



Raising Resources from International Foundations

From Mobilizing Resources and Support in Foundation Building Sourcebook: A practitioners guide based upon experience from Africa, Asia, and Latin America
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Funding for the Sourcebook was provided by the Charles Stewart Mott Foundation, with additional support from Aga Khan Foundation Canada, the Asia Pacific Philanthropy Consortium, Avina, Inc., the Ford Foundation and Open Society Institute.

Section 3 Raising Resources from International Foundations

This section gives some examples of how local foundations have raised resources from international foundations

Example 1 A Partnership with the Danielle Agostino Foundation
Vamos Foundation, Mexico

Example 2 Core Funding from the John D. and Catherine T. MacArthur Foundation
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Which International Foundations Might Support Grantmaking Foundations in Other Countries?

A small number of foundations, primarily in North America, Europe and Japan, have international grantmaking programs. Among these internationally active foundations, only a handful have channeled their support through foundations in other countries. This funding, however, has been critical in several cases to the growth and development of foundations in other countries. Many international foundations publicize the countries and areas of activity they are interested in supporting. Guidelines can be obtained directly from them and are often available on the internet.

Why Do International Foundations Support Partner Foundations in Other Countries?

An international foundation may, of course, have any number of objectives that bring them to work with counterparts in other countries. Among the reasons that they chose to work with the foundations in this section were:

- To gain access to local knowledge and organizations
- To work with counterparts share similar values and standards of accountability
- To increase the sustainability of their efforts in other countries by supporting the growth of local philanthropic institutions that will continue these efforts

International foundations have assisted counterpart foundations by:

- Co-funding their grantmaking programs
- Assisting them to mobilize additional resources
- Providing technical support
- Funding core operational costs

How Can International Foundations Be Approached?

International foundations, like their counterparts, will have their own policies on how potential support can or should be developed. Some will have staff in the field. Some may proactively approach the local foundation with an idea for a joint

program. Some consider and even prefer unsolicited proposals while others will not consider funding a proposal without significant prior contact.

The Vamos Foundation and the Foundation for Community Development (FDC) both found that they needed to invest time in getting to know the staff and relevant objectives of the international foundation. This served as a basis for developing a good relationship and lines of communication. Their experience suggests three separate phases in the relationship.

1. Laying the Groundwork

Making contact with the staff or others connected to the international foundation helped launch a discussion and build understanding. These contacts came through the participation of a founder in an international conference in the case of the FDC, and were assisted by the facilitation of a third party in the case of Vamos. In laying the groundwork, both foundations attempted to:

- Identify the areas of funding and objectives of the international foundation
- Discuss their own objectives and how they would be accomplished
- Provide a broader context about their role in society
- Demonstrate their capacity and integrity

2. Refining the Proposal

The groundwork now begins to take shape as concrete proposals for action. Neither Vamos nor FDC submitted unsolicited proposals. They created the content of the proposals in consultation with their constituents and the staff of the international foundations. These proposals were revised with feedback from both foundations. In both cases, the relationship between the local and international foundations involved a series of proposals each building upon the results of previous years work. They found strong supplementary communications material, a good reputation, an excellent proposal and the ability to carry it out were critical to their success.

3. Evaluating Progress and Next Steps

Once the proposals were funded FDC and Vamos needed to keep their international foundation partners well informed about their progress—something that was not always as simple as it may sound. A reporting process is usually built into any funding agreement, but this is only one aspect in which the foundations discussed in this chapter have sought to create an ongoing relationship. Their experiences suggest that it is important to maintain an open line of communication through which it is possible to discuss both the successes and challenges to the collaboration. Vamos has conducted joint site visits as one way to share the lessons from its work.

Summary Points

Successful proposals focus on initiatives that fit the objectives of both foundations.

Foundations that give international support need to meet their particular objectives. The Danielle Agostino Foundation from the US and Vamos met and discussed these potential areas of collaboration a number of times. The proposals that rose out of this contact gained from the good understanding on both sides of the intersection of objectives and ends.

Partnerships to jointly tackle common objectives can build on the strengths of both organizations. Beyond the financial support that can be developed in a foundation-to-foundation relationship, is the potential of building on the strengths to improve the impact of grantmaking. A local foundation brings to bear knowledge of local conditions, a capacity for consistent and long-term interaction with grantees and the objective of mobilizing local resources. The international foundation has knowledge of good practices in other countries where it works, access to greater financial resources and connections to other organizations. Such partnerships, however, are not easy to maintain.

Different laws, customs, expectations and policies may limit the possible support from foundations with international programs and the level of funding available. It can be a challenge to build the level of trust and understanding needed to create a successful proposal. One reason many foundations still support international NGOs for their work in other countries, rather than local NGOs, is because they can more easily guarantee that their funding will be used in an accountable manner.

In the case of the FDC, the John T. and Catherine D. MacArthur Foundation gave its first funding through a US intermediary that could assume fiscal responsibility. Later, as the FDC began to develop its own systems and procedures, MacArthur gave its funding directly to the FDC.

Managing a successful relationship required good capacity in, at least, the following areas: program design and execution, financial management and accounting, and communications. FDC and Vamos found that they had to have good programs and the capacity to report and communicate what they have done. These capacities were fundamental, not only to their ability to maintain a good relationship with their donor, but to their bottom line—the social and economic impact that they can make.

Support coming from foundations with international grantmaking programs might be developed for programs, institutional development or endowment. Different foundations have various restrictions on the types of support but have given support for programs (grantmaking and other programs) and the development of the institution itself. The case of Vamos is an example of program support and the case of the FDC is an example of support for institutional development. Endowment support is less common. The case of the Puerto Rico Community Foundation is an example of raising endowment support from the Ford Foundation.

Example 1

Core Funding from the John D. and Catherine T. MacArthur Foundation
Foundation for Community Development (Mozambique)

From 1989, a group of Mozambicans began developing a relationship with the John D. and Catherine T. MacArthur Foundation based on a mutual belief that a locally managed foundation could play a very important role in strengthening civil society and development in Mozambique, which was just emerging from two decades of war. The Mozambicans, all of whom were involved in social or economic development issues in the country, began strategizing as early as 1987 about how they could start to build and strengthen local non-governmental organizations in Mozambique.

Laying the Groundwork

The MacArthur Foundation became involved very early in the conceptualization of the Foundation for Community Development (FDC), through a discussion between Adele Simmons (then President of the MacArthur Foundation) and Graça Machel (who was to become one of the founders of the FDC and was the former first lady and Minister of Education of Mozambique). At a 1990 meeting they were both attending of the Southern African Grantmakers' Affinity Group at a Council of Foundations in the US, Machel and Simmons discussed the possibility of building a foundation in Mozambique that would begin to shift some decision-making about local development issues away from foreign donors and build local autonomy and ownership. They agreed that a first step would be to consult more broadly within Mozambican society. Simmons indicated MacArthur might support this process.

Machel asked The Synergos Institute (a nonprofit organization based in New York City with expertise in the area of foundation building) to assist her and the other Mozambicans to begin a process of consulting in Mozambique on the idea. Beyond providing technical assistance and advice to the founders, Synergos also managed the first MacArthur planning grant of US\$25,000 on behalf of the Mozambicans who did not at that point have a formal association that could accept and manage the grant. The second grant in 1990 and the third in 1992 were managed by Global Partners, another US NGO. A third grant, in 1993, which covered three years (1993, 1994 and 1995) was made directly to the Community Development Association, the precursor to the FDC. Finally, in 1996, MacArthur made a three-year grant directly to the FDC, which had been formally launched in 1994. Through an "initiative on philanthropy in developing countries," the MacArthur Foundation's General Program (and one grant from the Peace and International Cooperation Program) contributed a total of \$1,378,000 (from 1990 to 1999) to the formation and development of the FDC.

The early relationships, based on discussions between various individuals were critical to MacArthur's decision to risk funding for a process of consultations. Having a partner, The Synergos Institute, that was able to provide institutional support, technical assistance and advice during this process was also a key element in MacArthur's decision to provide funding. Woodward Wickham, Vice President for Public Affairs and Director of the General Program at the MacArthur

Foundation, explains that MacArthur, which does not have an office in Africa, relied on Synergos to assist in monitoring the evolution and progress of the FDC.²⁹

Making a Proposal

By 1992, the founding group had created the Association for Community Development, which had the sole mission of establishing the foundation, and had received significant support from within Mozambique (particularly government, business and social leaders). MacArthur's Wickham had visited the Association in its new offices that year to begin to assess, among other things, the readiness of the group to launch the foundation. At the end of his visit, he encouraged the Association to submit a proposal for funding the institutional, operating and development costs of a new foundation. Wickham made it clear that MacArthur would not consider a contribution to the endowment of the foundation. Rather it was interested in assisting with core costs to enable the new foundation become a strong institution that would, in turn, be able to leverage funding for programs and endowment.

Based on these discussions, the staff of the Association wrote and submitted a proposal for three-year core funding. The cover letter is excerpted here, followed by the list of annexes, excerpts from the summary, and the table of contents. The proposal asked for full funding, more than US\$1.3 million over three years. MacArthur granted the Foundation US\$750,000 in declining amounts over three years, with the logic that the Foundation would begin to raise additional funding and become less reliant on MacArthur's support. Here is an excerpt from the cover letter that accompanied the proposal:

Based on our recent assessment of the Association's progress and challenges ahead of us in Mozambique (as outlined in our Progress Report sent to you last month), I would like to submit a three-year proposal for operational and partial project support to the MacArthur Foundation. This proposal outlines a plan for launching the Foundation for Community Development with the purpose of supporting local community initiatives in our country.

In financial terms, Mozambique is one of the poorest countries in the world. As a society, we have endured mass violence, dislocation, and destruction of our social and economic infrastructure. At this moment, our people are our most precious resource, and we must find new ways to mobilize resources and catalyze the rebuilding of our country.

Of course, we will need international help to solve some of the problems we face, such as the demilitarization of our country, the relocation of our displaced people, the reconstruction of our bridges and roads. At the same time, however, Mozambican people, communities, and institutions must ultimately bear the responsibility for rebuilding our society. I see the Foundation as one step towards catalyzing local initiatives, leadership, and the generation of new ideas to accomplish this.³⁰

The Foundation then requested MacArthur support for the process of building a foundation. The focus of the proposal was making a case for an organization that would be able to respond to the needs of Mozambicans and help the country rebuild. The proposal thus focused on the institutional development of the

foundation. The table of contents to their proposal shows where they incorporated the three elements that they viewed as fundamental to the establishment of such an institution, namely how it would develop its staff and systems, how it would put in place an effective grantmaking program and how it would raise resources.

A Proposal to the John D. and Catherine T. MacArthur Foundation
for a Three-Year Grant for Operational and Partial Program Support

30 July 1992

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2. Expand outreach efforts in support of endowment and program needs and new membership
3. Develop effective strategies of work and implement a three-year program

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 - Water Wells
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Annex list:

- Mission statement
- Foundation statutes (draft version)
- USAID Consultants' Report, "Assessment of the Feasibility to Establish an Endowment for Foundation for Community Development of Mozambique"
- Names and Titles of Association Members
- Report of the April Workshop Co-Sponsored by FDC, "Strengthening Civil Society and Community in Southern Africa"
- 1992 Budget ³¹

FDC presented two solutions to the challenge of institutional development: hire skilled staff and develop grantmaking strategies that work within the Mozambican context. The strategies are simply stated and then developed in detail later in the proposal.

Summary:

...Ironically, we have learned that our greatest challenge is an institutional one. Although we have forged strong links with different groups in Mozambican society, and have a committed membership in the Association, we cannot respond to the challenges of program implementation without a strong administrative base. Thus, our priority in the short term must be to hire skilled people to form the backbone of our efforts.

Second, our early experience in project implementation has illustrated that we must also concentrate on developing more deeply our strategies of work. There is a need in our society today for a funding source that can respond quickly to support community initiatives in a way that is sustainable and empowering, rather than in ways that have temporary impact or which discourage initiative. However, we must develop methods of grantmaking that include rather than exclude groups operating without formal legal statutes or sophisticated accounting systems...

Evaluating Progress and Next Steps

Throughout the 1990s, communications were not easy to maintain from Mozambique. Phone calls were expensive at best and often impossible. Mail service was unreliable. Compounding these logistical problems, a language barrier meant that all written communications had to be translated, either on the sending or the receiving side. At times, both the Foundation and MacArthur staff were frustrated with the difficulty in maintaining clear and consistent communications between the two organizations.

By the end of 1995, the Foundation had been established, built a core staff and was raising funding to cover over US\$150,000 a year in grants to local groups from a broad range of donors. Although it had had some difficulty in hiring an executive director (an executive director was hired in 1996), Machel had assumed the helm of the Foundation as a volunteer president. It was on the basis of this success, that FDC returned to MacArthur to ask it to continue its support. Based on the progress it had made, MacArthur agreed to a final three-year grant (1995-1998) for institutional development.

Example 2

A Partnership with the Danielle Agostino Foundation
Vamos Foundation (Mexico)

The Vamos Foundation was founded in 1995 to identify and mobilize human, financial and material resources needed to support participatory actions for sustainable development and the achievement of a decent standard of living for people through collaborative projects by NGOs and community organizations. Its founding assembly brought together more than 50 Mexicans with significant experience in sustainable development and the promotion of democracy and social and economic rights.

Assembly members contributed their own resources (largely in the form of in-kind donations) and were able to draw on the resources of a core of organizations they worked with, for example, the American Friends Service Committee and the Marists Brothers. Vamos sought to build on the commitment of its members to mobilize new resources from both national and international organizations. By 1998, it had raised funds from eight additional international organizations, including the John D. and Catherine T. MacArthur Foundation, the Netherlands Organization of Cooperation and Development (NOVIB) and the Danielle Agostino Foundation (DAF). The following case focuses on how Vamos built a relationship with DAF.

Laying the Groundwork

In its early stages, Vamos began looking for US foundations that shared its values and were interested in assisting it to support the groups with which it works in Mexico. One of the founders and now the President and Chair of the Board, Javier Vargas, felt that working with Vamos offered a good opportunity for US foundations that wanted to make a positive difference in Mexico, the southern neighbor of the United States, through a community empowerment approach.

In his work as a grassroots organizer, Vargas had heard about the Danielle Agostino Foundation, a family foundation based in New York that supports women and children's welfare in indigenous populations, primarily in Mexico but also in Guatemala and Brazil. DAF, established in 1991, did not maintain a staff or offices in Mexico. It chose the groups it would support through yearly visits to Mexico and the advice and assistance of its contacts.

In September 1995, a delegation of the Vamos Board—it had no staff at that time—visited New York at the invitation of supporters (American Friends Service Committee, Unitarian Universalist Service Committee, Lutheran World Relief and Maryknoll Fathers and Brothers). At this time, the delegation met with Flavia Robinson, the head of the Agostino Foundation. Because Vamos did not yet have a grantmaking track record, they found it difficult to convince Robinson of the value of working together and left the meeting discouraged.

During their visit to New York, Vamos board members also met with David Winder, the director of programs at the Synergos Institute. Winder discussed Vamos with Robinson, who approached him for contacts she might make in Mexico

during a conference they both attended later that year. Based on this groundwork and that laid by Vamos during the first meeting, DAF became interested in the idea of partnering with a local foundation like Vamos. Synergos set up a second meeting between Robinson and Vargas in New York in December 1996. Vargas came well prepared and presented a proposal for discussion. Winder suggests that “an important element in the success of the meeting was that Vamos had a proposal that was not too narrow or restrictive. This left room for the two organizations to discuss options for collaboration fitting the agendas of both organizations.”³² This open discussion served as a base for building a partnership.

Refining the Proposal

With interest on both sides in building a partnership, Vamos Board members Javier Vargas and Rogelio Gómez Hermosillo, who later became director, prepared a proposal based on defining an area within Vamos’ grantmaking plans that would be of particular interest to DAF. The resulting proposal was for joint collaboration in supporting small income-generating and social projects for women, indigenous people, and poor children in marginalized areas of Mexico.

The body of the proposal is five pages long. It was written originally in Spanish and then translated for DAF. It is structured under the following headings:

- Background
- Proposal
- Project Profile
 - Fundamental Criteria
 - Other Important Criteria
- Vamos’ Project Procedures
 - Request for Proposals [Vamos’ requests for proposals from local NGOs and community groups]
 - Selection Procedures
 - Contractual Agreements
 - Monitoring
 - Finances and Accounting
 - Tax Deductibility
 - Institutional Costs

The proposal emphasized how working with Vamos would add local experience, trust and connections to DAF’s grantmaking in Mexico (note bolded section below). The background section of the proposal makes this point:

BACKGROUND

The missions of VAMOS and DAF have many points of intersection. DAF’s mission is to support indigenous people, women, and children in impoverished conditions through specific projects based on basic needs. The institutional mission is to gather and mobilize resources to spur participatory and sustainable development and to improve the living conditions of the most disadvantaged Mexican populations including indigenous people, women, and children.

In recent years, Mexico's social and economic situation has worsened dramatically with disproportionate consequences for poor people. Certain regions require special attention—including the central and southern states of Chiapas, Oaxaca, Guerrero, Puebla and others.

When undertaking the selection of a working partner and the creation of a development program, it is imperative to prioritize areas of interest, become knowledgeable about relevant organizations, and be informed about the most effective groups and social actors. It is also necessary to place all of this information into the correct social, economic, and political contexts. **VAMOS has the experience, the connections, and the trust of local partners and specific regional and related networks. These relationships will be put into action for and with the DAF.**

Given DAF's interest and commitment to support poor people in Mexico, VAMOS submits the following proposal which coincides with the mission of both organizations and which sets out the following objectives:

- To efficiently and directly aid poor people, using a rigorous system of management
- To ensure that the beneficiaries of this aid become committed and active participants in their own well-being
- To work within a flexible and transparent administrative structure
- To garner valuable knowledge through the evaluation and analysis of this work

The request was stated in two paragraphs. Vamos asked for US\$250,000 to support grantmaking activities in 1997. The goal of the proposal was the establishment of a strong mechanism for social investment in Mexico. Rather than avoiding its potential sore spot—the lack of a track record—Vamos saw that it would be in the interest of both organizations for Vamos to establish its capacity to bridge between social investors like DAF and local organizations and it made this an explicit goal of its proposal.

We request the sum of US\$250,000 for 1997 in order to support between 20 and 35 small projects. We request US\$100,000 for the initial trial phase during the first six months of this venture with an evaluation of advances at the end of this period. If the results are satisfactory, the remaining US\$150,000 will be released for the second phase of the program.

The goal of this proposal to the DAF is to establish a medium-term dependable grantmaking mechanism in Mexico guaranteeing efficient social investment through a trustworthy and competent partner [emphasis added]. For VAMOS, the aim of this partnership is to deepen its social initiatives with the necessary financial backing from a committed, international partner. The following criteria and procedures will be discussed with the DAF in order to achieve consensus on the functioning of the partnership.³³

DAF approved VAMOS' proposal but for US\$150,000, not the US\$250,000 for which it asked. DAF believed it was taking a risk in supporting an untried foundation but felt that this risk could pay off in a long-term partner and more local support for women's and indigenous groups in Mexico.

Vamos, at this point was only one-year old. It had concentrated on developing a strategy and approach that would guide its grantmaking and resource mobilization efforts. This helped it to clarify how the support would work and to elevate the

request for funding to a level of partnership for common goals. Under the section entitled Project Profile, it presented its criteria for approving support to a group.

FUDAMENTAL CRITERIA:

- All approved projects must promote the well being of indigenous people, women and/or children in Mexico

OTHER IMPORTANT CRITERIA:

- The objectives, strategies and activities of the projects should support sustainable development with respect for human rights
- The projects should have access to technical and methodological support in order to be viable and effective
- The projects should be developed with the active participation of the beneficiaries as a means to strengthen self-sufficiency
- The projects should be economically viable and cost effective and promote social progress according to this strategy
- The projects should be conducted in a manner that respects the environment, local traditions and cultural values and that will strengthen social identity while promoting gender equality
- The projects should utilize the economic and human resources of the organizations involved and that of the local communities. There should be strict financial discipline and an optimal use of available resources
- The projects should not be isolated; they should be linked to other efforts in related regional initiatives

The above criteria are set out as a base. Other criteria will be discussed and agreed upon between DAF and VAMOS in order to arrive at a set of project guidelines that best reflects the priorities of both institutions. Additional guidelines to be discussed would include the maximum level of financial support for any one project³⁴

Evaluating Progress and Next Steps

As part of the proposal process, DAF and Vamos agreed to maintain their contact through conventional means—Vamos submitted reports and communicated with DAF about the program. Going a little beyond this “donor-donee” relationship and reflecting the nature of their partnership, they also agreed to work together through two key provisions. DAF would review and give a final OK over projects that its funding would support. It was felt that the two foundations should make final decisions in consultation. Vamos and DAF would make joint site visits once a year to review the progress and accomplishments of groups receiving support. Once again, it was felt that this would help strengthen the partnership between Vamos and DAF and it would strengthen the connection between DAF and the grassroots level.

In 1997, Vamos presented DAF with the first list of 27 projects it planned to support. DAF questioned about six out of the 27, and asked Vamos not to support three of the projects that it felt were not sufficiently related to their mission to support women’s and indigenous groups.

Developing a Next Phase

Following on the first year of support, both DAF and Vamos were interested in continuing the partnership. They held a meeting at Vamos' offices in Mexico City in late 1997 in which Vamos presented a report on its activities and its proposals for 1998. The visit was a very intense exchange of views and discussion with Vamos staff, especially the project coordinator. DAF could see success and some failure in the program but was generally pleased with the outcomes. DAF approved the second proposal for US\$200,000 for 1998, with some changes:

- To concentrate on indigenous women and children
- To prioritize income generating projects
- To develop a visit before approval (in the 1997 period it was after approval)

The changes increased Vamos' costs because increased time and travel needed to be invested in each project. Subsequently, Vamos feels that the grantmaking process has been slowed down and it would like to address this issue, "We are figuring out how to improve once again on the process. Having three deadlines and different 'visitors,' some of them from local groups (not Vamos) are likely to be the solution. We should discuss also with DAF how to meet the actual costs of the grant-making mechanism, but we do not want to charge the 'overhead fund.' In any case, the convenience (financial and effectiveness) for them to work with Vamos must be preserved, any financial scheme has that bottom line as a point of departure."³⁵

References

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- ³¹ FDC proposal to the MacArthur Foundation. 1992.
- ³² Discussion with David Winder, Director of Global Philanthropy Program, The Synergos Institute. February 1999.
- ³³ Vamos Proposal to DA., 1997.
- ³⁴ *Ibid.*
- ³⁵ Correspondence with the Vamos Foundation. December 1997.