operate.

The other two types of philanthropic support organizations are not membership-based. One type includes general purpose support organizations, such as philanthropic centers that operate as information clearing houses, collect data, conduct research, provide training, or mobilize resources. The other type encompasses a growing number of special purpose support organizations that provide

technical assistance in a number of specific areas. The things that these nonmembership-based philanthropic organizations do often overlap with the work of associations of grantmakers. It is interesting to note, however, that while these support organizations that are not membership-based are often quite visible—just as the grantmakers themselves have a certain visibility—the sun seldom shines on associations of grantmakers.

If one steps back and squints, one can catch a glimpse of a global philanthropic movement. The day is approaching when every piece of geography in the world will be covered by a community foundation; when all corporations will take it as good business practice that they must go beyond their stockholder responsibility to their social responsibility to stakeholders; when people of wealth will consider it intuitively obvious that they must give back some of their private wealth for public purposes; and, equally important, when all these community, corporate, and private grantmakers will be represented by a grantmaker association.

Until that day is here, however, we have much work to do and a great deal of it can be accomplished with the help of associations of grantmakers. The following paragraphs describe what these grantmaker associations do, why they are important, and some of the lessons we can derive from their development experience. This introductory chapter has the purpose of shining some light on these associations. The case studies that follow will, I hope, illuminate their work further.

I see the role of associations as potentially covering nine core activities.

1. At the heart of any association is the fact that it provides **services to its members**, including information, research, sharing good practice in fundraising, investment and governance, and the use of technology. While an association provides some services directly, none can provide all the services directly. For that reason, we have the common practice of outsourcing—usually to other types of nonmembership-based support organizations.

2. An important activity of an association is its **convening** function. The most common and traditional form of this is the regular conference (usually annual) that brings members together. These gatherings provide an opportunity to renew relationships, share experience, assess collaboration, and rekindle the spirit of being involved in a common purpose. The convening function, however, can also be used in other ways. It can pull together grantmakers interested in a particular substantive area to share information and strategy. These “interest” or “affinity” groups are popping up at more and more of the associations around the world. Convening can also provide an opportunity for grantmakers to meet with colleagues outside the philanthropic sector, e.g., with grantseekers and those in the business and public sectors. Such meetings have often been quite fruitful and can lead to constructive, long-term collaborations.
3. Most associations provide **training** for their members, either directly or by commissioning it. All grantmakers strive to be more professional, whether in the way they offer funding or in the move towards more strategic grantmaking. This requires a professionalization of the grantmaking staff and a more sophisticated approach to the development of grantmaking, both areas where an association’s support can be effective.
4. The establishment of a **code of ethics or best practice for grantmakers** is most interesting, because while it is often seen as an area of complexity and some contentiousness, it is almost universally present among grantmaker associations worldwide.

All recognize that a code of ethics or best practice is at the heart of accountability and without accountability one cannot gain the trust of the broader society.

For these associations, adherence to the code is the price of membership. In some cases, the code has specific procedures to take away membership from proven violators. Almost all associations wrestle with the fact that a nonmember engaged in inappropriate behavior will affect them all, since the public is unlikely to distinguish between the behavior of a member of the association and a nonmember.

5. Seen as crucial by most associations is their involvement in **promoting an enabling environment** for civil society and for grantmaking organizations. Many states still view civil society from a national security perspective rather than an enabling perspective. Existing laws are often vague, inconsistent and administered by multiple jurisdictions. Tax treatment varies but is generally limited. Many associations operate in environments that constrain their members in legal and fiscal terms.
6. Associations provide **representation and protection** to grantmaking organizations and their interests in the public policy arena. This work often looks beyond the interests of grantmaking organizations themselves to the interests of other civil society organizations.
7. A consideration of most associations is the **promotion of philanthropy and the culture of giving** in the society in which they work. While every society has a rich set of traditional giving mechanisms, they are often charity-oriented, limited in what they support and, at times, too geographically constrained. This, combined with the attitude in many places that meeting needs is the responsibility of government, means that a more general purpose culture of giving will be in its infancy. Yet a supportive context is vital if we are to reach a day when the institutions of civil society are supported primarily by national, rather than foreign, sources.

8. Philanthropy exists in a particular contextual reality. Associations could carry out all of the above activities but still not ensure the sustainability of philanthropy unless they **communicate** its value to society, to the general public and to policymakers. Associations must learn how to communicate grantmakers' stories. They must work with the media as an ally in telling these stories and making the case for philanthropy in a way that is informative, professional and focused on the cause.
9. Finally, and particularly in lower-income countries, associations can provide a **gateway** through which foreign funders can establish and support productive working relationships with grantmakers, grantseekers and philanthropy support organizations. These civil society organizations need financial support, but not all of them will have contacts with potential international donors. Associations can be helpful in this regard.

To this point, we have focused on what can be called the instrumental purposes of an association of grantmakers, but of course, those people building associations to serve grantmakers see them as a means to a greater end—the support of grantmakers to make them more effective in pursuing their purpose or mission. That mission might be to enhance the livelihoods of the poor, to advocate for human rights, to improve access to education, to support the arts, or any number of other worthy pursuits. Whichever of these is the mission of grantmakers, however, the chosen instrument for working on these endeavors is through the institutions of civil society. These institutions:

- Provide services, often to the most disadvantaged, isolated and marginalized segments of our populations;
- Educate and train us throughout our lives;
- Conduct independent policy analysis and assessment;
- Engage in advocacy to make sure that people's dreams and demands are heard;
- Strengthen awareness, identity and enjoyment through artistic expression and cultural understanding.

To achieve their goals, *how* civil society organizations operate is as important as what they do. The best of them, in every cultural context, welcome participation, promote tolerance, enhance inclusion and, through their participation in civil society organizations, help people build skills. While not all civil society organizations do all these things, those which build social capital seem to have these attributes in common.

If a vibrant civil society is to develop, it requires an enabling environment which includes at least five elements:

- *A legal framework that empowers groups rather than shackles them;*
- *A tax structure that provides incentives, not penalties;*
- *The availability of resources to undertake activities;*
- *The institutional capacity to implement effective activities;*
- *A system of accountability that builds confidence and trust in the institutions of civil society.*

This is where the value of the association becomes evident: associations enhance civil society institutions by helping to build effective grantmakers and by being attentive to the broader contextual issues noted above.

Associations themselves need support and assistance in facing many challenges to their development. The case studies included in this book share some of the dilemmas they face. One has been mentioned already—how strict to be in requiring members' adherence to a code of ethics. Another is to judge how early in their organizational development to take a position on public issues.

Virtually all face challenges in finding adequate sources of funding for the work their philanthropic community needs them to do. Support for groups that make up the infrastructure of civil society and its philanthropic "slice" has never been lavish. In the United States, there are probably fewer than two dozen funders and less than US\$200 million a year spent on such infrastructure, with no more than 15-20 percent of this being spent outside the United States. It is probably true that the infrastructure, at least in the United States, grew without much concern about duplication or sustainability during the 1980s and 1990s. More recently, resources have dropped significantly and a few, large generic donors have left the field. We are in a shake-out period where a number of infrastructure organizations will cease to exist, many more are downsizing, and some will either have to merge or build cost-saving strategic alliances. In this period of consolidation, it will be critical to the development of civil society that the elements of the infrastructure related to philanthropy continue to receive financial support.

Through my work with the Ford Foundation and especially through my chairmanship of WINGS, I have had first-hand experience with grantmaker associations and know how much they are doing for themselves by supporting each other across national boundaries. I believe that together they are developing a road map for promoting philanthropy around the world. A leader in one national association recently said: “Participation in international networks of grantmaker associations significantly helps an association to obtain knowledge and an overall vision of the sector and to expand its perspective.” The case studies in this volume, along with those in a companion volume on organizations supporting community foundations, exemplify how generous the associations are in sharing solutions and working together on issues of common interest, such as codes of conduct.

The associations’ links with each other also emphasize how the global infrastructure for philanthropy is evolving. The growth in their numbers and scope of work indicates their utility and the increased demand for the significant roles they play. More and more, people are seeing the importance of a healthy civil society sector in assisting in the development of a vibrant and participatory society. Policymakers are also becoming sensitive to what it takes to maintain a healthy civil society. Foundations and other grantmakers are joining or forming associations to enhance their own effectiveness.

The grantmaker associations’ contribution to building this infrastructure for civil society is what makes them so important.