



THE ROLE OF PHILANTHROPIC ORGANIZATIONS IN THE POST-2015 DEVELOPMENT AGENDA SETTING

Special Policy Dialogue of the Development Cooperation Forum

New York, 23 April 2013

Organized by the United Nations Development Programme, the United Nations Department of Economic and Social Affairs, the OECD Global Network of Foundations Working for Development (netFWD) and the Worldwide Initiative for Grantmaker Support (WINGS)

MESSAGES AND RECOMMENDATIONS

Private philanthropic foundations agreed on the following action points:

1. Bring together a group of interested and committed foundations to regularly discuss their strategic engagement in deliberations on international development cooperation and the post-2015 development agenda;
2. Jointly work to reach a better understanding of the strengths of foundations and how they can complement the work of other development actors;
3. Engage selectively, and in a coordinated and coherent manner, in global and national dialogues related to the post-2015 development agenda for maximum possible impact, including those related to the global partnership for development;
4. Work with the United Nations and the OECD's netFWD to facilitate knowledge exchange, sharing of lessons learned and guidance on impactful partnerships including those with the United Nations to promote solutions to pressing development challenges, and community building;
5. Support evidence-based dialogue on the volume, sources, destinations and qualitative aspects of philanthropic activities, building on ongoing efforts to measure the contributions of such organizations to the achievement of the Millennium Development Goals (MDGs) and, in the future, to the post-2015 development agenda.

Making use of the experience of foundations with the MDG framework

- **Strengthen engagement around shared objectives:** The activities of foundations working in developing countries are closely aligned with many of the MDGs and targets.

Yet, awareness and active use of the MDGs as a guiding framework in their work is not widespread. There is scope for further strengthening the engagement of foundations in policy dialogue on international development cooperation and the global development agenda, while taking into account the concern of foundations to minimize any transaction costs associated with participating in such global discussions.

- **Improve availability and quality of data:** At present, it is hard to assess the contribution of philanthropic organizations to the achievement of the MDGs in developing countries, mainly due to a lack of reliable information and data. Many foundations are interested in improving the availability of such information to help enhance transparency for recipients and other actors contributing to the same sectors or countries. This would help improve the impact and effectiveness of their work in developing countries.
- **Promote multi-stakeholder cross-sector partnerships:** Developmental challenges go beyond individual MDGs. Broad based multi-stakeholder approaches to development, including those deployed by foundations, must be strengthened to tackle complex, multi-dimensional problems.
- **Learn from the past:** There is great benefit in reviewing both successful and unsuccessful practices of foundations in contributing to development. Together with a more structured collection and dissemination of good practices and business models, such reviews can inform better policy making at all levels.

The role of philanthropic organizations in shaping the post-2015 development agenda era

- **Make engagement attractive:** Foundations are particularly interested in building sustainable, functional partnerships that can help enhance the impact of their efforts on the ground. Many foundations recognize the value of engaging more at the global level and with governments to maximize opportunities for scaling up. They are interested in discussing the features of a post-2015 development agenda in an issues-based manner to attract their engagement. They are also keen to help shape a renewed global partnership for development to support its effective implementation.
- **Recognize the heterogeneous landscape of actors:** A post-2015 development agenda will need to embrace the diversity of foundations, in terms of size, activities and motivations, as well as substantive scope, responsibilities and capabilities. A renewed global partnership for development should recognize the unique potential of foundations in achieving sustainable development results, through innovative approaches and their degree of risk taking.
- **Forge complementarity at the country level:** Foundations are keen to support governments as drivers of development and to leverage their resources in support of national development plans. A shared agenda, concise objectives and a clear division of labour will be critical for successful collaboration that supports scaling up of successful

initiatives. This must be underpinned by the principles of country ownership, alignment and harmonization with other actors.

- **Engage strategically:** To minimize the costs of engagement in global decision-making processes, it was proposed that a dedicated group of foundations could be formed to follow-up on recommendations from this and other related dialogues and to engage in the ECOSOC [Development Cooperation Forum](#), through its non-executive stakeholder group. Dedicated meetings, in conjunction with events on the post-2015 development agenda, and on the role of multilateral support to foundations, could be envisaged to produce consistent messages reaching all relevant development cooperation actors.
- **Harness innovative experiences:** New and innovative business models of foundations, such as venture philanthropy or impact investing, should be encouraged to contribute to the post-2015 development agenda. While some of the more innovative and risk-taking practices spearheaded by foundations can be adopted by a broader group of stakeholders, some for-profit approaches may not be suitable in all contexts, for instance for vulnerable populations or in post-conflict situations.
- **Share information more systematically:** Foundations, their associations and other actors have started mapping philanthropic activities at the global level and data collection, though information on both is still scattered and of uneven quality. Many foundations have only limited capacity to engage in such mapping exercises. More evidence-based dialogue on the volume, sources, destinations and qualitative aspects of philanthropic activities holds potential to foster innovation and more effective standards among foundations. Encouraging examples, mainly at the sector level, can provide valuable lessons for global data collection efforts. Such efforts can also foster enhanced cooperation among foundations in the same sectors. The DCF was identified as one suitable platform for fostering such dialogue and exchange.
- **Promote accountability, results and transparency:** While accountability structures differ widely between foundations, efforts must be made to ensure a strong focus on accountability, transparency and data sharing. This could allow to identify the contribution of foundations to global development efforts. It could also help ensure better alignment of the work of foundations with development strategies in the post-2015 development agenda era. The [DCF High-level Symposium in Addis Ababa](#), 5-7 June 2013, on “A renewed global partnership for development for a post-2015 setting”, can provide an opportunity in this regard, as it will explore the role of different development cooperation actors, including foundations, in this global development effort.

Enhancing strategic development partnerships

- **Recognize respective strengths:** For development partnerships to thrive, different actors must better understand the advantages of engaging with each other. Partnerships

should enable foundations to leverage their strengths, such as: agility, flexibility and speed of delivery; problem- and systems-centered approach to development; ability to unlock private capital and specific expertise; proximity to local actors; readiness to take risks; and degree of innovation and effectiveness.

- ***Embrace diversity and avoid fragmentation:*** Foundations are using diverse approaches, ranging from traditional local giving to providing risk capital for innovations and for-profit venture philanthropy. This diversity enables foundations to develop solutions for a broad range of needs in developing countries. It also calls for a flexible form of coordination to avoid ‘projectization’ and high transaction costs.
- ***Call for enhanced strategic alignment:*** Foundations and other development actors are guided by different incentives and use different systems when it comes to planning, implementation and monitoring of their work. For the success of strategic partnerships, actors should better align their activities, even across the public and private spheres (e.g. social impact bonds). This is where a post-2015 development agenda, with a dual focus on poverty eradication and sustainable development, could provide valuable guidance.
- ***Promote an enabling regulatory environment:*** Foundations consider poor legal and institutional environments an obstacle that inhibits innovative philanthropic activities. In many instances, their engagement is unregulated or through laws that nullify incentives or cluster foundations with civil society organizations. At the same time, foundations recognize a need to enhance their accountability standards.
- ***Use common language:*** Overcoming language barriers and different jargon used by the international community and foundations can facilitate greater understanding of each others’ objectives and activities and promote peer learning, knowledge sharing and capacity building. This could blend well with efforts by the international community to create a narrative around development goals that is appealing to different development cooperation actors as well as the public.

Occasions to continue this policy dialogue:

Key messages of this Policy Dialogue of foundations will contribute to a number of ongoing processes such as: the preparations for the 2014 DCF of ECOSOC, including the high-level symposia on a renewed global partnership for development (Ethiopia, 6-7 June 2013) and on the future of development cooperation in the post-2015 setting (Switzerland, 24-25 October 2013), the High-level Segment of the 2013 substantive session of ECOSOC, the First Ministerial Meeting of the Global Partnership for Effective Development Cooperation and the ongoing work of the OECD Global Network of Foundations for Development.

Background

This dialogue had three main objectives:

- Review past experiences in exploring how the philanthropic sector can help to further leverage and scale-up development cooperation activities in a post-2015 development agenda setting;
- Encourage partnerships and collaboration among foundations, with Member States, the United Nations, and other multilateral organizations and development actors;
- Explore how foundations can contribute to a renewed global partnership for development underpinning a post-2015 development agenda.

This meeting built on key messages from a DCF Policy Dialogue held in 2012, in response to a call by the 2010 MDG Summit for foundations to enhance their role in supporting national development efforts and the achievement of the MDGs. This year's dialogue took place in the midst of an intensifying debate on a post-2015 development agenda that builds on the MDG framework, while addressing new challenges and the changes in the landscape of development cooperation actors.

Philanthropic organizations are ever more active in international development cooperation and have recognized the great value of engaging with each other and other stakeholders. While their contributions are difficult to fully quantify, philanthropic organizations are well-suited to play an ever-more important role in addressing sustainable development challenges including through various innovative approaches. As such, they have the potential to play a critical role in implementing a post-2015 development agenda.