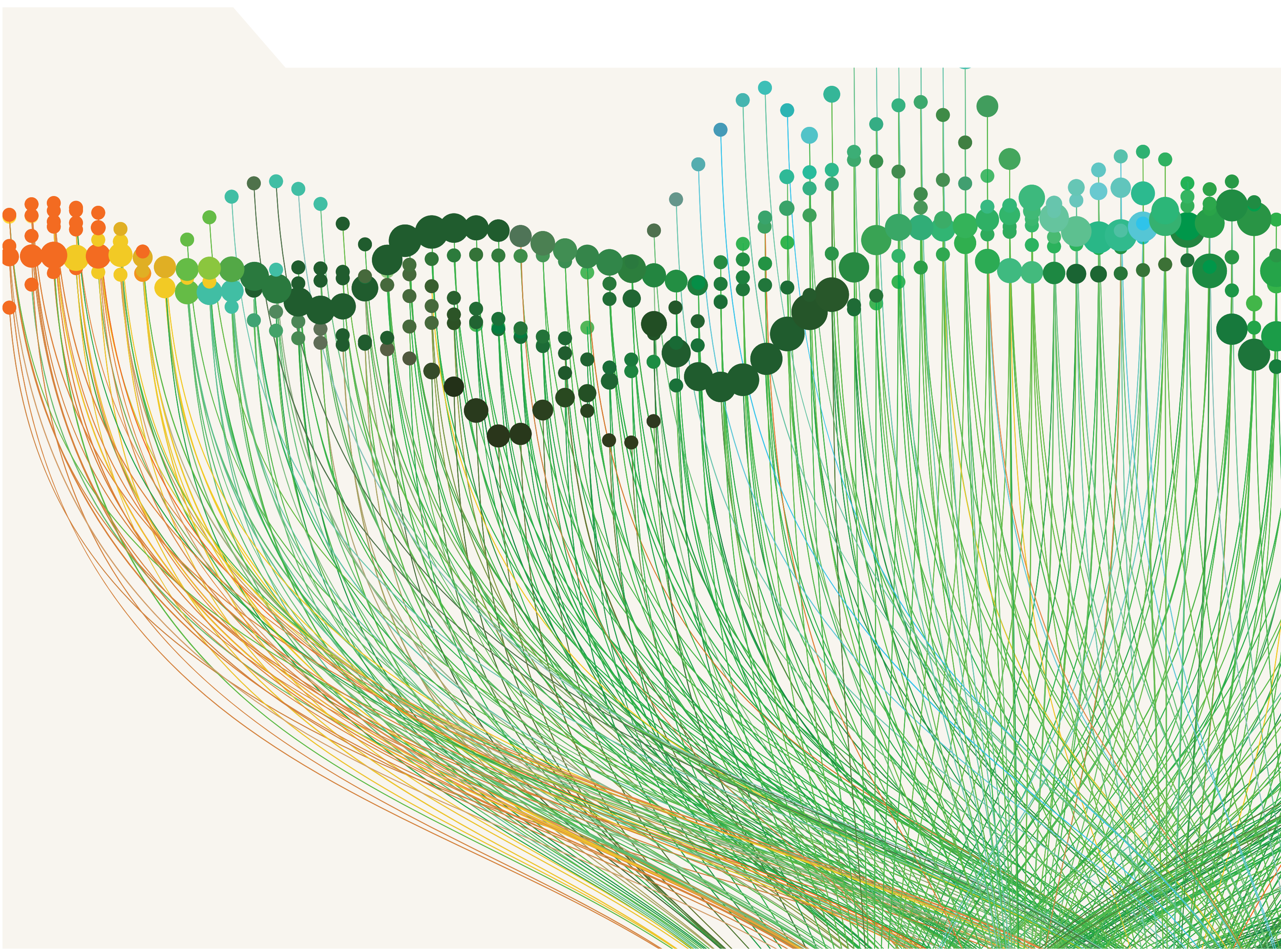
The Development Dimension

Private Philanthropy for Development – Second Edition

DATA FOR ACTION



OECD

DEVELOPMENT CENTRE

The Development Dimension

Private Philanthropy for Development – Second Edition

DATA FOR ACTION

OECD
dev DEVELOPMENT CENTRE

Please cite this publication as:
OECD (2021), *Private Philanthropy for Development – Second Edition: Data for Action*, The Development Dimension, OECD Publishing, Paris, *https://doi.org/10.1787/cdf37f1e-en*.

ISBN 978-92-64-48514-3 (print)
ISBN 978-92-64-33464-9 (pdf)

The Development Dimension
ISSN 1990-1380 (print)
ISSN 1990-1372 (online)

Photo credits: Cover © Garrykillian/Dreamstime.com.

Corrigenda to publications may be found on line at: *www.oecd.org/about/publishing/corrigenda.htm*.

Foreword

Private philanthropy is a growing source of funding for middle- and low-income countries – supporting global public health, education, agriculture, gender equality or clean energy. However, reliable, comparable and publicly available information on philanthropic funding, priorities and behaviours is surprisingly scarce. This lack of data and evidence has limited philanthropy's potential to engage, collaborate or co-fund key issues outlined in Agenda 2030, together with other actors working in developing countries and emerging economies. The OECD Centre on Philanthropy contributes to the global demand for more and better data and analysis on global philanthropy for development.

This second edition of the OECD's flagship report *Private Philanthropy for Development* provides open, reliable and comparable data on philanthropic giving. It unpacks new data and updated analyses of private philanthropic flows towards developing countries to offer a more comprehensive picture of philanthropy's role in sustainable development. It analyses philanthropic flows by geography, sector and thematic area, explores how these flows are implemented and compares their scope to official development assistance (ODA).

Compared to the first edition, this second report collected more data from large foundations and other organisations based in developing countries, particularly in India and the People's Republic of China, to have a more comprehensive understanding of cross-border financing and domestic giving. The report dives deeper into foundations' strategies for investing their assets and philanthropic capital to mobilise additional resources; their engagement in advocacy to amplify and sustain their impact; and their approaches to learning and knowledge production through monitoring and evaluation to better inform programming and policy.

The report summarises data collected from 205 philanthropic organisations for the period 2016-19 and includes organisational data on foundations' strategies from 103 organisations. The format and definitions used in the questionnaire were compliant with OECD-DAC statistical standards and classifications, which makes the data comparable with ODA.

The expression "private philanthropy for development" refers to transactions from the private or non-profit sector that promote the economic development and welfare of developing countries as their main objective, and that originate from foundations' own sources, notably endowment, donations from companies and individuals, legacies and income from royalties, investments, dividends and lotteries.

COVID-19 has exacerbated many of the existing development challenges. Developing countries that entered the crisis with large and pre-existing vulnerabilities have now limited fiscal space to support recovery actions. *Private Philanthropy for Development* unpacks unprecedented data on philanthropy's contribution to developing countries, which will be critical for development actors, including governments, ODA providers and foundations, to better co-ordinate their actions, exploit synergies and play to their best comparative advantage en route to a sustainable recovery.

Acknowledgements

This report was prepared by the OECD Centre on Philanthropy under the supervision and general guidance of Bathylle Missika, Head of the Partnerships, Networks and Gender Division of the OECD Development Centre. The report was co-ordinated by Laura Abadia, and the data collection process was led by Nelson Amaya. Ewelina Oblacewicz provided guidance. Sarah Stummbillig provided extensive drafting support, and Francesca Livraghi provided research assistance. The data collection was supported by Soumyajit Kar, Franziska Fisher, Zélie Marçais, Harry De Los Rios, Noemi Milo, Claudia Reyes Salas, Raymond Shama. Special thanks to Rui Wang, China representative for Global Giving, for her support in data collection from Chinese foundations.

Thanks go to Philippe Gafishi (Paris21), and Tomas Hos, Megan Grace Kennedy-Chouane, Cécile Sangare, Yasmin Ahmad and Priscilla Boiardi from the Development Co-operation Directorate for their inputs.

The external contributions in Chapters 1, 2 and 3 were received from: 360Giving, AFE Colombia, Fondation Botnar, Ford Foundation, Jacobs Foundation, Sawiris Foundation for Social Development, WHO Foundation, World Diabetes Foundation and the Helmsley Charitable Trust.

The report benefited from the guidance and insights of an external experts group (listed in Annex D), and in-depth review by Alberto Alemanno (The Good Lobby), Filiz Bikmen (Esas Sosyal), Hisham Mundol (Environmental Defense Fund), Rien van Gendt (Rockefeller Philanthropy Advisors, European Cultural Foundation) and Natasha Ridge (Sheikh Saud bin Saqr Al Qasimi Foundation for Policy Research).

The report was prepared for publication under the direction of Henri-Bernard Solignac-Lecomte, with support from Elizabeth Nash, Anne Thomas and Delphine Grandrieux. Mary Bortin gave editorial advice and copy-edited the report, and cover design and infographics are by Aida Buendia.

Our appreciation goes to Elizabeth Holbourne, Bochra Kriout, Laura Parry-Davies and Irit Perry for communication and media relations support and to Sonja Marki and Grace Dunphy for administrative support.

We also wish to express our sincere thanks to Max von Abendroth (Dafne – Donors and Foundations Networks in Europe), Shonali Banerjee (Centre for Strategic Philanthropy), Margareth Florez (RedEAmérica), Naila Farouky (Arab Foundations Forum), Carl Manlan (Visa), Polina Nyukhina (Ukrainian Philanthropists Forum), Graziela Santiago (GIFE), Carolina Suárez (Latimpacto), Clare Woodcraft (Centre for Strategic Philanthropy) for facilitating the engagement with foundations from Africa, Europe, the Middle East and Latin America.

The OECD Centre on Philanthropy would like to thank Fondation CHANEL, Ford Foundation, L'Oréal Foundation and Sheikh Saud bin Saqr Al Qasimi Foundation for Policy Research for their financial support for the report.

Finally, we wish to thank all foundations that took part in the survey for their co-operation and invaluable assistance in obtaining the data that allowed us to develop this report.

Editorial

With a total giving of USD 42 billion from 2016 to 2019, private philanthropy for development has become an integral part of the development finance landscape. Foundations are providing critical relief to communities that have lost their livelihoods; testing development innovations to address pervasive social challenges; and contributing to produce and broker knowledge that can inform effective development policy and practice. Foundations are increasingly seeking to go beyond palliative solutions to alleviate poverty, and tackle the structural barriers to economic and social development. As the priorities of the Sustainable Development Goals come face-to-face with the worst economic recession since the Great Depression, it is more urgent than ever to harness the promise of philanthropy. But are foundations on the right track to achieve their ambitions?

Drawing on an expanded and updated sample of the largest international foundations, and previously non-existent data on foundations in emerging countries, the second edition of OECD's flagship report on *Private Philanthropy for Development* provides the most comprehensive overview of how philanthropy contributes to development to date. The report offers fresh evidence on philanthropy's goals, scale and scope, including how foundations themselves perceive their contribution to development, their strategic ambitions and the limitations they face.

First, the report confirms some prevailing trends already highlighted in the first edition and identifies new ones. Private philanthropy for development continues to support health above all other sectors; primarily targets middle-income countries (still shying away from less stable, low-income countries); and its sources are heavily concentrated within the top ten largest international foundations providing more than two-thirds of total cross-border financing. Latin America has emerged as the top recipient region of cross-border flows, while COVID-19 has led some foundations to temporarily increase annual spending and support to rapid response funds, and simplify application and reporting requirements.

Second, the report provides a deeper understanding of domestic philanthropy's role in supporting local development. More than half the foundations in the sample are based in emerging markets. They not only provide philanthropic capital to development, but also bring valuable experience and context-relevant knowledge. These foundations tend to target their support to a few specific sectors and geographic regions within their countries, and for the most part implement their own projects. In some countries like India, China and Mexico, they provide a higher volume of resources than international foundations, which is likely to change the financing for development local ecosystem in the decades to come.

Third, the report uncovers foundations' growing ambitions to influence capital markets, and inform public policy and social norms through advocacy, research and evaluation. It also outlines a series of challenges that still limit foundations' potential including limited investments in support of rigorous learning, limited capabilities to mobilise finance and to advocate to the extent of their ambitions, and a pervasive lack of transparency. Importantly, the report provides actionable recommendations to improve philanthropy's role in support of a sustainable recovery from COVID-19.

The findings of this report are the result of close collaboration between the OECD Centre on Philanthropy, the OECD Development Co-operation Directorate and the OECD Development Centre. The OECD Centre on Philanthropy, launched in 2018, provides ground-breaking research and analysis on global trends of philanthropy for development in the context of the 2030 Agenda. In addition, the OECD Development Co-operation Directorate (DCD) has unparalleled experience setting statistical standards and collecting data on resource flows to developing countries, particularly of official development assistance (ODA), as the secretariat for the Development Assistance Committee, and on a sample of 41 large foundations that report regularly to the OECD. Finally, the OECD Development Centre is home to the Network of Foundations Working for Development (netFWD). As a platform for dialogue, netFWD has produced practical guidance highlighting foundations' comparative advantages in the wider public discourse on sustainable development.

We believe this report is of practical value to policy makers, official development aid providers, private sector investors, as well as leaders from civil society organisations. It provides a comprehensive and objective overview of opportunities to work together in the philanthropy for development landscape and for the first time, comes with a user-friendly open data visualisation dashboard to help partners explore and exploit the data they need for their decision making. We invite you to explore and make full use of this resource.

Ragnheiður Elín Árnadóttir

Director of the OECD Development Centre

Table of contents

Tables

Figures

Boxes

Follow OECD Publications on:

http://twitter.com/OECD_Pubs

http://www.facebook.com/OECDPublications

http://www.linkedin.com/groups/OECD-Publications-4645871

http://www.youtube.com/oecdilibrary

OECD Alerts http://www.oecd.org/oecddirect/

This book has...

StatLinks
A service that delivers Excel® files from the printed page!

Look for the *StatLinks* at the bottom of the tables or graphs in this book. To download the matching Excel® spreadsheet, just type the link into your Internet browser, starting with the ***https://doi.org*** prefix, or click on the link from the e-book edition.

Abbreviations and acronyms

AFE	Association of Family and Corporate Foundations
AVPA	African Venture Philanthropy Association
AVPN	Asian Venture Philanthropy Network
BE2	Building Evidence in Education
BMGF	Bill & Melinda Gates Foundation
BRAC	Bangladesh Rural Advancement Committee
CEO	Chief Executive Officer
CEPI	Coalition for Epidemic Preparedness Innovations
CGAP	Consultative Group to Assist the Poor
CIFF	Children's Investment Fund Foundation
CLO	Chief Learning Officer
CNY	Chinese Yuan Renminbi (currency of the People's Republic of China)
COP21	21st Conference of the Parties (2015 United Nations Climate Change Conference in Paris)
CPI	Consumer price index
CRS	OECD's Creditor Reporting System
CSR	Corporate social responsibility
DAC	OECD Development Assistance Committee
Dafne	Donors and Foundations Networks in Europe
DCD	OECD Development Co-operation Directorate
DEV	OECD Development Centre
DIME	Development Impact Evaluation
EdTech	Education technology
EFC	European Foundation Centre
ESG	Environmental, social and governance
ETFs	Exchange traded funds
EU	European Union
EVPA	European Venture Philanthropy Association

FDI	Foreign direct investment
FI	Financial instrument
GEI	Global Evaluation Initiative
GIIN	Global Impact Investing Network
HRDN	Human Rights and Democracy Network
IATI	International Aid Transparency Initiative
IMM	Impact Measurement and Management
IPPI	International Policies and Politics Initiative
IRS	Internal Revenue Service (of the United States)
IS-FSD	Impact Standards for Financing Sustainable Development
i2i	Impact Evaluation to Development Impact
KIX	Global Partnership for Education Knowledge and Innovation Exchange
M&E	Monitoring and evaluation
MEL	Monitoring, evaluation, and learning
MfSDR	Managing for Sustainable Development Results
MRI	Mission-related investments
NCDs	Non-communicable diseases
netFWD	OECD Network of Foundations Working for Development
NGO	Non-governmental organisation
NONIE	Network of Networks on Impact Evaluation
Norad	Norwegian Agency for Development Co-operation
NPO	Non-profit organisations
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OSF	Open Society Foundations
PAWHR	Philanthropy Advancing Women's Human Rights
PIRLS	Progress in International Reading Literacy Study
PISA	OECD's Programme for International Student Assessment
PISA-D	OECD's Programme for International Student Assessment for Development
PBO	Public benefit organisation
R&D	Research and development
RBM	Result-based management
R3 Coalition	Response, Recovery, and Resilience Investment Coalition
RWJF	Robert Wood Johnson Foundation
SDG	Sustainable Development Goal
SFSD	Sawiris Foundation for Social Development

SII	Social impact investing
SLE	Strategic learning and evaluation
SLM	Strategic Learning Manager
STD	Sexually transmitted disease
TALIS	OECD’s Teaching and Learning International Survey
THK	Tri Hita Karana
3ie	International initiative for impact evaluation
TIMSS	Trends in Mathematics and Science Study
TV	Television
UBI	Universal basic income
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNPRI	United Nations Principles for Responsible Investment
UK	United Kingdom
US	United States of America
USD	United States dollar
USAID	United States Agency for International Development
WDF	World Diabetes Foundation
WFP	World Food Programme
WHO	World Health Organization
WINGS	Worldwide Initiatives for Grantmaker Support

Executive summary

En route to fulfilling the 2030 Agenda for Sustainable Development, private philanthropy is playing an important role in providing targeted resources, guidance and support to many communities. It can be agile in the face of changing conditions and help test a diversity of innovative approaches that address development needs.

Key findings

Private philanthropy for development identified in this report, from 205 foundations, amounted to USD 42.5 billion between 2016 and 2019, an annual average of USD 10.6 billion. Most of these funds are cross-border flows, with more than half coming from the United States (USD 24.3 billion).

The sources of philanthropic giving for developing countries are highly concentrated. Most cross-border philanthropy was provided by the Bill & Melinda Gates Foundation (USD 16.1 billion, or 38% of total philanthropic funding), while the largest provider of domestic philanthropy in the sample was the Tata Trusts, which allocated USD 0.9 billion in India. The largest ten cross-border funders provided USD 26 billion, or 76% of all cross-border financing, while the largest ten philanthropic organisations operating domestically provided USD 4 billion, or 50 % of all domestic giving identified.

Domestic foundations in emerging countries provide substantial support locally. A total of 116 out of 205 foundations from the sample are based in emerging markets. Together they provided USD 7.9 billion, or 19% of total philanthropic flows for development over 2016-19. In some countries in the sample, like India, the People's Republic of China and Mexico, domestic philanthropic financing surpassed the flows from cross-border philanthropy. To fully unpack philanthropy's contribution to development, it is essential to consider the growing domestic philanthropic sector in the Global South.

Private philanthropy has remained modest compared to official development assistance (ODA). Over the period 2016-19, ODA from members of the OECD's Development Assistance Committee (DAC) totalled USD 595.5 billion; private philanthropy identified in the report amounted to 7% of that level. Despite the relatively small size of private financing in comparison to ODA, foundations are key funders in certain areas, particularly health, and education. More than one third of funding (43%) was allocated to health and reproductive health, representing a total of USD 18.4 billion over the period.

Gender-related giving amounted to 8% of all private philanthropy for development. Funding from the total sample of 205 foundations in support of reproductive health, family planning, women's rights and efforts to end gender-based violence amounted to 8% of all giving in the sample over 2016-19.

Most philanthropic funding targeted upper middle-income countries. About USD 9.9 billion was allocated to upper middle-income countries over the period 2016-19. Lower middle-income countries received USD 9.1 billion (38%), while a small share of philanthropic giving was directed towards low-income countries, reaching USD 3 billion (13%). The region receiving the largest share of total philanthropic funding (cross-border and domestic) was Latin America and the Caribbean, followed by South Asia. Sub-Saharan Africa received the largest proportion of cross-border philanthropy.

Foundations are using responsible investing to achieve their goals, and are exploring ways to mobilise additional resources to promote sustainable development. A total of 69% of foundations in the sample are endowed (71 of 103). Among them, 77% practice responsible investment. The most common strategies cited are the application of environmental, social and governance (ESG) criteria to define an investment portfolio and the positive screening of investments. Loans, guarantees and equity are used less often to deploy philanthropic capital.

The majority of foundations engage in advocacy but face time and resource constraints. Their most frequently cited objectives when advocating include informing public policy (79%) and changing social norms and behaviours (82%). However, many foundations continue to face barriers to advocacy, including fear of negative publicity and a lack of time, resources and expertise.

Foundations are not yet realising their full potential regarding monitoring and evaluation. They invest in learning to improve programming and grant making, yet evaluations tend to focus on programme design and implementation rather than impact. Programme and grant evaluations are seldom made public, limiting the learning potential within and beyond the philanthropic sector, while foundations find it challenging to produce quality evaluations (60%) and translate evaluation results into lessons for policy makers (54%).

Limited transparency is holding back collaboration among philanthropic donors. Respondents to the OECD survey reported that the biggest barrier to collaboration is finding partners with similar interests, independent of whether they are part of a donor collaboration or not. This indicates a lack of awareness among private donors and ODA providers about each other's giving. In addition, foundations lack transparency when it comes to sharing data on their investments' impact.

Key recommendations

Foundations

- **Invest further in rigorous learning**, and back up initiatives with robust evidence on effectiveness. Given constraints on time and resources, foundations should prioritise impact evaluations for approaches that have not been evaluated substantially, apply high quality standards to these evaluations and create incentives and capacities to ensure that the evidence is used to inform decisions.
- **Share data** on philanthropic giving to better identify funding gaps, avoid duplication, explore synergies with other funders, and inform the broader public. Publicly available data on philanthropic assets, grants, advocacy work and evaluations can help build trust with grantees and end beneficiaries, and inform the public on foundations' role in society. This is all the more important in light of growing ambitions to mobilise private capital and influence the public policy agenda.
- **Increase internal capacities**, including the financial skills of boards, management and staff, and co-ordinate with other donors to pool funds for joint learning and advocacy.

Governments

- **Encourage greater transparency in the philanthropic sector** by establishing annual reporting requirements that mandate online publication of philanthropic activities, and strengthening the capacity of national statistical offices in monitoring development finance from foundations, ODA providers and other sources in their territories. In the absence of mandatory reporting requirements, networks of foundations or other organisations can help collect and disclose data on philanthropic giving.

- **Consider removing constraints on cross-border philanthropy**, including differential tax exemption for activities carried out domestically vs. abroad, or denial of tax exemptions for activities whose beneficiaries are foreign public benefit organisations (PBO). Governments should consider reassessing the specific situations when a more equal tax treatment to domestic and cross-border philanthropic financing could be provided.

Donor community

- **Involve foundations in the monitoring and evaluation efforts of ODA providers.** These providers should continue to build capacity for monitoring, evaluation and learning, and share evaluation results transparently. They could also facilitate joint learning with foundations in specific sectors and develop local learning agendas. ODA providers could also share their expertise on blended finance to encourage its use by private foundations, and help them evaluate the results.

1 Overview: Data on private philanthropy for action

This chapter provides an overview of private philanthropy for development over 2016-19. It summarises key findings of the report on the amount of funding and its recipients, on philanthropy in emerging economies, and on advocacy by foundations and strategies to mobilise additional finance and learn from investments. It also outlines challenges faced by foundations and offers brief recommendations for addressing them.

1.1. A clearer picture of private philanthropy for development

This report provides the most comprehensive view to date on what philanthropy contributes to development. Drawing on data from 205 of the largest philanthropic organisations worldwide, it provides an accessible perspective on philanthropy's goals, scale and scope for the period 2016-19. In addition to unpacking information on philanthropic resources, the report describes the strategies used by foundations to harness investment capital, advocate for policy change and use monitoring and evaluation to promote learning.

This second edition of *Private Philanthropy for Development* goes well beyond the first in ambition and scope. It includes additional information on domestic philanthropy in developing economies, particularly in India and the People's Republic of China (hereafter "China"), and introduces higher transparency standards for grants and project-level information – to make it accessible as open data.

Private philanthropy for development refers to transactions from the private or non-profit sector having the promotion of the economic development and welfare of developing countries as their main objective, and that originate from foundations' own sources, notably: endowments; donations from companies or individuals (including crowdfunding); legacies; income from royalties; investments (including government securities); dividends; lotteries; and similar. Private philanthropy for development also includes financing towards basic or applied research that directly benefits developing countries, or indirectly benefits developing countries through global public goods.

The OECD invited more than 400 philanthropic organisations worldwide [foundations primarily, and also corporate social responsibility (CSR) in India] to participate in this research, aiming to include large organisations from the private and non-profit sectors that provide financing to development. The sample targeted the largest organisations according to their annual spending in grant making or project financing, based on previous OECD research and consultations with multiple regional networks of philanthropic organisations. The resulting database includes information from 205 organisations based in 32 countries that provide financing to organisations in over 140 countries. A detailed methodology can be found in Annex A.

1.2. Through advocacy, research and evaluations, and resource mobilisation, private philanthropy for development aims to go beyond palliative solutions

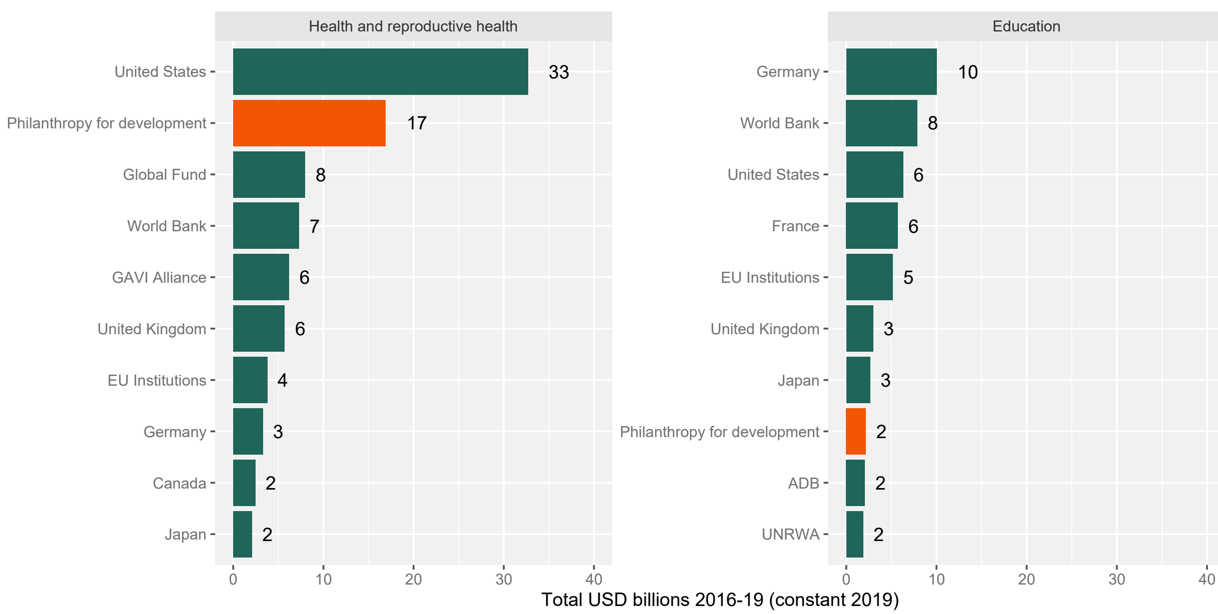
More foundations are providing information on their funding, priorities and behaviour. Yet there is still much room to improve transparency on philanthropic resources allocated for development. This second edition of *Private Philanthropy for Developmen*t, covering 205 foundations over the period 2016-19, evolved from an initial sample of 143 foundations over 2013-15. This increase can be explained by several developments. First, the number of foundations that report on a regular basis to the OECD's Creditor Reporting System (CRS) increased from 15 in 2015 to 45 as of November 2021. OECD's CRS publishes this information on an open and free online database (OECD, n.d.[1]). Second, in some emerging markets, like Colombia and South Africa, domestic foundations are working with associations of foundations to publish more information about their activities for better collaboration among themselves and have shared the information with the OECD Centre on Philanthropy. Finally, foundations' obligations to register and publicly disclose financial data have become more stringent in some countries. Examples include India, through the regulation of Corporate Social Responsibility (Companies Act, 2013), and Colombia, through a 2016 tax reform mandating all non-profits to disclose their activities in order to retain tax-exempt status.

Private philanthropy for development, from 205 organisations, reached USD 42.5 billion over 2016-19. Private philanthropy for development amounted to USD 42.5 billion over 2016-19. This is on average USD 10.6 billion per year, approximately USD 2 billion per year higher than the level of funding over 2013-15 identified in the first edition of this report.

The difference can be explained by the expansion of the latest sample from 143 to 205 organisations to include more philanthropic organisations operating within emerging markets. Over 2016-19, official development assistance (ODA) from members of the OECD's Development Assistance Committee (DAC)[1] totalled USD 595.5 billion. Private philanthropy amounted to 7% of that level.

Cross-border private philanthropy remains key in health and education. While private philanthropy for development remains modest compared to ODA, aggregate volumes are particularly important in the health and education sectors. Total cross-border philanthropic giving in health and reproductive health ranked second after giving from the United States. In education, cross-border private philanthropy for development represented the eighth largest source of funding when compared with bilateral and multilateral ODA donors (Figure 1.1).

Figure 1.1. Cross-border private philanthropy for development and ODA funders in health and education, 2016-19



Note: Core contributions from the Bill & Melinda Gates Foundation to GAVI Alliance and the Global Fund are included in the foundation's funding.
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/kc2mvo

Health and education received the most philanthropic funding. Looking at allocations of private philanthropy for development by sector (both cross-border and domestic), most financing went to the health sector over 2016-19, with health and reproductive health jointly receiving USD 18.4 billion (43%). The Bill & Melinda Gates Foundation accounted for 69% of total health-related giving. Education received the second most financing and was the top sector for domestic philanthropy, with USD 4.5 billion (11%). The agriculture sector and government & civil society sector followed, with USD 3.5 billion (8%) and USD 2.5 billion (6%) respectively.

Gender-related giving amounted to 8% of all private philanthropy for development. Funding in support of reproductive health, family planning, women's rights and efforts to end violence against women and girls amounted to 8% of all private philanthropy for development in the sample over 2016-19. Of the

103 respondents, only 5 foundations make gender equality the main objective of their giving. A total of 29 foundations see gender equality as both a primary and secondary objective, while for another 30 respondents it is a secondary objective. For 39 foundations, gender equality is neither a primary nor a secondary objective of their grant making.

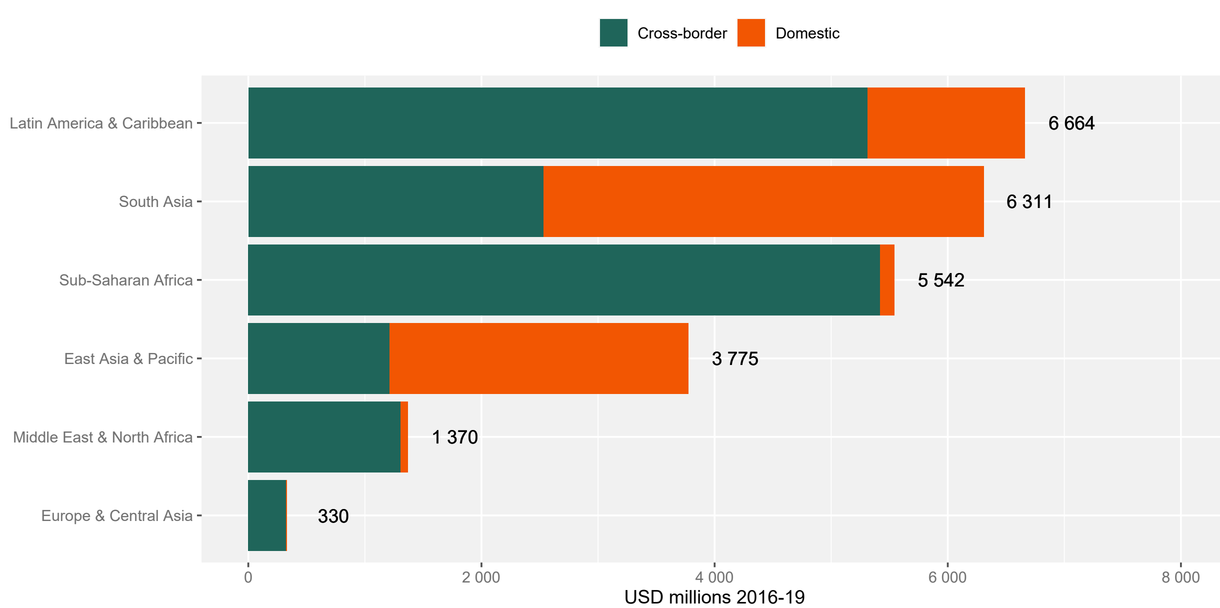
Foundations are taking climate change into account across their portfolios. More than half of respondents (58 of 103 foundations) include a climate-change lens in their grants or projects. Strategies include minimising the carbon footprint of their operations and grant making, asking partner organisations to account for and mitigate climate-related risks that can affect their work, and targeting grantees in climate-fragile geographies.

The Latin America-Caribbean region received the largest share of total funding

From 2016 to 2019, USD 24 billion (56%) of total philanthropic financing was allocable by country or region. The region that received the most philanthropic financing from international and domestic sources combined was Latin America and the Caribbean, with USD 6.7 billion (16%). This funding was provided primarily by Spain's Fundación BBVA Microfinanzas and large domestic organisations in Mexico, Colombia and Brazil. South Asia was the second largest recipient region of both international and domestic philanthropy, with USD 6.3 billion (15%). In terms of international philanthropy alone, Sub-Saharan Africa was the top recipient region, with USD 5.5 billion (13%). The other regions – East Asia and Pacific, the Middle East and North Africa, and Europe and Central Asia – received relatively less funding (Figure 1.2).

Middle-income countries remained the main recipients of philanthropic financing over 2016-19. Approximately USD 9.9 billion (42%) of all country-allocable giving (international and domestic) was directed towards upper middle-income countries. Lower middle-income countries received USD 9.1 billion (38%). Only a small fraction of philanthropic financing was directed towards low-income countries, reaching USD 3 billion (13%) over 2016-19.

Figure 1.2. Private philanthropy for development by region, 2016-19

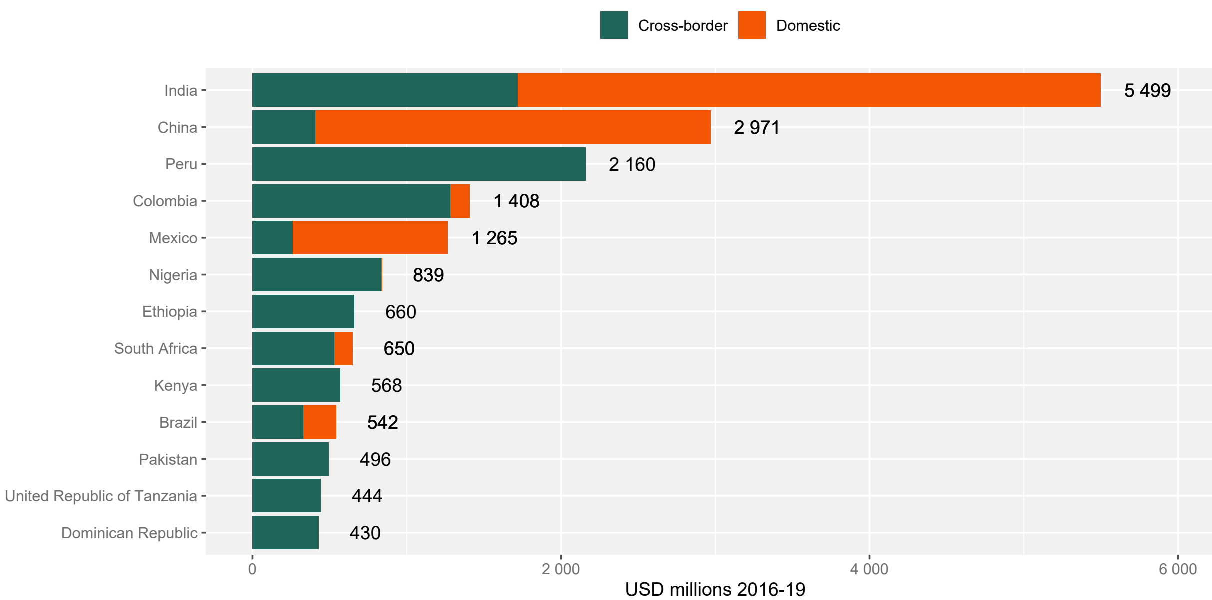


Note: Excludes global/non-allocable funding.
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/r5bvaj

Domestic foundations in emerging countries provide substantial support locally. From the sample of 205 philanthropic organisations, a total of 116 are based in emerging markets. Together they provided USD 7.9 billion, or 19% of total philanthropic flows for development identified for this report over 2016-19. In some countries, like India, China and Mexico, domestic philanthropic financing in this sample surpassed the flows from cross-border philanthropy (Figure 1.3). To fully unpack philanthropy's contribution to development, it is essential to consider the growing domestic philanthropic sector in the Global South by gathering more data and engaging in dialogue with other development stakeholders.

Figure 1.3. Allocation of funding by country, 2016-19



Note: Excludes global/non-allocable funding.
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/u3ftvn

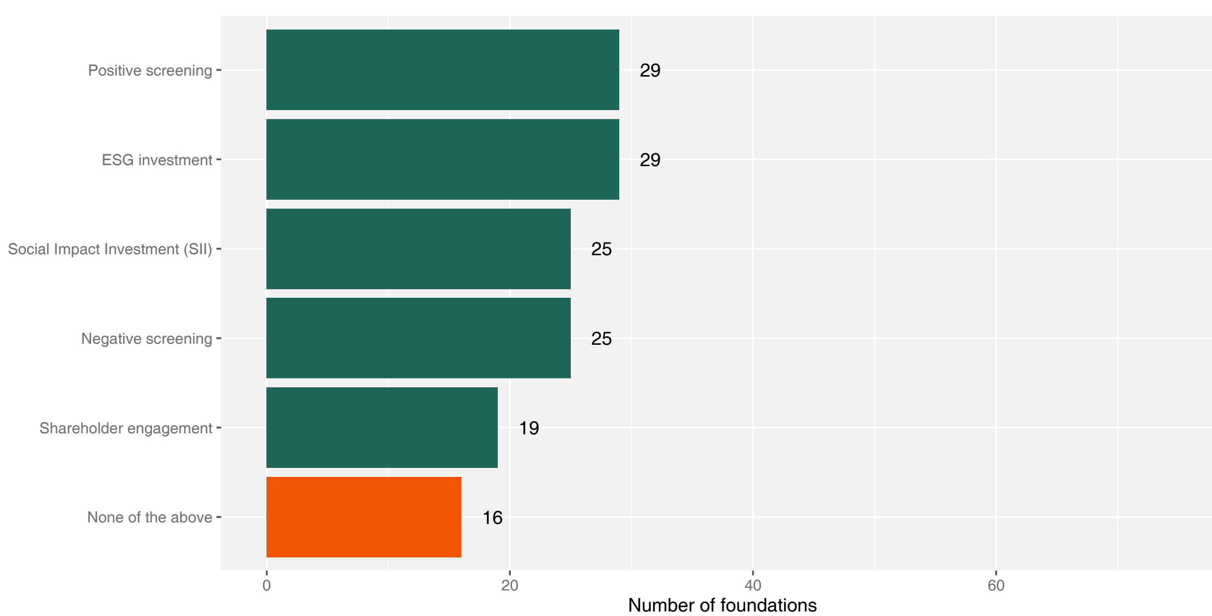
Philanthropy in emerging markets has yet to be fully grasped. Besides the private philanthropy for development funding from India and China described in this report, additional data collected by the OECD Centre on Philanthropy for the period 2013-18 – in Colombia (54 foundations), South Africa (31 foundations) and Nigeria (12 foundations) – suggest that philanthropy in emerging economies is a growing sector. In all of these countries, philanthropy tends to be concentrated in a few regions or provinces, and organisations tend to have a single sectoral or thematic focus instead of a wide-ranging portfolio. These organisations for the most part implement their own projects, but they often partner with and finance local grassroots non-governmental organisations (NGOs). More attention should be brought to the work of philanthropic organisations operating in emerging economies, as they not only provide philanthropic capital to development, but they also have experience and context-relevant knowledge about the role of the sector in each country.

Foundations are taking a more strategic approach to philanthropy. Many foundations report an ambition to move beyond narrowly defined charitable projects and use their funding purposefully to mobilise additional resources for development, advocate for broad social and policy change, and produce knowledge from evaluations that can improve development policy and practice.

Many foundations are seeking ways to mobilise private finance for development. The assets of foundations are negligible compared to those held by private investors, governments and multilateral donors. Yet foundations can play their part in helping to mobilise private capital markets to support development. Of the foundations that responded to the OECD organisational survey for this report, 69% are endowed (71 of 103). They are based primarily in the United States, Latin America and Europe. Of the endowed foundations in the sample, 77% are practicing responsible investment. The most common strategies cited are the application of environmental, social and governance (ESG) criteria to define an investment portfolio and the positive screening of investments (Figure 1.4).

Foundations report using sustainable and responsible investing for a number of reasons (Godeke and Bauer, 2008[2]; Bolton, 2006[3]; Cooch et al., 2007[4]). By aligning assets with social goals, and particularly with foundations' own programmatic objectives, foundations seek to extend the financial resources they devote to their mission. In the United States, for instance, foundations are legally required to disburse 5% of their net investment assets annually. Sustainable and responsible investing has the potential to leverage the "untapped 95%" (OECD, 2018[5]; Mahlab and Harrison, n.d.[6]). Foundations also use their assets to demonstrate how responsible investments yield competitive market returns alongside increased social value, in the hope of convincing more prudent commercial investors to follow suit (Kölbel et al., 2020[7]; Walker, 2017[8]; McCarthy, 2017[9]; Miller, 2012[10]). Furthermore, foundations have used sustainable and responsible investing to ensure a greater degree of consistency and avoid discrepancies between their values and programmatic priorities and the management of their own assets. At a time when public scrutiny of philanthropy is increasing, avoiding investments in industries at odds with a foundation's mission – such as in fossil fuels, alcohol or tobacco – can help foundations protect their reputation and credibility. Finally, responsible investing can be a strategy for protecting the value of foundations' assets in the long run. Societal values related to environmental protection and social inclusion are increasingly influencing consumer and investor choices, with a likely bearing on future corporate (and asset) performance (OECD, 2020[11]).

Figure 1.4. Foundations' investment strategies for their endowment



Note: Answers to the question "Does your foundation follow any of the investment strategies listed for its endowment?". Based on 71 foundations with income from an endowment (out of 103 foundations surveyed). Foundations could choose multiple investment strategies.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/28lokp

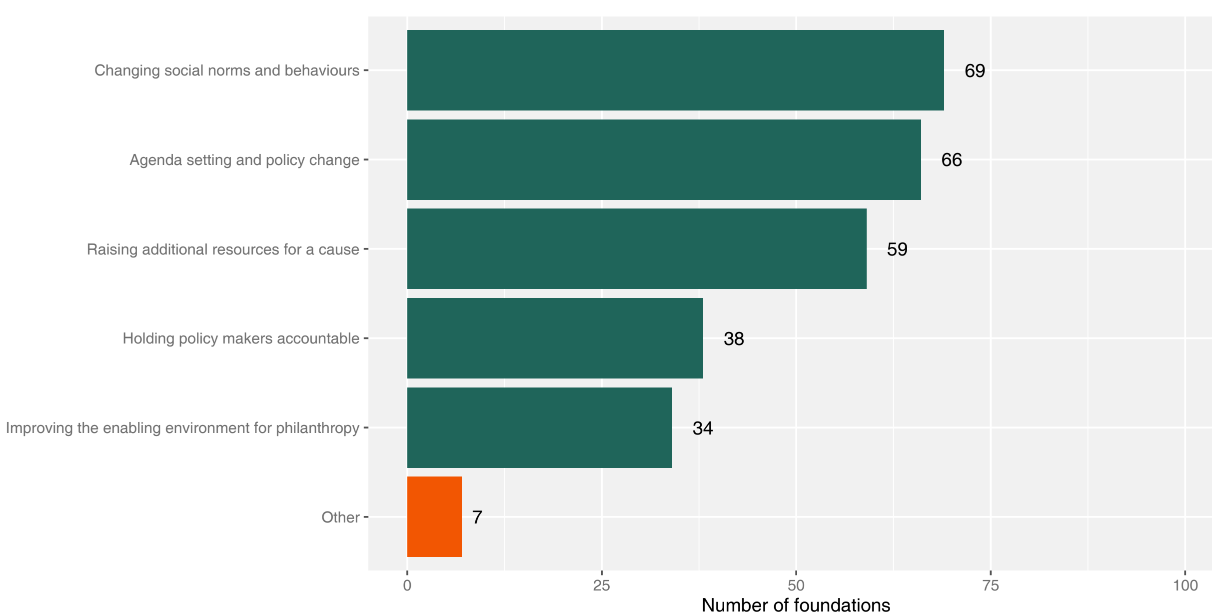
Most foundations engage in advocacy to encourage change in policy and social norms

Foundations have broadened their ambitions, moving from narrowly defined interventions to bolder objectives aimed at influencing social systems and informing policy design (Powell and Steinberg, 2020[12]). The majority of foundations in the sample use advocacy to bring about broader change. Of the 103 that responded to the OECD organisational survey, 84 report engaging in advocacy. Most of them do so indirectly as part of a broader network or collaborative (70 of the 84, or 83%), or by supporting grantee's efforts to advocate for a cause (60 of the 84, or 71%). A slightly smaller but substantial share (56 of the 84, or 67%) also use their in-house leadership or own advocacy teams.

More than three-quarters of foundations engaged in advocacy (directly or indirectly) aim to influence the public policy agenda and/or inform policy design (66 of the 84, or 79%) and a similar proportion aims to shift social norms and behaviour (69 of the 84, or 82%) (Figure 1.5). However, as foundations seek to change the structures and mechanisms that hold systems in place, their ambitions can conflict with the resources and strategies deployed. Foundations often provide short-term financial resources for specific purposes (OECD, 2018[5]), yet effective advocacy aimed at changing social norms requires long-term support and a high degree of flexibility.

Advocacy can also be used to raise additional resources for a cause, to hold policy makers accountable for their actions and to improve the enabling environment for philanthropy. In the OECD survey, more than two-thirds of the foundations that engaged in advocacy (59 of the 84, or 70%) reported using advocacy to mobilise more funding and to find co-operation partners by increasing the visibility of a cause. A smaller share (38 of the 84, or 45%) use advocacy to ensure that citizens are equipped with the information, oversight and tools they need to hold political representatives accountable. Finally, at a time when restrictions on domestic and cross-border philanthropy are growing, two-fifths of respondents that engage in advocacy use it to promote an enabling environment for philanthropy (34 of the 84, or 40%).

Figure 1.5. Why foundations engage in advocacy



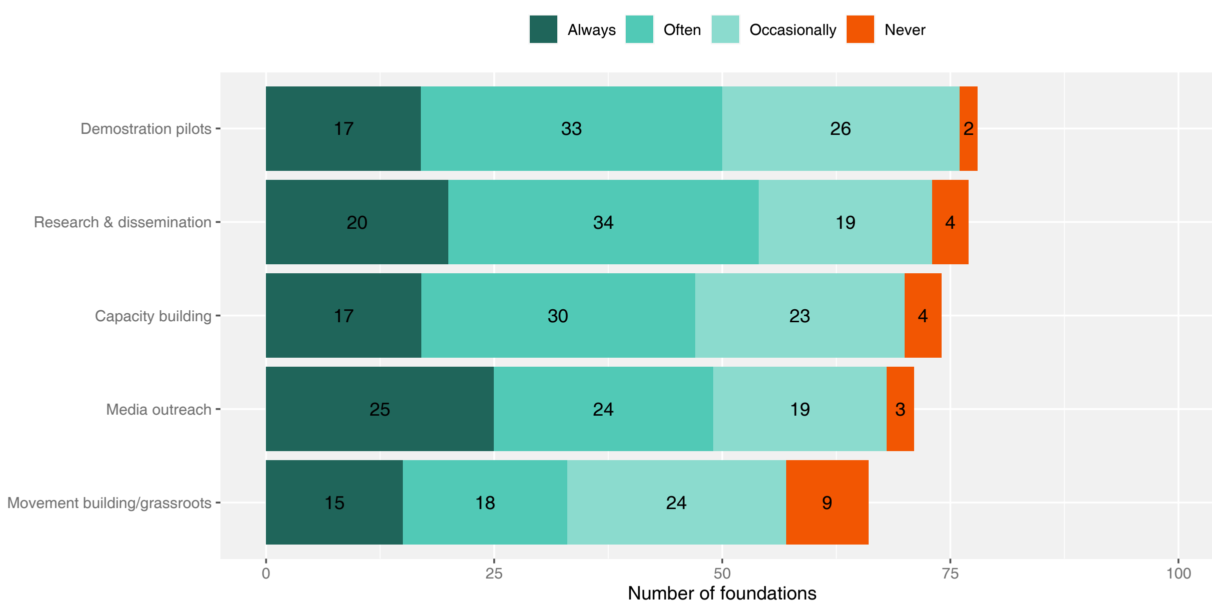
Note: Answers to the question "What are the objectives of your foundation's advocacy?". Based on 84 foundations that engage in advocacy (out of 103 foundations surveyed). Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/3ve45o

Foundations use a range of strategies to advocate for a cause

Common advocacy tactics include demonstration pilots, research and dissemination, capacity building, media outreach and financing grassroots organisation. Of the 84 foundations in the sample that engage in advocacy, 76 reported that they always, often or occasionally used demonstration pilots – the small-scale implementation of programmes to generate knowledge about policy or programme alternatives that can be implemented at scale if proved successful (Figure 1.6). Research and dissemination of the findings of academic scholars, think tanks or other experts is conducted by a similar proportion of foundations that engage in advocacy (73 of the 84, or 87%). This strategy may use primary research, reviews of existing evidence, policy analysis and evaluation, with the aim of bringing rigorous evidence to policy debates and encouraging evidence-based decision making. Furthermore, of the foundations that engage in advocacy, 83% invest in capacity building to help other organisations improve their advocacy efforts (70 of the 84). Finally, about four-fifths of the foundations that engage in advocacy regularly use social media, the press or television to share evidence and arguments for why and how change should happen (68 of the 84, or 81%); and 57 of the 84 foundations (68%) support movement building or grassroots mobilisation to increase the visibility of public efforts to advocate for a cause.

Figure 1.6. Advocacy strategies used by foundations



Note: Answers to the question "Since 2016, how frequently did your foundation use the following strategies to change policy, practice and/or attitudes?". Based on 84 foundations that engage in advocacy (out of 103 foundations surveyed). Foundations selected a frequency for each available option.

Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/o31q7h

Foundations are developing fit-for-purpose monitoring and evaluation systems to assess their efforts and achieve better results. More than half of foundations in the sample (55 of 103, or 53%) have a dedicated evaluation person, unit or department that reports to the CEO or the head of programming, strategy or research. Foundations use a variety of tools to support programme design, monitoring and evaluation. A large majority of foundations (more than 73%) frequently conduct needs assessments, develop theories of change and deploy process evaluations to learn from their efforts.

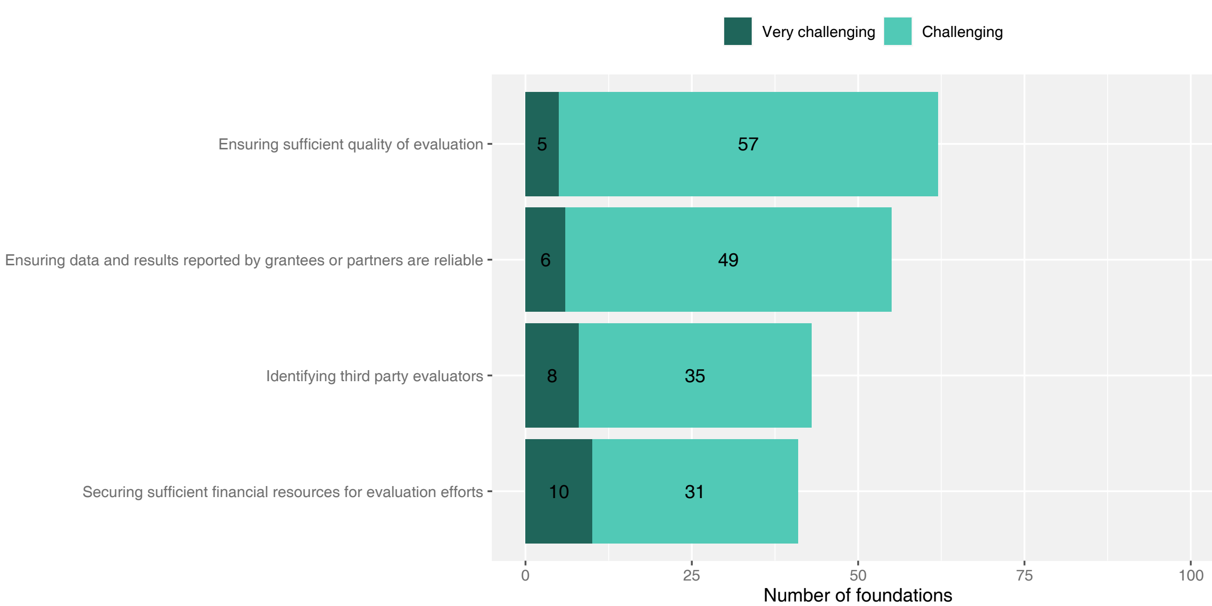
1.3. The challenges limiting philanthropy's contribution to global development are largely internal

In spite of these encouraging developments, this report also identified a series of challenges that limit foundations' potential to amplify their contribution to development. These include risk aversion, limited time and resources for rigorous learning, lack of transparency, and limited capabilities to mobilise finance and advocate.

Lack of time and limited internal capacities create a common bottleneck to mobilising private finance, advocating and/or producing high-quality evaluations. More than one in four foundations in the sample (29 of 103) describe their lack of internal capacities as a major limitation on the use of alternative methods of funding, such as guarantees, equity and loans. Most foundations in the sample use grants, matching grants and prizes/awards. Instruments like loans, guarantees or equity are less widely used, with 63% of foundations in the sample not currently using any of these three financial mechanisms.

Similarly, the most frequently cited barrier for advocacy by foundations is a lack of time, resources and knowledge to advocate successfully. Almost one in three foundations in the sample (32 of 103 foundations, or 31%) report that constraints on resources and time as well as a lack of knowledge pose obstacles to their engagement in advocacy. Successful advocacy requires staff that have the skills to assess when advocacy efforts are promising and how to allocate time and resources effectively. It also requires staff to have a profound understanding of the local context, relevant stakeholders and different advocacy strategies in a given policy environment. Finally, foundations need staff or partners who can provide quick feedback and data to advance advocacy efforts and be responsive to changes in the external environment (Atlantic Philanthropies, 2008[13]).

Figure 1.7. Monitoring and evaluation challenges faced by foundations



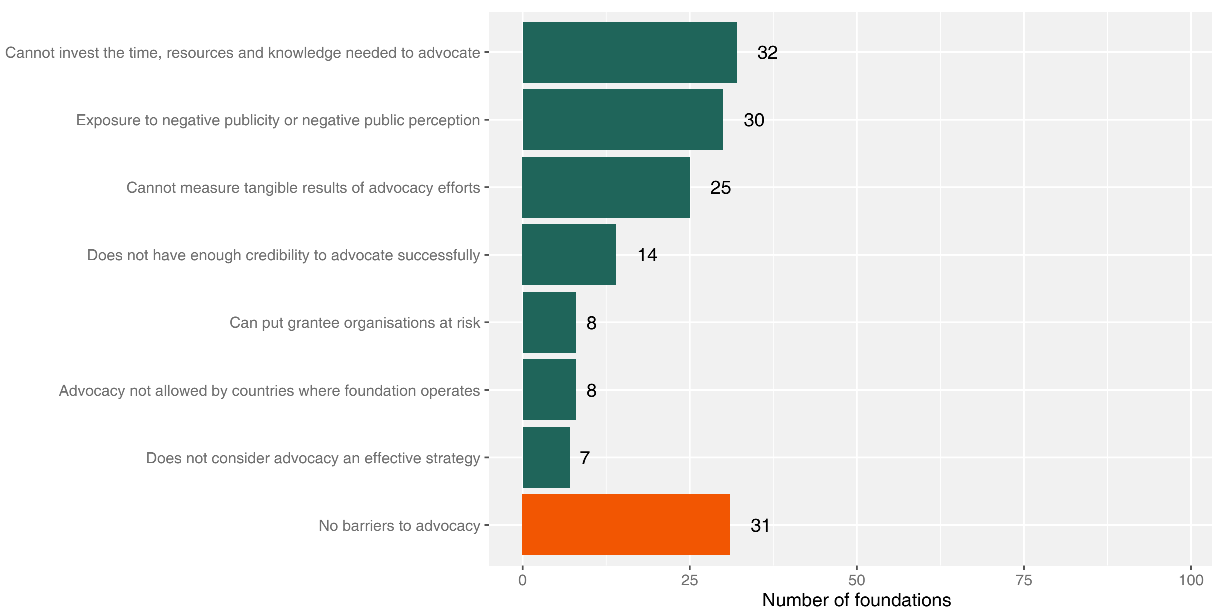
Note: Answers to the question "Which of the following are challenging for your foundation?". Based on 103 foundations that responded to the organisational survey. Foundations used a Likert scale for each available option. The figure only shows the number of responses for "Very challenging/Challenging" levels.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/npkmrh

A majority of respondents (60%) find it particularly challenging to ensure that evaluations are of sufficiently high quality (Figure 1.7 above). A similar share (60%) highlight that this can be explained by the inadequate capacity of their partners to collect and report reliable data, while one in four foundations views the limited capacity of foundation staff as a major constraint. These findings suggest that there is still much room to consider how to enhance partners' capacities to gather and use high-quality data throughout the programme cycle.

Fear of negative publicity also poses a barrier to foundations' advocacy efforts. Despite the widespread use of advocacy, almost one-third of foundations that responded to the OECD organisational survey (30 of 103 foundations, or 29%) fear that engagement in advocacy could lead to negative publicity or adversely affect perceptions of their work (Figure 1.8). This fear may be partially grounded in adverse public perceptions of lobbying and political influence. In public discourse, the line between lobbying and advocacy is not always clear-cut, with lobbying often seen as an unaccountable channel of power that distorts policy decisions towards corporate interests (Keidan, 2020[14]).

Figure 1.8. Barriers to engagement in advocacy

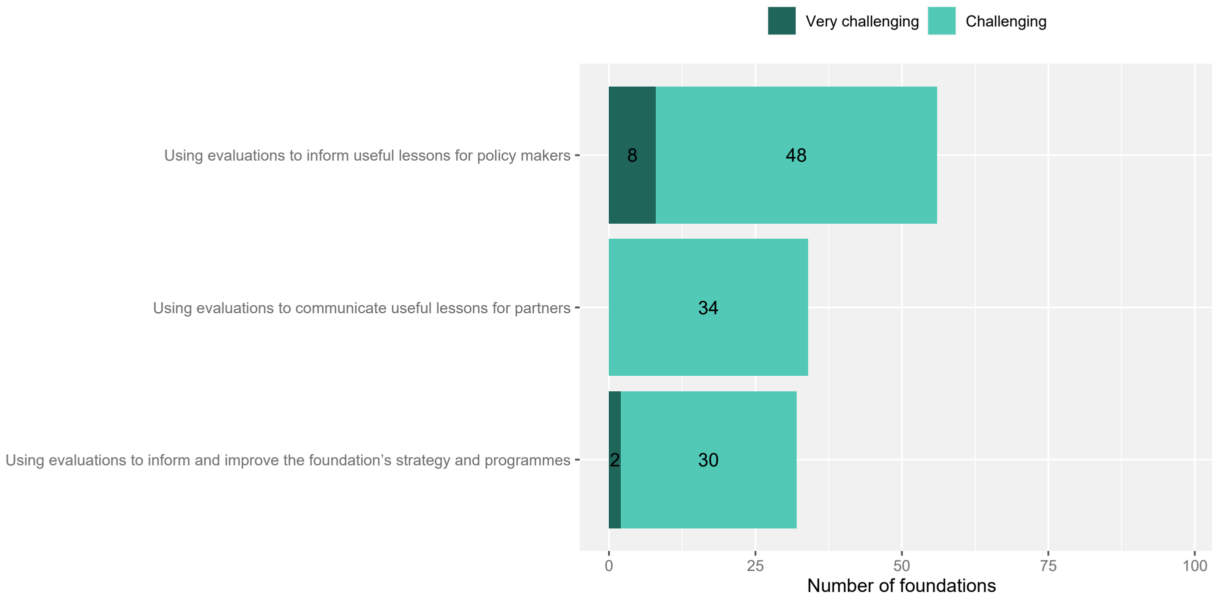


Note: Answers to the question "What are the main barriers for your foundation to engage in advocacy?". Based on 103 foundations that responded to the organisational survey, including foundations that do not engage in advocacy. Foundations could choose multiple options or "No barriers to advocacy".
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/4k8lwv

Foundations find it particularly challenging to share relevant lessons with policy makers. Communicating evaluation findings can lead to the scaling up of effective programmes. However, 54% of foundations find it challenging to use the results of evaluations to provide useful lessons for policy makers (Figure 1.9). Close to half of respondents (45%) highlight that their staff have limited time to analyse and communicate evaluation results. In addition, not all international foundations have an in-country presence, which might limit their capacity to engage directly with national and local stakeholders. This might hinder their understanding of the local political economy (that is, of the incentives and interests of local decision makers) and of government learning needs. It might also limit their capacity to directly engage with national stakeholders to share evaluation findings.

Figure 1.9. Challenges for the uptake of evaluation results



Note: Answers to the question "Which of the following are challenging for your foundation?". Based on 103 foundations that responded to the organisational survey. Foundations used a Likert scale for each available option. The figure only shows the number of responses for "Very challenging/Challenging" levels.
Source: *OECD Private Philanthropy for Development* organisational survey.

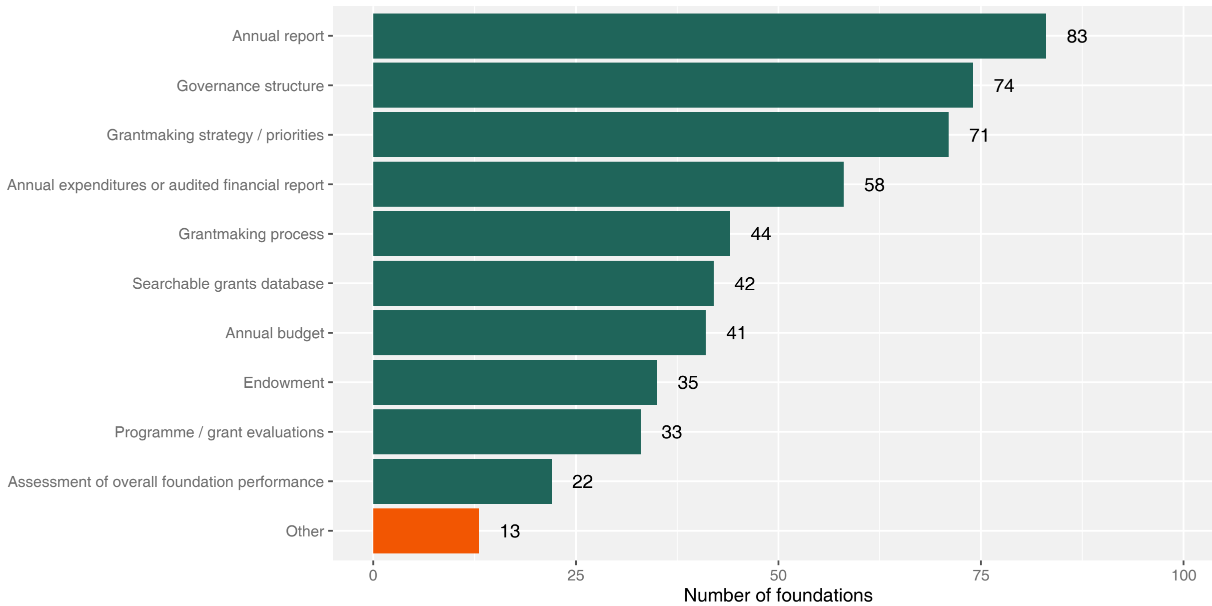
StatLink https://stat.link/5zjt4k

Lack of transparency limits foundations' potential to partner and learn. Transparency is not yet the norm in the philanthropic sector, limiting the potential of foundations to find suitable partners and learn within and beyond the philanthropic sector.

The OECD survey asked which barriers to collaboration were the most binding. Respondents who are part of a collaborative, as well as those who are not, indicated that the biggest barrier is finding partners who have aligned interests. This indicates a lack of awareness among donors about each other's objectives (private philanthropic donors as well as providers of ODA).

In addition, foundations lack transparency when it comes to sharing evaluation results. Foundations are more likely to share information about their strategy, priorities and inputs (e.g. annual expenditures, annual budgets) and sometimes outputs (e.g. annual reports) than evaluations of their programmes and grant results or information about the foundation's performance (Figure 1.10).

Figure 1.10. Information foundations make available via publicly accessible sources



Note: Answers to the question "What information do you make available on your website or other publicly accessible sources?" Based on 103 foundations that responded to the organisational survey. Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/sinmkq

1.4. Recommendations to unlock philanthropy's potential

Foundations

- **Invest further in rigorous learning**, and back up initiatives with robust evidence on effectiveness. Given constraints on time and resources, foundations should prioritise impact evaluations for approaches that have not been evaluated substantially, apply high quality standards to these evaluations and create incentives and capacities to ensure that the evidence is used to inform decisions.
- **Share data** on philanthropic giving to better identify funding gaps, avoid duplication, explore synergies with other funders, and inform the broader public. Publicly available data on philanthropic assets, grants, advocacy work and evaluations can help build trust with grantees and end beneficiaries, and inform the public on foundations' role in society. This is all the more important in light of growing ambitions to mobilise private capital and influence the public policy agenda.
- **Increase internal capacities**, including the financial skills of boards, management and staff, and co-ordinate with other donors to pool funds for joint learning and advocacy.

Governments

- **Encourage greater transparency in the philanthropic sector** by establishing annual reporting requirements that mandate online publication of philanthropic activities, and strengthening the capacity of national statistical offices in monitoring development finance from foundations, ODA providers and other sources in their territories. In the absence of mandatory reporting requirements, networks of foundations or other organisations can help collect and disclose data on philanthropic giving.

- **Consider removing constraints on cross-border philanthropy**, including differential tax exemption for activities carried out domestically vs. abroad, or denial of tax exemptions for activities whose beneficiaries are foreign public benefit organisations (PBO). Governments should consider reassessing the specific situations when a more equal tax treatment to domestic and cross-border philanthropic financing could be provided.

Donor community

- **Involve foundations in the monitoring and evaluation efforts of ODA providers.** These providers should continue to build capacity for monitoring, evaluation and learning, and share evaluation results transparently. They could also facilitate joint learning with foundations in specific sectors and develop local learning agendas. ODA providers could also share their expertise on blended finance to encourage its use by private foundations, and help them evaluate the results.

Note

[1] See http://www.oecd.org/dac/financing-sustainable-development/

References

Atlantic Philanthropies (2008), *Investing in Change: Why Supporting Advocacy Makes Sense for Foundations*, https://www.giarts.org/sites/default/files/why-supporting-advocacy-makes-sense-for-foundations.pdf. [13]

Bolton, M. (2006), *Foundations and Social Investment in Europe*, Social Investment Group Survey Report, http://efc.issuelab.org/resources/16021/16021.pdf. [3]

Cooch, S. et al. (2007), *Compounding Impact: Mission Investing by US Foundations*, FSG, https://www.fsg.org/publications/compounding-impact. [4]

Godeke, S. and D. Bauer (2008), *Mission-Related Investing A Policy and Implementation Guide for Foundation Trustees*, https://www.rockpa.org/wp-content/uploads/2018/09/Mission-Related-Investing-A-Policy-and-Implementation-Guide-for-Foundation-Trustees.pdf. [2]

Keidan, C. (2020), “Interview: Alberto Alemanno, The Good Lobby”, *Alliance Magazine*, https://www.alliancemagazine.org/interview/interview-alberto-alemanno-the-good-lobby/. [14]

Kölbel, J. et al. (2020), “Can Sustainable Investing Save the World? Reviewing the Mechanisms of Investor Impact”, *Organization & Environment*, Vol. 33/4, pp. 554-574, http://dx.doi.org/10.1177/1086026620919202. [7]

Mahlab, S. and B. Harrison (n.d.), “Introduction: Why mission-related investing?”, in *Effective and Emerging Approaches to Mission-Related Investing*, Council on Foundations, https://www.cof.org/content/effective-and-emerging-approaches-mission-related-investing. [6]

McCarthy, P. (2017), “Leveraging all assets for social good”, *Standford Social Innovation Review*, https://ssir.org/articles/entry/leveraging_all_assets_for_social_good#. [9]

Miller, C. (2012), “The world has changed and so must we”, in Andrews, N. et al. (eds.), *Investing in What Works for America’s Communities*, Federal Reserve Bank of San Francisco & Low Income Investment Fund, San Francisco, http://whatworksforamerica.org/pdf/whatworks_fullbook.pdf (accessed on 30 September 2021). [10]

OECD (2020), *Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet*, OECD Publishing, Paris, https://dx.doi.org/10.1787/e3c30a9a-en. [11]

OECD (2018), *Private Philanthropy for Development*, The Development Dimension, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264085190-en. [5]

OECD (n.d.), *Creditor Reporting System (CRS)*, https://stats.oecd.org/. [1]

Powell, W. and R. Steinberg (eds.) (2020), *The Nonprofit Sector: A Research Handbook*, Stanford University Press, https://www.researchgate.net/publication/344272616. [12]

Walker, D. (2017), “Unleashing the power of endowments: The next great challenge for philanthropy”, Ford Foundation, https://www.fordfoundation.org/just-matters/just-matters/posts/unleashing-the-power-of-endowments-the-next-great-challenge-for-philanthropy/. [8]

2 Taking stock of philanthropy's contribution to development

Private philanthropy contributed USD 42.5 billion to development over 2016-19. The region receiving most total funding was Latin America and the Caribbean, while India was the largest beneficiary country. Health remains the largest recipient sector, followed by education. Foundations continue to support research, environmental causes and gender equality, and collaboration among donors through joint initiatives is growing.

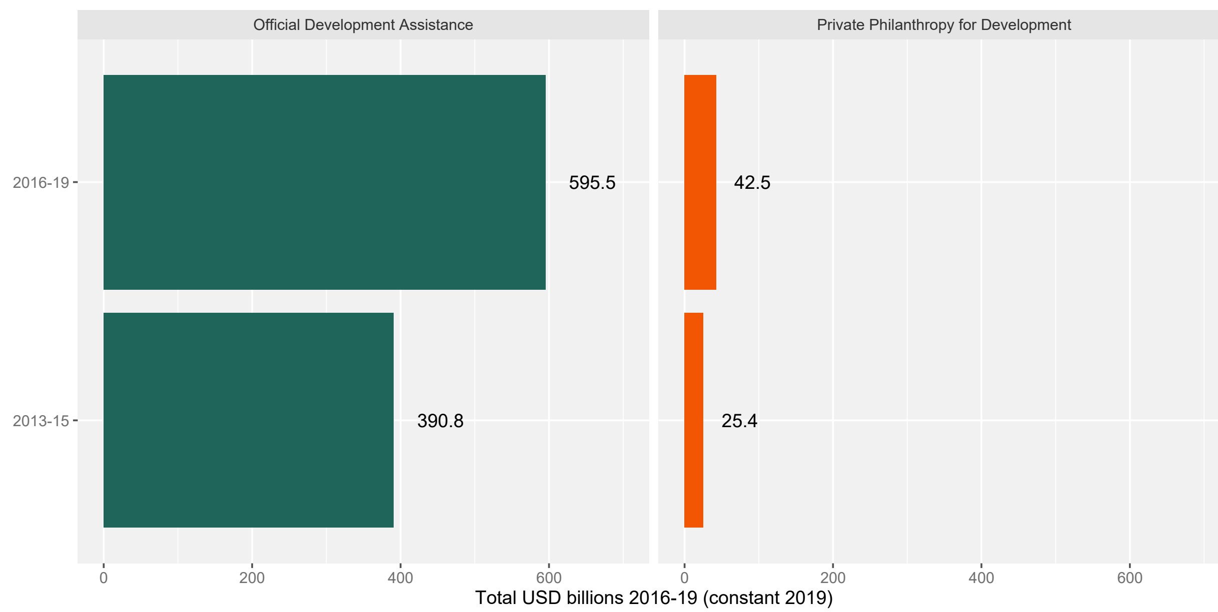
2.1. Recent trends in private philanthropy for development

2.1.1. Private philanthropy for development allocated USD 42.5 billion over 2016-19

Private philanthropy for development amounted to USD 42.5 billion over 2016-19. This is on average USD 10.6 billion per year, approximately USD 2 billion per year higher than the level of funding over 2013-15 identified in the first edition of this report. The difference can be explained by the expansion, from 143 organisations to 205 in the latest sample, which includes more philanthropic organisations operating within emerging markets.

Over 2016-19, official development assistance (ODA) from members of the OECD's Development Assistance Committee (DAC)[1] totalled USD 595.5 billion (gross disbursements), Private philanthropy amounted to 7% of that level (Figure 2.1).

Figure 2.1. Private philanthropy for development and ODA, 2016-19 vs. 2013-15

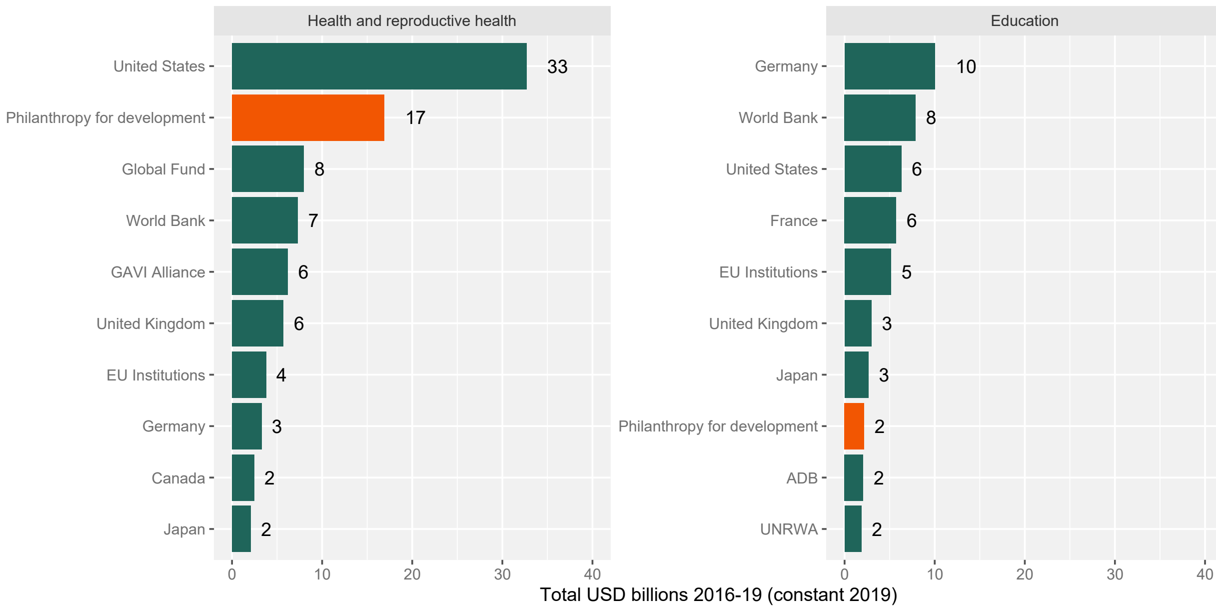


Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/235ako

Despite the relatively small size of private financing in comparison to ODA, foundations are key funders in certain areas, particularly health, education and government and civil society. In health, cross-border philanthropic financing was the second-largest funder behind the United States, while in education it ranked similarly to bilateral funding from Japan (Figure 2.2).

Figure 2.2. Cross-border private philanthropy for development and ODA funders in health and education, 2016-19



Note: Core contributions from the Bill & Melinda Gates foundation to GAVI Alliance and The Global Fund are included in the foundation's funding.
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

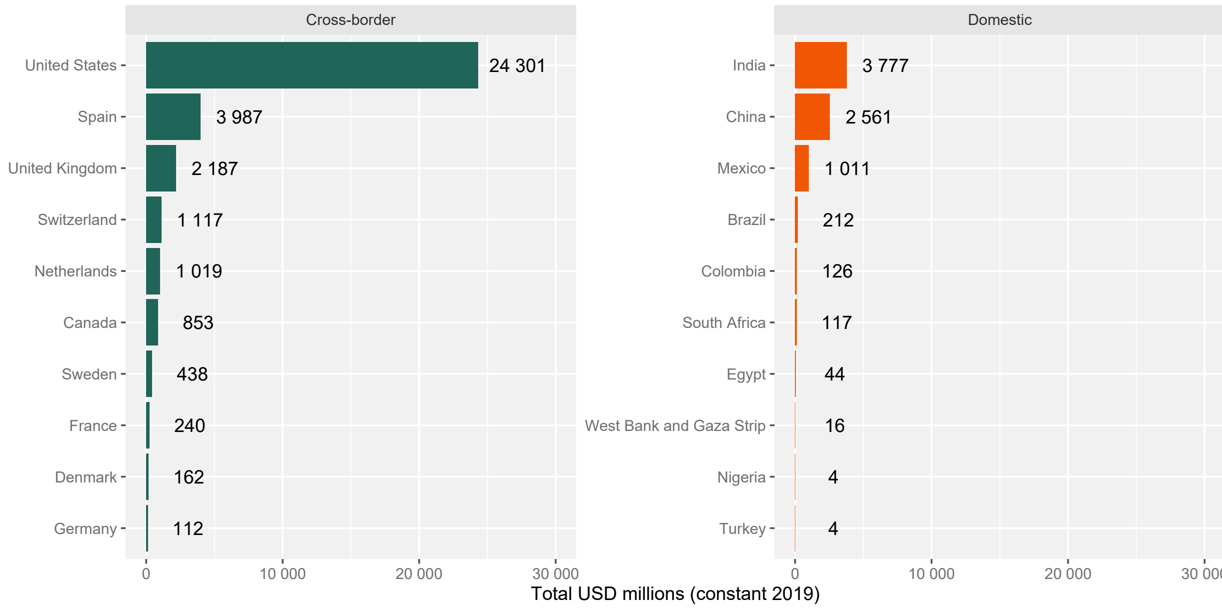
StatLink https://stat.link/9qahtm

2.1.2. Most international philanthropic funding originates in the United States

Of all funding identified, organisations from the United States contributed more than half of all financing over 2016-19, with the Bill & Melinda Gates Foundation (BMGF) prominently providing approximately 38% of all private philanthropy for development. Spain was the second largest international provider, mostly thanks to the BBVA Microfinance Foundation, which supports efforts in Latin America and the Caribbean. The third and fourth largest international providers were the United Kingdom and Switzerland. India accounted for the largest domestic funding in a single country, with significant financing from companies in the form of corporate social responsibility (CSR) (Figure 2.3).

International and domestic funding are distinct in scope and scale (Box 2.1). International philanthropic funding is more diversified and tackles more topics and a wider geographic area, while philanthropy from foundations based in emerging markets is primarily implemented domestically, rarely with operations abroad. Furthermore, international funding often faces limitations on tax support for cross-border giving (Box 2.2).

Figure 2.3. Source of private philanthropy for development, 2016-19



Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/x12uo5

Box 2.1. Domestic philanthropy in emerging markets: The next frontier

Beyond the private philanthropic funding from India and the People's Republic of China described in this report, additional data collected by the OECD Centre on Philanthropy for the period 2013-18 – in Colombia (54 foundations), South Africa (31 foundations) and Nigeria (12 foundations) – suggest that philanthropy is a growing sector that is aiming to become more professional, more collaborative and more open.

Large foundations in Colombia provide approximately USD 100 million per year to social programmes in the country, focusing on financing education and sustainable small businesses, and have built a strong network to co-finance projects (OECD, 2021[1]). They jointly advocate for the sector, and their funding is heavily concentrated in a few regions. In South Africa, a few large donors provided USD 76 million per year, mostly to education programmes in the country (OECD, 2021[2]), while in Nigeria funding from a smaller group of 12 philanthropic organisations totalled USD 14 million per year, with a heavy focus on improving the access and quality of health services (OECD, 2022[3]).

In all of these countries, philanthropy tends to be concentrated in a few regions or provinces, and organisations tend to have a single purpose instead of a wide-ranging portfolio. These organisations for the most part implement their own projects, but often partner and finance local grassroots non-governmental organisations (NGOs). Moreover, there is an explicit attempt from foundations to provide opportunities to underprivileged populations, including the creation of sustainable small businesses.

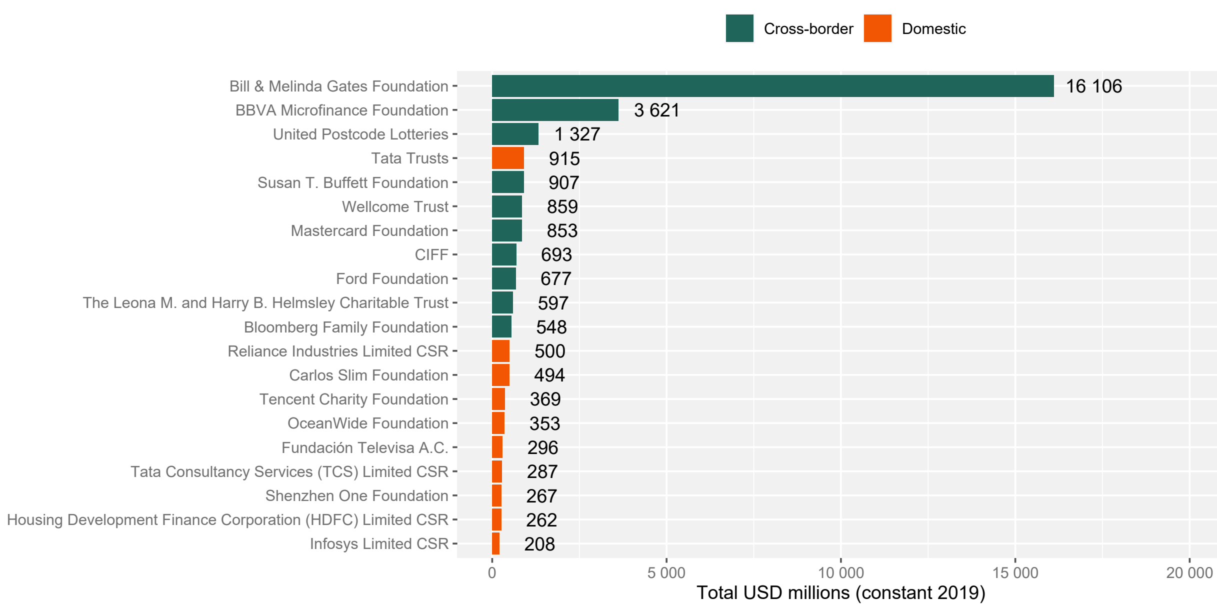
More attention should be brought to the work of philanthropic organisations operating in emerging economies, as they not only provide philanthropic capital to development, but also bring experience and context-relevant knowledge about the role of the sector in each country.

Source: Authors' elaboration.

In some emerging countries, domestic philanthropic funding is larger than international giving. India's Tata Trusts is the largest philanthropic organisation operating domestically in emerging markets (Figure 2.4).

Philanthropic financing is highly concentrated in a small group of organisations, particularly international foundations. At an international level, the largest ten philanthropic organisations provided USD 26 billion, 76% of all cross-border financing. The largest ten philanthropic organisations operating domestically provided USD 4 billion, or 50% of all domestic giving identified.

Figure 2.4. The 20 largest philanthropic organisations, 2016-19



Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/m57vyt

Box 2.2. Taxation of cross-border philanthropy

A global approach to philanthropy needs to address the tax incentives for giving abroad. There are three forms of cross-border philanthropy: 1) gifts by individuals or corporations to an entity in another jurisdiction, 2) when a domestic entity operates in another jurisdiction, and 3) when a foreign entity operates domestically. Almost all OECD countries provide preferential tax treatment for philanthropy, but many provide different tax treatment to philanthropy depending on its jurisdiction, and often countries provide no tax support for cross-border giving. Moreover, some countries can withdraw the preferential tax treatment of philanthropic organisations if they provide funding abroad.

Limitations on tax support for cross-border giving have led some philanthropic entities to seek alternatives. Public Benefit Organisations (PBOs) that operate across borders rarely receive the tax relief provided to domestic philanthropic entities. This has prompted an increase in intermediary organisations that transfer funds to a foreign PBO.

The global nature of issues addressed by large-scale philanthropy in matters of health, climate and other international challenges suggests that national constraints on philanthropy should be reconsidered. Alongside better oversight, "There is merit in countries reassessing whether there may be some instances where equivalent tax treatment should be provided to domestic and cross-border philanthropy".

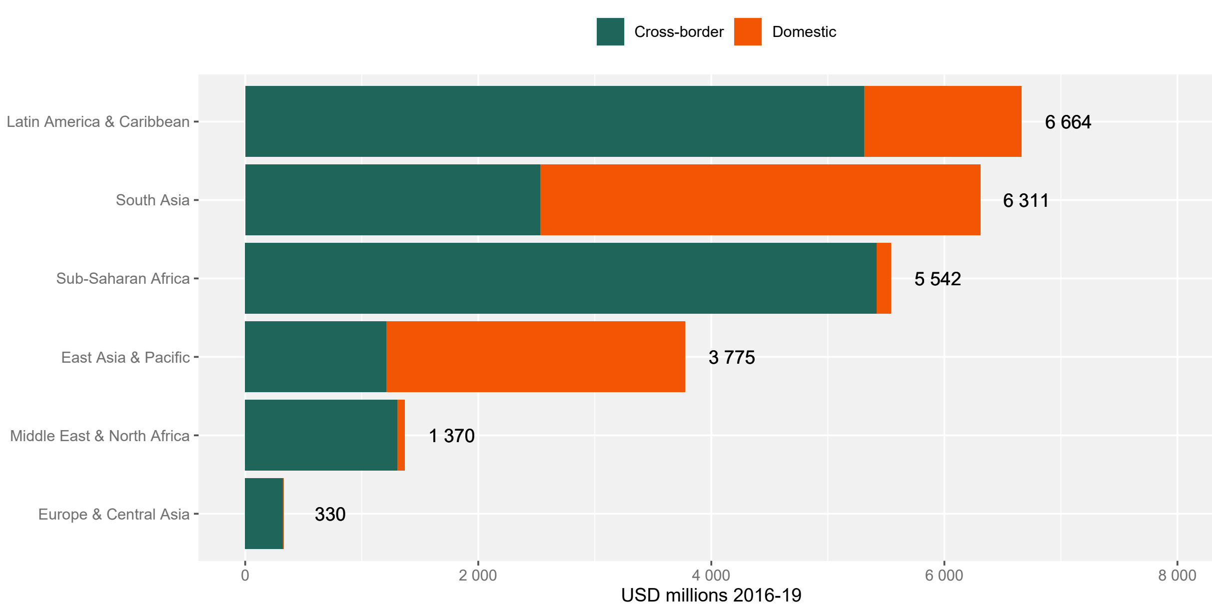
Source: (OECD, 2020[4]).

2.2. Geographical allocation of philanthropic giving

2.2.1. The Latin America-Caribbean region received the largest total funding

From 2016 to 2019, USD 24 billion (56%) of total philanthropic financing was allocable by country or region. The region that received the most philanthropic financing from international and domestic sources combined was Latin America and the Caribbean, with USD 6.7 billion (16%). This funding was provided primarily by the Spain's BBVA Microfinance Foundation and large domestic organisations in Mexico, Colombia and Brazil. South Asia was the second recipient region of both international and domestic philanthropy, with USD 6.3 billion (15%). In terms of international philanthropy alone, Sub-Saharan Africa was the top recipient region, with USD 5.5 billion (13%). The other regions – East Asia & Pacific, the Middle East & North Africa, and Europe & Central Asia – received relatively less funding (Figure 2.5).

Figure 2.5. Private philanthropy for development by region, 2016-19



Note: Excludes global/non-allocable funding.
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

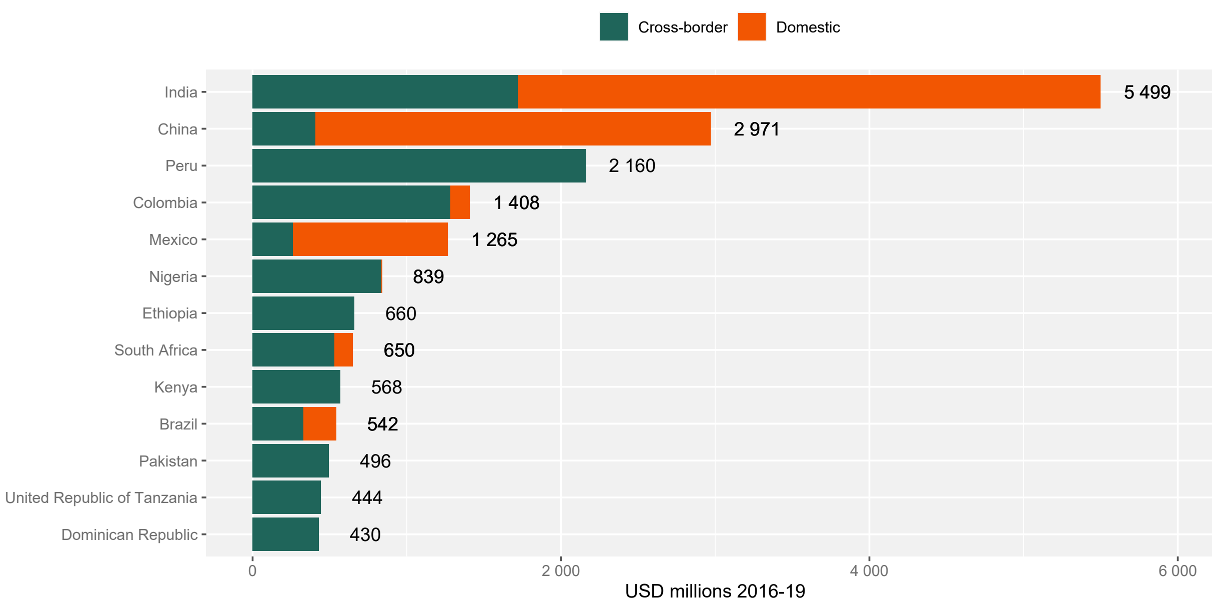
StatLink https://stat.link/lue9ai

2.2.2. India remains the country receiving the most philanthropic financing

India continued to be the largest recipient of philanthropic financing, with USD 5.5 billion (13%) from both cross-border and domestic sources over 2016-19. It was followed by the People's Republic of China (hereafter "China") with USD 3 billion (7%). In Latin America, Peru received USD 2.2 billion (5%), mostly from cross-border financing, while Colombia received USD 1.4 billion (3%) and Mexico USD 1.3 billion (3%). In Africa, the largest recipients were Nigeria (USD 0.8 billion), Ethiopia (USD 0.7 billion) and South Africa (USD 0.6 billion).

Moreover, India, China and Mexico received more domestic philanthropic financing than cross-border funding in our sample, while other countries, like Colombia, Peru, Nigeria and South Africa, continued to receive more cross-border philanthropic funding than domestic funding (Figure 2.6).

Figure 2.6. Allocation of funding by country, 2016-19



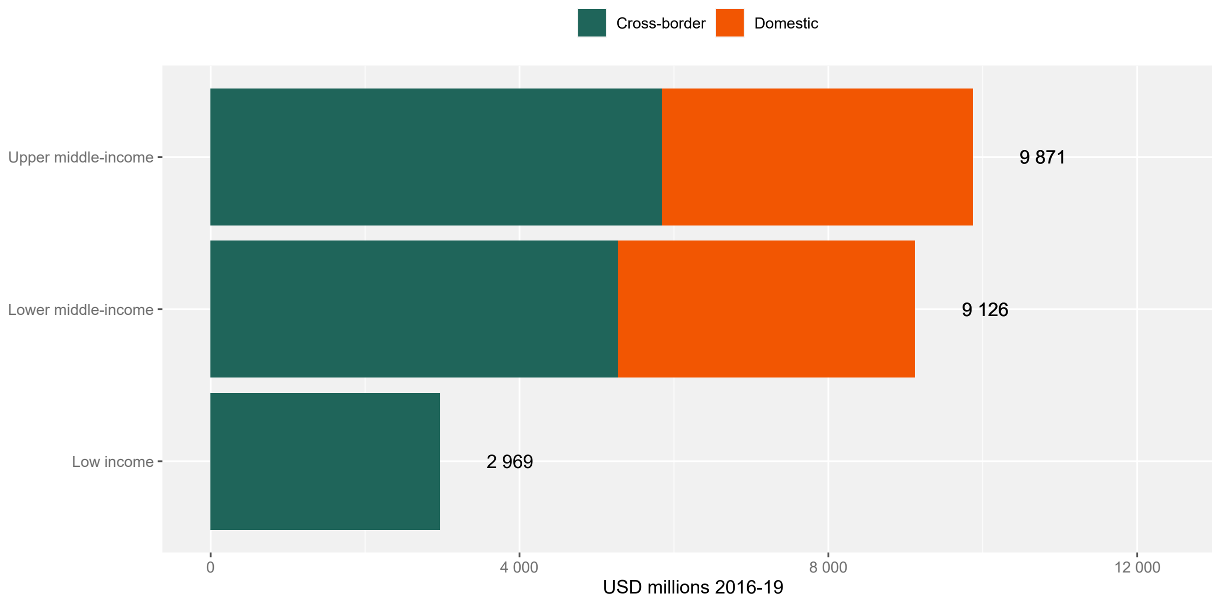
Note: Excludes global/non-allocable funding.
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/ndsjku

2.2.3. Philanthropic financing went mainly to middle-income countries

Middle-income countries remained the main recipients of both international and domestic philanthropic financing over 2016-19. Approximately USD 9.9 billion (42%) of all country-allocable giving was directed towards upper middle-income countries. Lower middle-income countries received USD 9.1 billion (38%). Only a small fraction of philanthropic financing was directed towards low-income countries, reaching USD 3 billion (13%) between 2016-19 (Figure 2.7).

Figure 2.7. Funding by country income level, 2016-19



Note: Income levels correspond to the World Bank's 2020 classification. Excludes global/non-allocable funding.
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

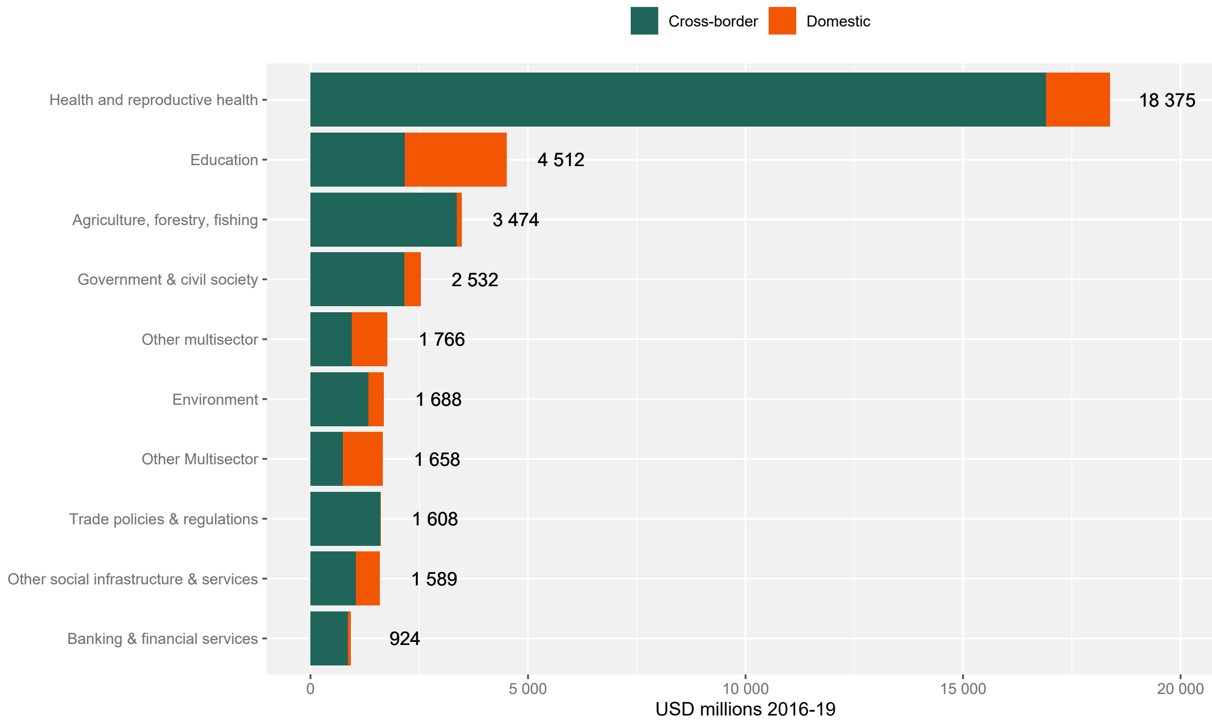
StatLink https://stat.link/jx5t9c

2.3. Sectoral allocation of philanthropic giving

2.3.1. Health and education received the most philanthropic funding

Looking at allocations of private philanthropy for development by sector, most financing went to the health sector over 2016-19, with health and reproductive health jointly receiving USD 18.4 billion (43%) (Box 2.3). The Bill & Melinda Gates Foundation accounted for 69% of total health-related giving. Education received the second most financing and was the top sector for domestic philanthropy, with USD 4.5 billion (11%). The agriculture sector and government & civil society sector followed, with USD 3.5 billion (8%) and USD 2.5 billion (6%) respectively (Figure 2.8).

Figure 2.8. Private philanthropy for development by sector, 2016-19



Note: Core funding from the Bill & Melinda Gates Foundation to GAVI Alliance and the Global Fund are included in health and reproductive health sector.
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/nqspay

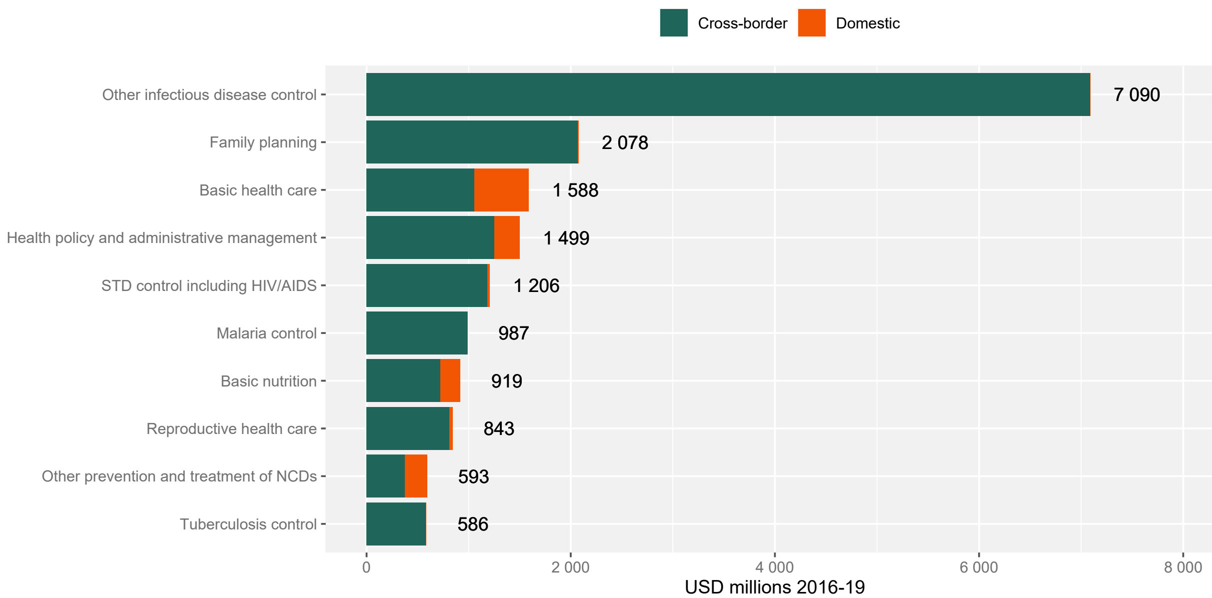
2.3.2. Funding in health is strongly driven by the fight against infectious diseases

In global health, international foundations provide substantial funding towards the control of infectious diseases, in particular malaria and tuberculosis. Philanthropy contributed more than USD 9.9 billion towards combating these diseases, and most of this was provided by international foundations.[2] In addition, funding towards non-communicable diseases (NCD) is estimated at USD 0.9 billion, which represents 5% of all health funding.[3]

International foundations also made a significant effort to fund family planning services and reproductive health care, which together include education, counselling, the provision of contraceptives, prenatal and postnatal care, and other services. They allocated approximately USD 2.9 billion to these services over 2016-19, while financing towards the control of sexually transmitted diseases (STD) received around USD 1.2 billion. Domestic foundations, while less involved in the health sector than cross-border donors, tend to provide direct funding for access to basic health care services and grants to cover payment of medical services and basic nutrition (Figure 2.9).

In addition to the Bill & Melinda Gates Foundation, international foundations that provide significant funding include the Susan T. Buffet Foundation, the Wellcome Trust and Bloomberg Family Foundation. Among foundations that operate domestically, Tata Trusts (India) and Carlos Slim Foundation (Mexico) are the largest donors in the health space (Figure 2.10).

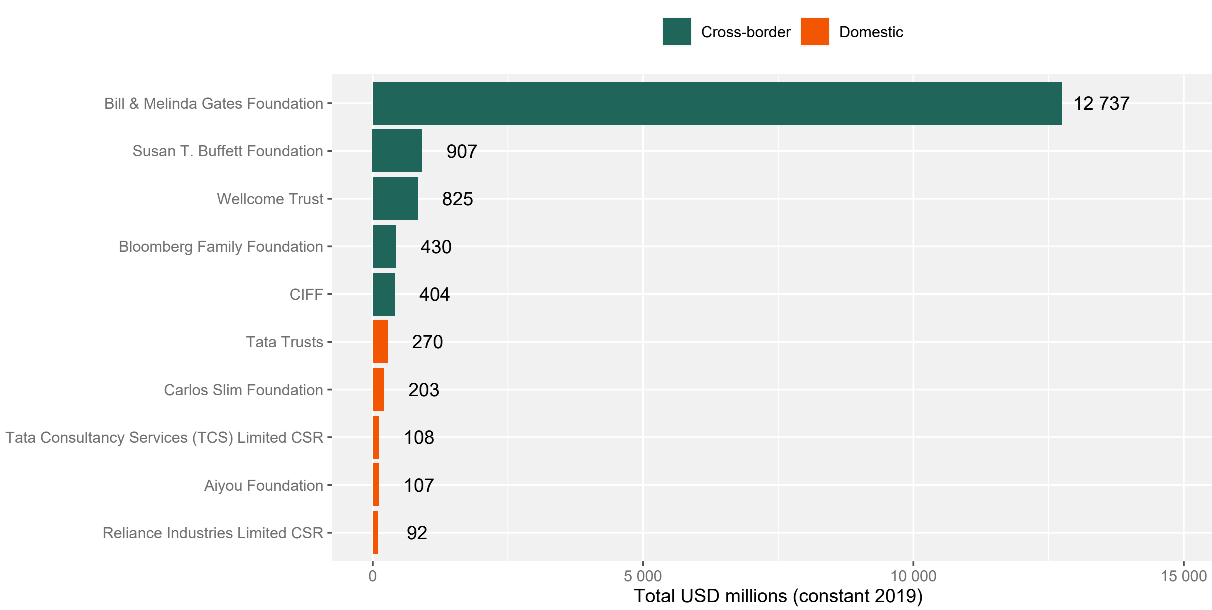
Figure 2.9. Funding in the health and reproductive health sectors, 2016-19



Note: Core funding from the Bill & Melinda Gates Foundation to GAVI Alliance and the Global Fund are included in "Other infectious disease control".
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/tlzq0f

Figure 2.10. Top funders in health and reproductive health, 2016-19



Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/7vciz2

Box 2.3. Private philanthropy for health

The WHO Foundation contributes its insights on strengthening support for health systems

Now more than ever we need to invest in global health. The COVID-19 pandemic has shown the need for broad and urgent investments to bolster the capacity for rapid response to global health emergencies, and to create long-term, equitable access to health services and stronger health systems.

The WHO Foundation complements and strengthens the work of WHO and its global network of partners by mobilising new funding from diverse sources to drive innovation and transform the global health ecosystem. What drives 21st century philanthropists is the opportunity to be engaged in new, collective solutions that utilise systems change and innovative approaches. The WHO Foundation is developing theories of change for how WHO can achieve greater innovation, scale and impact. Potential focus areas include: primary health care, health emergencies, mental health, climate and health, digital health and health equity. Opportunities in these areas are currently being mapped.

Contributed by Emanuele Capobianco, WHO Foundation.

The World Diabetes Foundation offered its views on co-investment for stronger health systems

The COVID-19 pandemic has made clear the need for integrated and resilient health systems that can coherently address infectious diseases and non-communicable diseases (NCDs). In the current landscape, philanthropies have the opportunity and obligation to promote stronger convergence of international health and development financing, and should be at the forefront of widened partnerships with low- and middle-income countries in support of a balanced health system reform.

Co-investment frameworks among different stakeholders can bring significant progress in health care on the ground. In Jordan, the World Diabetes Foundation (WDF) supports a nationwide effort to integrate prevention and control of NCDs at primary health care level. WDF's work is based on a special grant from Novo Nordisk Foundation and also involves Jordan's Royal Health Awareness Society and the European Union Trust Fund in Response to the Syrian Crisis. In Mali, WDF supports implementation of the national NCD strategy based on a co-funding mechanism with the French Development Agency and operated through the NGO Santé Diabète in collaboration with Mali's national diabetes association.

Both examples represent a continuum of stakeholders from different sectors. Philanthropies should apply their investment flexibility to bring stakeholders together towards evidence-based solutions and innovative partnerships, always with consideration of governance, local settings and sustainability.

Contributed by Bent Lautrup-Nielsen, World Diabetes Foundation.

The Helmsley Charitable Trust offered its thoughts on investing in universal health coverage

Private philanthropy should always prioritise funding novel, unproven, high-risk but potentially high-reward approaches. At Helmsley, we have focused on investments to test how to bring a wider range of clinical services to rural communities.

We have recently witnessed more clearly than ever the relationship between infectious diseases and NCDs. Having a baseline of health for all, and the infrastructure for providing it, enhances resilience when a crisis like COVID occurs. Excellent clinical health services and reliable supply chains that allow people to get the care they need will always be paramount. Health systems matter. Strong management matters. These need to be priorities for private funders if we are to achieve SDG 3.

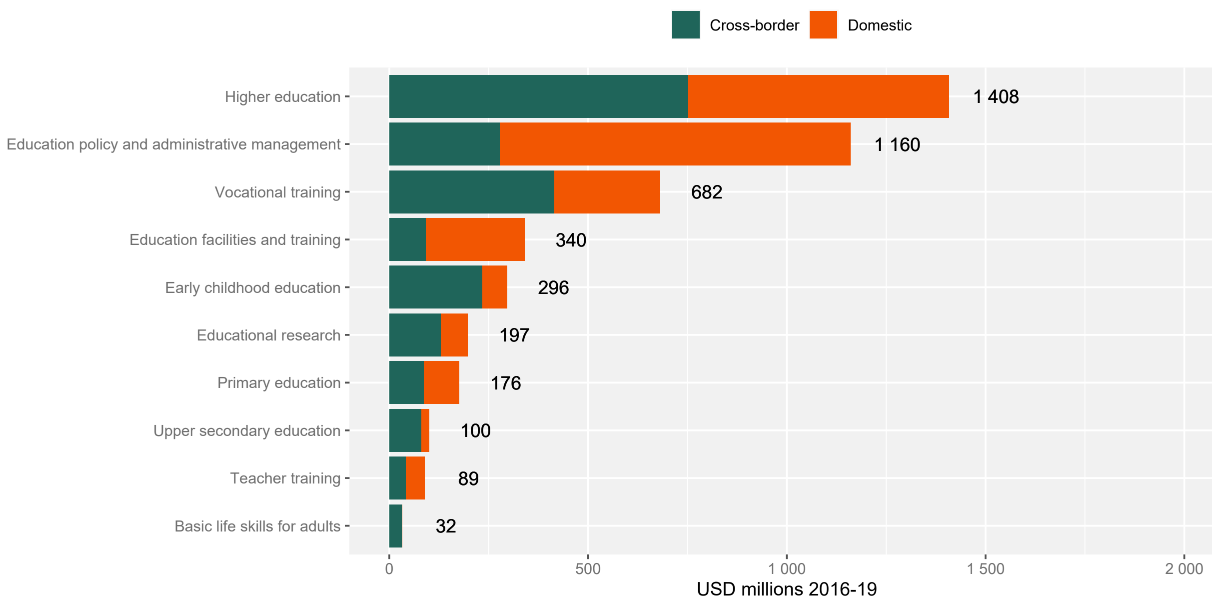
Contributed by James Reid, Helmsley Charitable Trust.

2.3.3. Funding for education mainly targets higher education

Education-related giving from domestic donors surpassed giving by international foundations over 2016-19, and was more varied in terms of the thematic areas where the funding was allocated.

Within education funding, institutions of higher education, such as universities, received the most support from both international and domestic donors, either as direct support or as scholarships for advanced education. Vocational training and school infrastructure absorbed significant funding from domestic donors, while early childhood education received more support from international foundations (Figure 2.11).

Figure 2.11. Funding in education, 2016-19

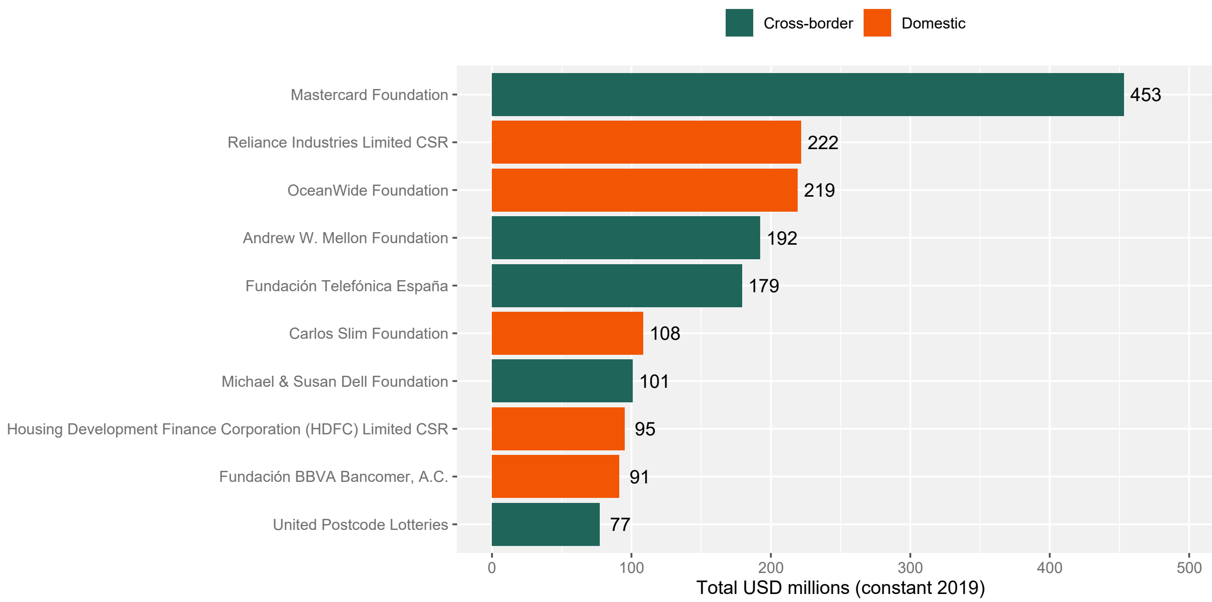


Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/4rjx7w

The largest international foundation in education was the Mastercard Foundation, followed by the Andrew W. Mellon Foundation, while the largest domestic donors in education were Reliance Industries CSR from India, OceanWide Foundation from China and Carlos Slim from Mexico (Figure 2.12).

Figure 2.12. Top funders in education, 2016-19



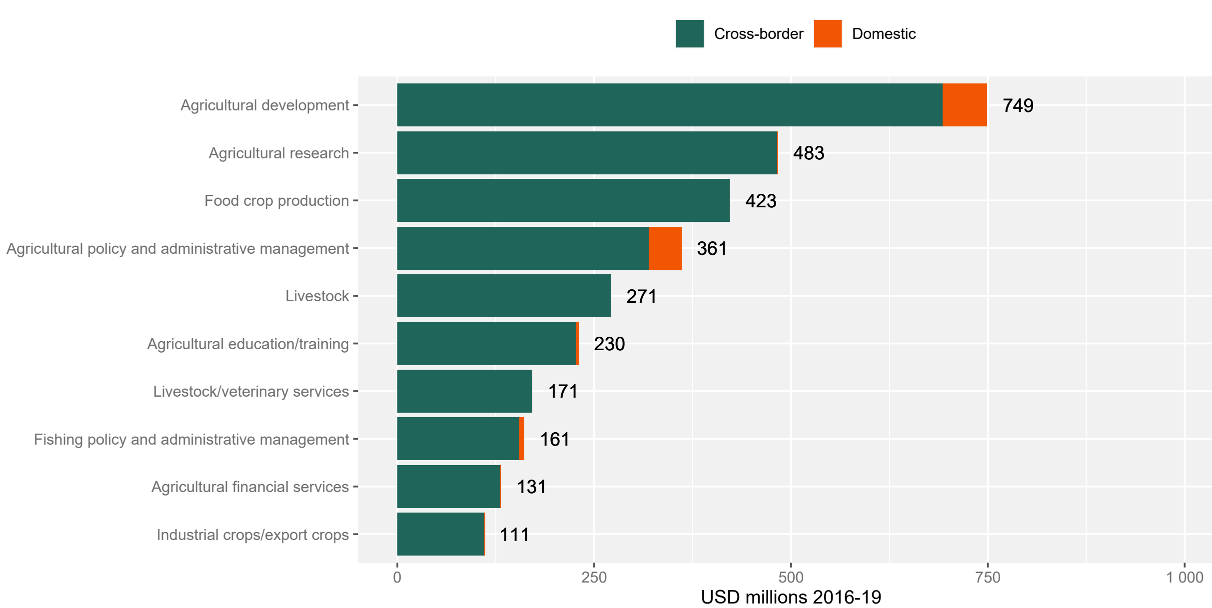
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/urygo0

2.3.4. Funding for agriculture aims to accelerate rural development

Financing towards agriculture aims to develop the sector and carry out research related to agricultural productivity, including food crop production. Training in agriculture and veterinary services and export-oriented crops also feature among the most-funded areas within the agriculture sector (Figure 2.13)

Figure 2.13. Funding in agriculture, 2016-19

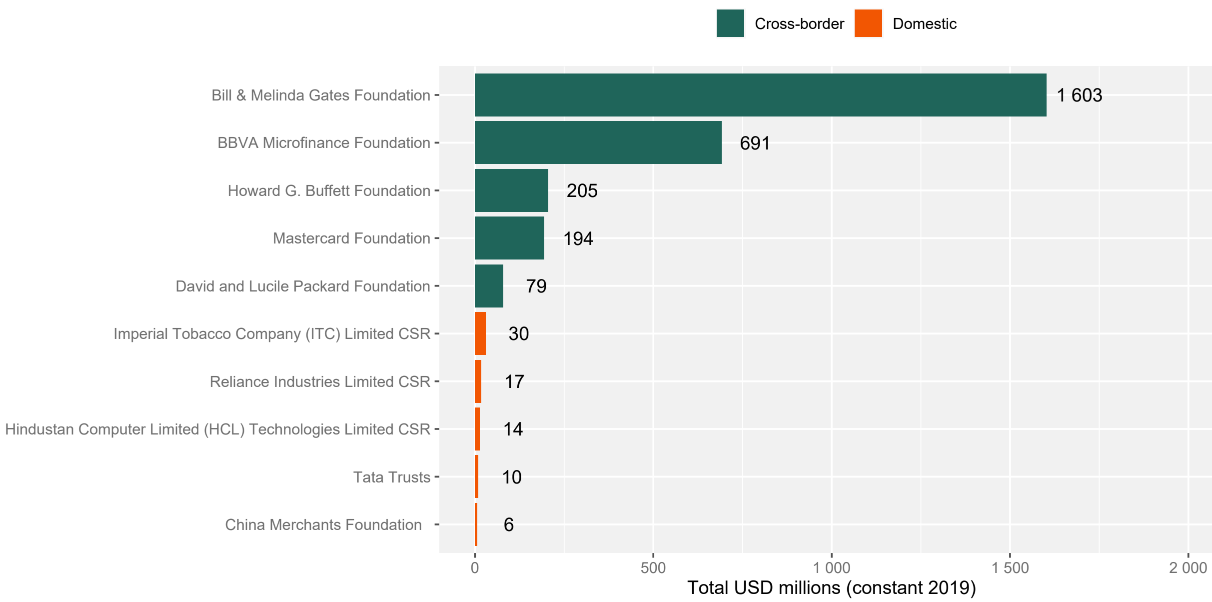


Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/bwo6pk

The largest international foundation in agriculture was the Bill & Melinda Gates Foundation, followed by BBVA Microfinance Foundation, Howard G. Buffet Foundation and Mastercard Foundation, while the largest domestic donors in agriculture were corporates from India (Figure 2.14).

Figure 2.14. Top funders in agriculture, 2016-19



Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

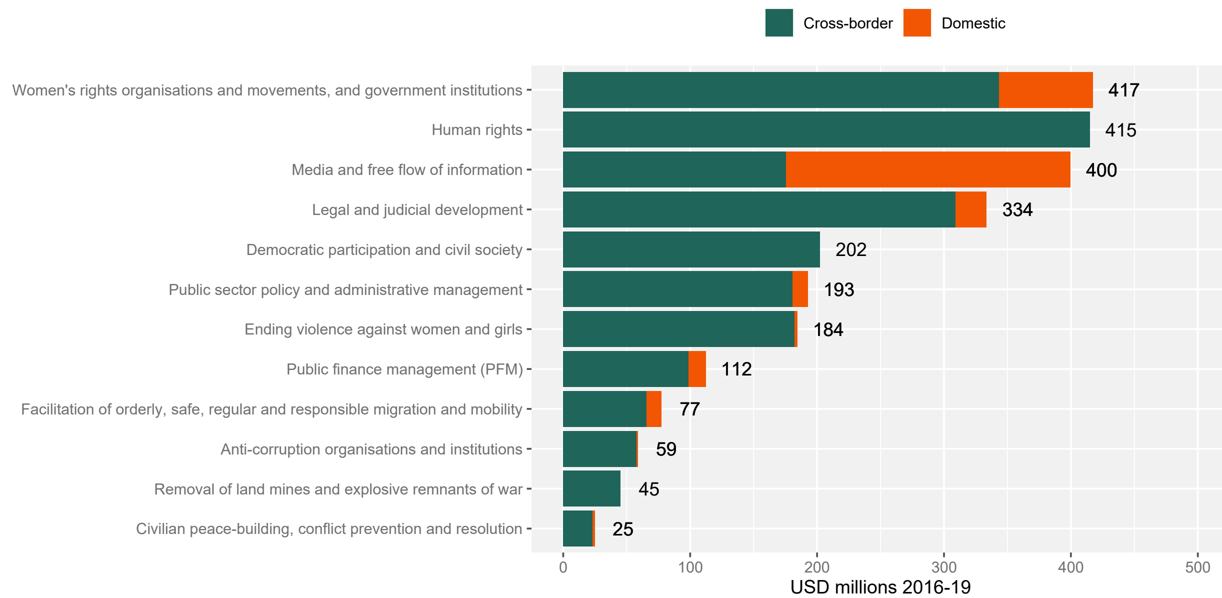
StatLink https://stat.link/elmzp5

2.3.5. Funding for civil society promotes democracy and human rights

Philanthropic donors are significant funders of causes and institutions from civil society at large. Under the OECD-DAC classification, the government and civil society sector includes activities aimed at strengthening the public administrative apparatus and support for civil society organisations. This funding targets areas such as human rights advocacy; increasing democratic participation and the role civil society plays in development; financing media and the free flow of information; development of legal and judicial systems; support for women's rights organisations; and conflict prevention and resolution.

Most philanthropic funding in the government and civil society sector over 2016-19 supported human rights advocacy. Other top targeted areas were support for women's rights organisations and for ending violence against women and girls. Financing to support media and the free flow of information was another top area, particularly from domestic organisations (Figure 2.15).

Figure 2.15. Funding in the government and civil society sector, 2016-19

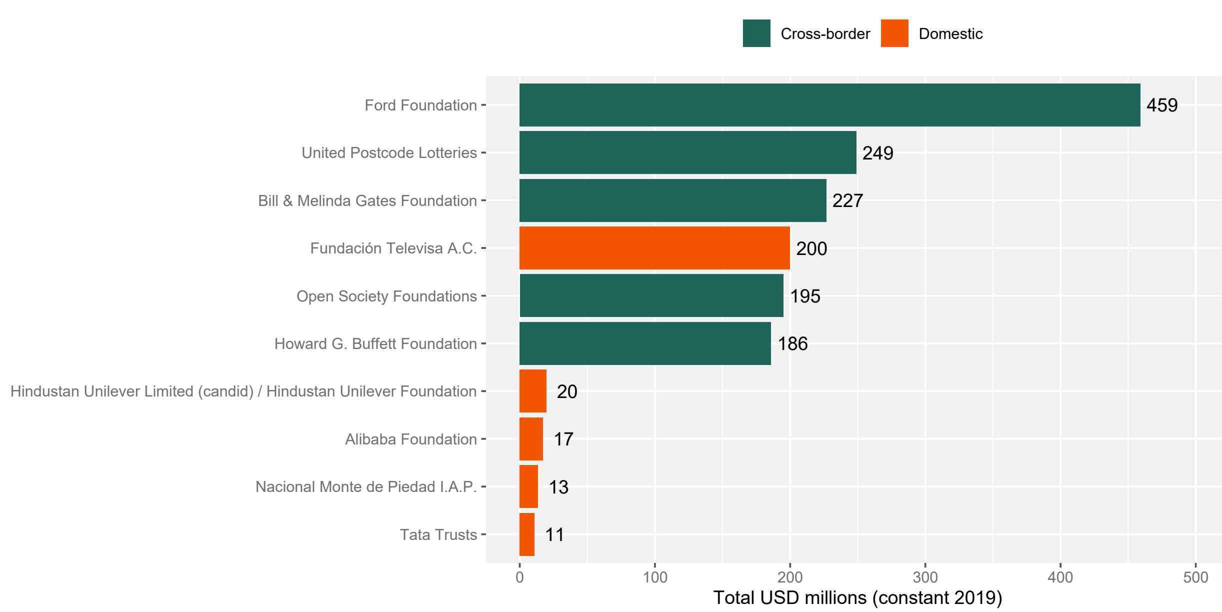


Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/4vlpot

The largest international foundations in the government and civil society sector were the Ford Foundation and the Open Societies Foundations, while the largest organisation operating domestically was Fundación Televisa from Mexico (Figure 2.16).

Figure 2.16. Top funders in government and civil society, 2016-19



Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/ve73x8

2.4. Philanthropic giving for cross-cutting issues

A few issues cut across all philanthropic donations. As these issues can straddle multiple sectors, they are better understood through a cross-sectoral lens. This section analyses foundations' support for research and for the long-term objectives of tackling climate change and moving towards gender equality.

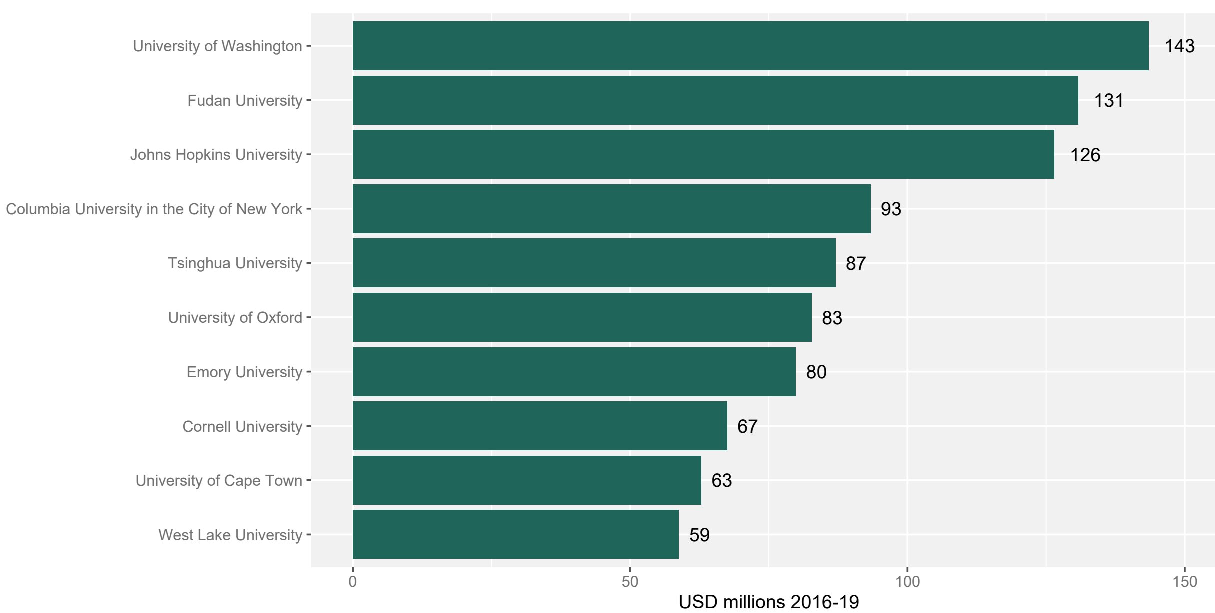
2.4.1. Supporting universities remains a key objective of philanthropy

Financing from philanthropic foundations has long been a key source of financing for universities, particularly in the United States (Stephan, 2012[5]).

Philanthropy also has a long-standing role in financing research centres. According to OECD data on research and development (R&D), funding from private non-profit institutions towards R&D in 37 OECD countries represented, on average, 1.4% of all R&D spending between 2015-18.[4]

In relation to private philanthropy for development, funding towards universities amounted to USD 2.5 billion over 2016-19. Much of this funding came from philanthropic organisations that fund research relevant to development, such as infectious diseases prevalent in developing countries, but is carried out in institutions within the United States and the United Kingdom. Other major recipients were China's Fudan University, Tsingua University and West Lake University, and South Africa's University of Cape Town (Figure 2.17).

Figure 2.17. Funding towards universities, 2016-19



Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

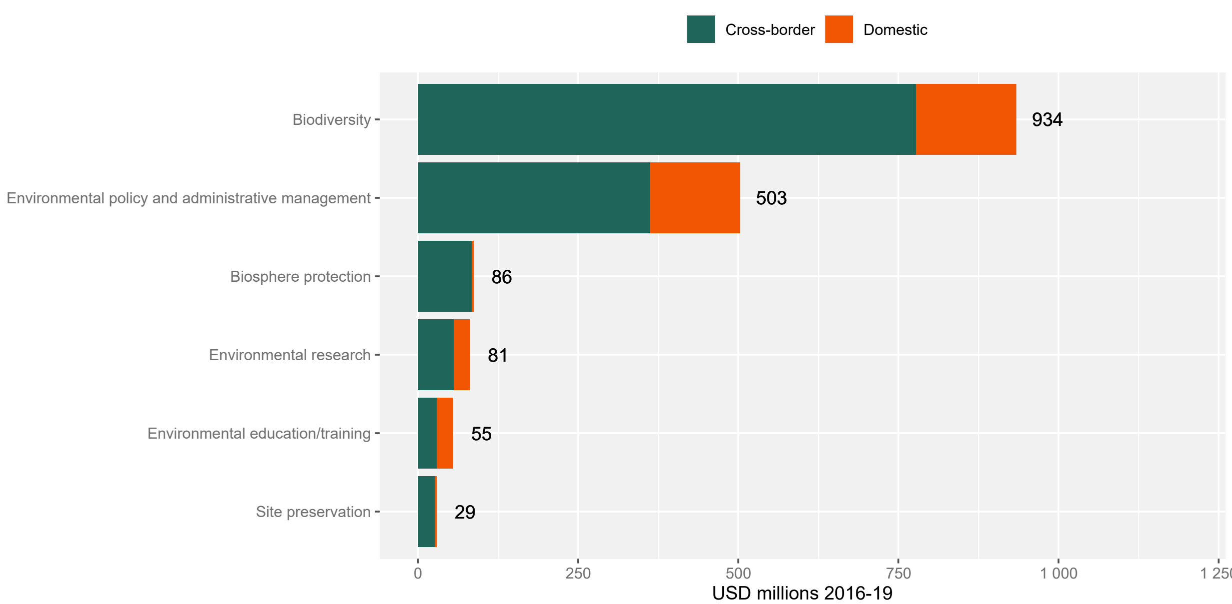
StatLink https://stat.link/pbhqc8

2.4.2. Efforts to protect the environment receive funding from foundations

Climate change and environmental protection are two related areas where foundations also allocate resources. Funding towards general environment protection amounted to USD 1.7 billion, or 4% of all funding, over 2016-19 (Figure 2.18). Some funding targets specific areas, like protection of biodiversity. But do foundations take account of the effects of climate change across their entire portfolios?

The OECD organisational survey asked whether foundations include climate change in their strategy and general objectives. A majority – 58 out of 103 respondents – replied that they do not make use of a climate-change lens in their grants or projects. Of the 45 organisations that do apply a climate lens to their grant making, 20 (44%) are concerned with minimising the carbon footprint of their operations and grant making, while 17 (38%) try to assess how the foundation's mission can be affected by climate change. Moreover, 13 organisations (29%) say they are divesting the foundation's endowment from fossil-fuels or investing in climate solutions, and 9 are asking their partners and grantees to account for climate-related risks and plan for mitigating strategies. Finally, some of the foundations commented that they are developing large climate programmes, supporting environmental initiatives and generating alliances within the framework of the circular economy.

Figure 2.18. Funding towards environmental protection, 2016-19

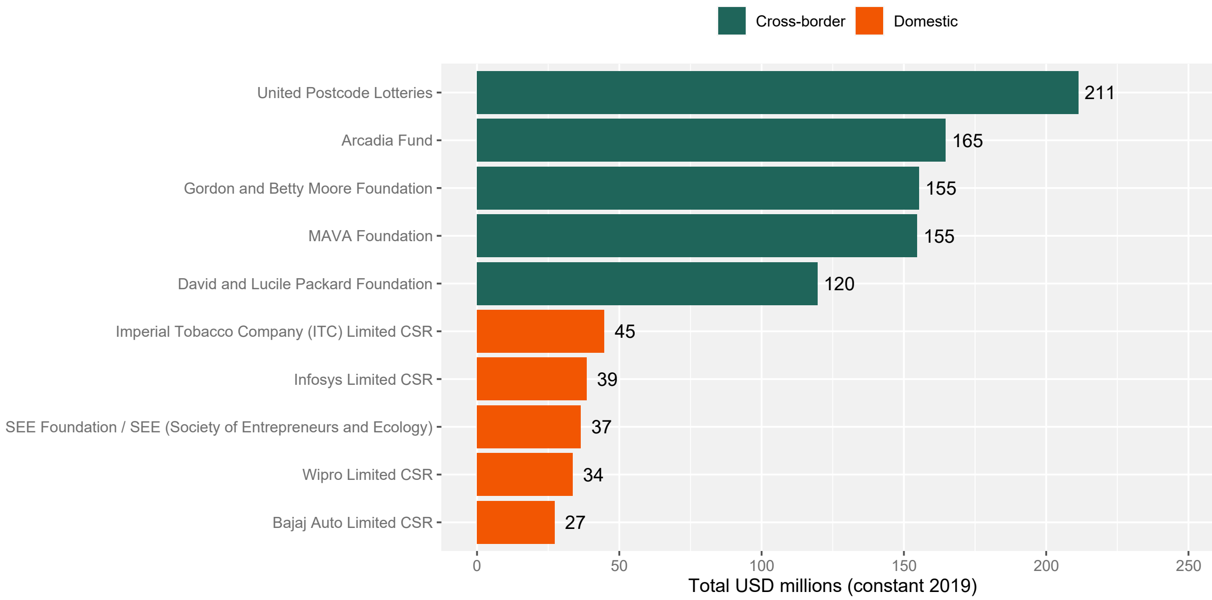


Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/6bi5u3

Within the general environment protection sector, the top funders are the United PostCode Lotteries and the UK's Arcadia Fund, followed by the Gordon and Betty Moore Foundation in the United States and Switzerland's MAVA Foundation. Among domestic donors, InfoSys Limited CSR from India and SEE Foundation from China provide the largest funding (Figure 2.19).

Figure 2.19. Top 10 funders in environmental protection, 2016-19



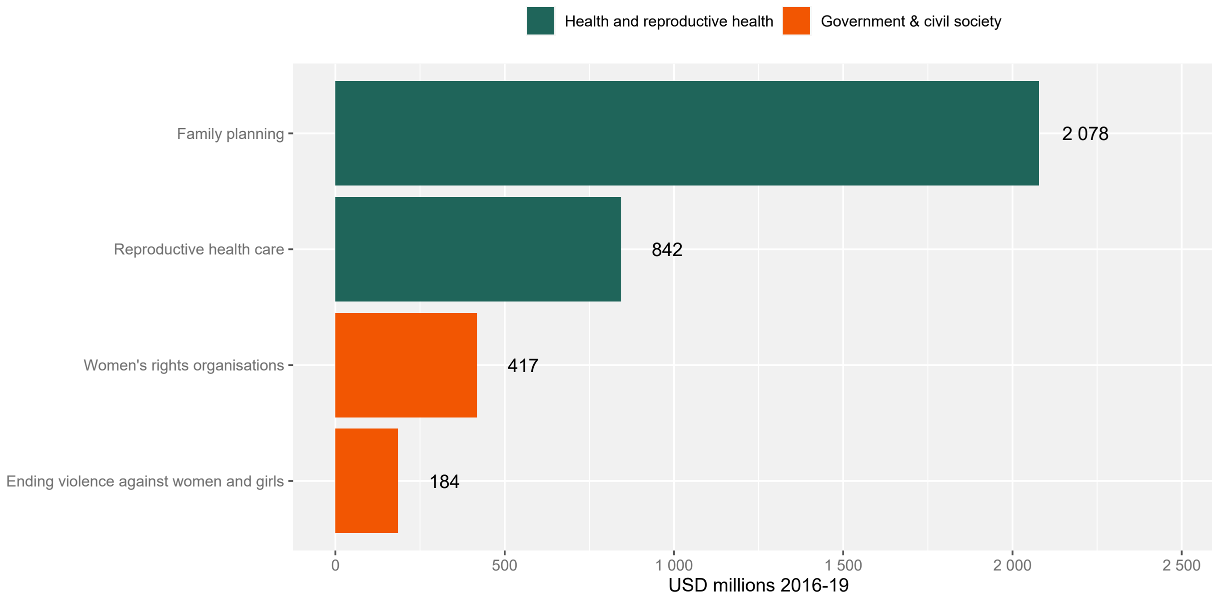
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/5cql1x

2.4.3. Gender-related giving amounted to 8% of all private philanthropy for development

As a cross-sectoral issue, reducing structural gender inequalities through philanthropic funding operates mainly through two channels: 1) reproductive health and family planning, and 2) supporting organisations that advocate for women's rights and for an end to violence against women and girls. Taken together, these areas amounted to 8% of all private philanthropy for development over 2016-19 (Figure 2.20).

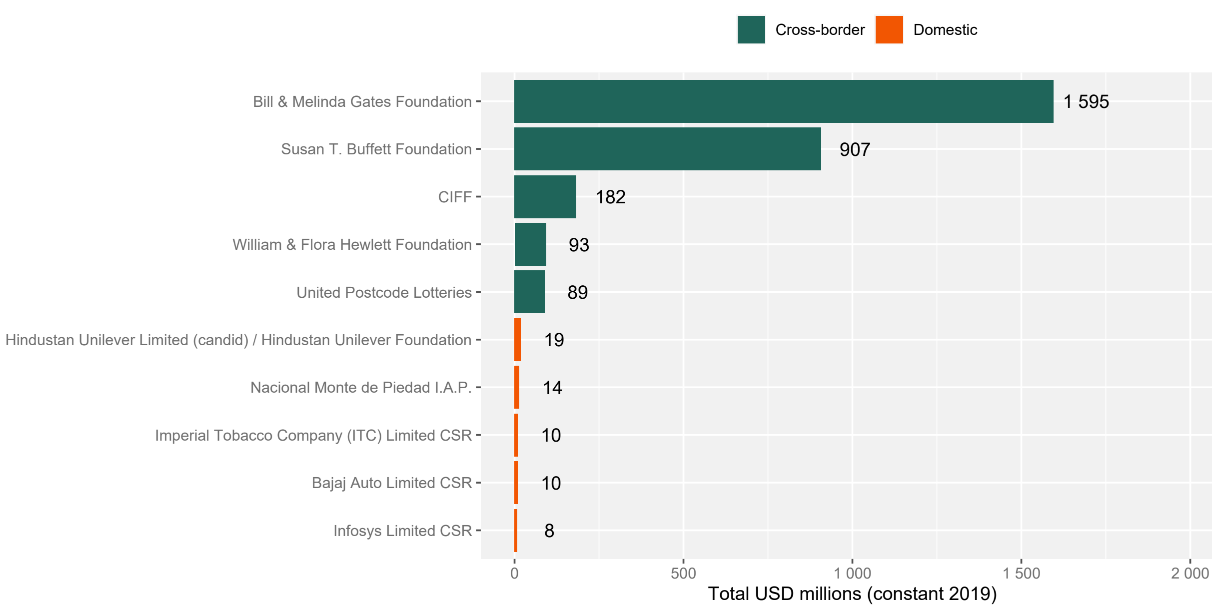
Figure 2.20. Funding in areas relevant to the reduction of gender inequalities, 2016-19



Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

StatLink https://stat.link/wy7dtq

Figure 2.21. Largest funders in areas relevant to the reduction of gender inequalities, 2016-19



Note: Includes purpose codes Family planning, Reproductive health, Women's rights organisations and Ending violence against women.
Source: *OECD Private Philanthropy for Development* survey and *OECD Creditor Reporting System*.

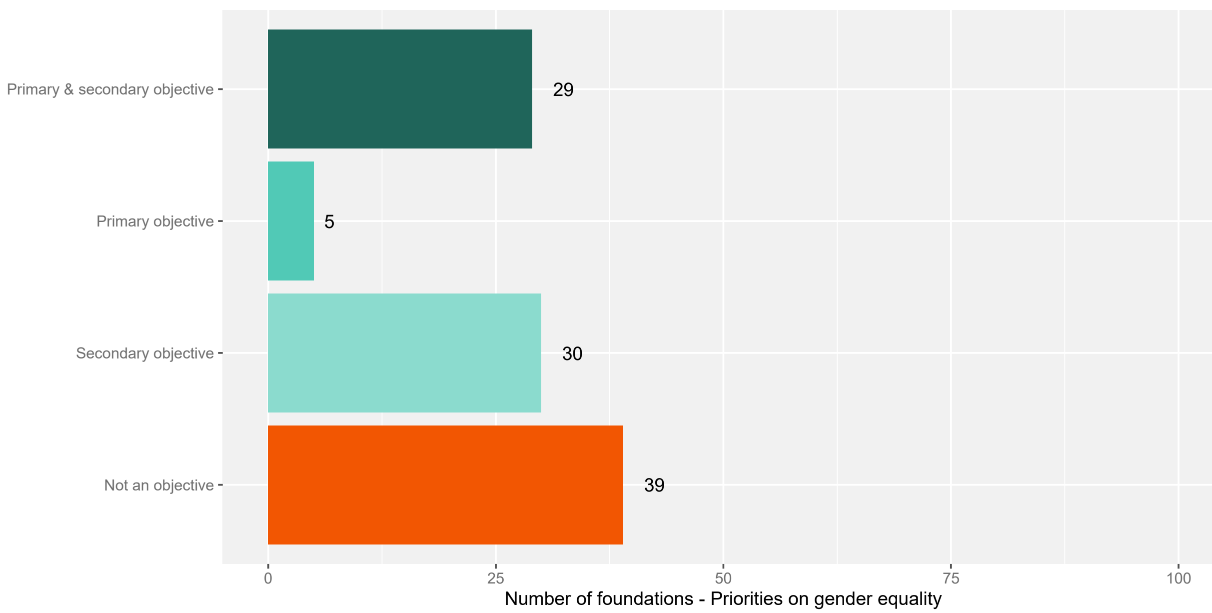
StatLink https://stat.link/9dpjz2

The largest cross-border funders in these areas are the Bill & Melinda Gates Foundation, the Susan T. Buffet Foundation, the Children's Investment Fund Foundation, the William and Flora Hewlett Foundation and United Poscode Lotteries, while the largest domestic organisations is Hindustan Unilever Foundation from India (Figure 2.21).

The classification of grants and projects by thematic area allows a closer examination of activities that have an effect on the lives of women and girls and can contribute to reducing or eliminating gender inequalities. The OECD organisational survey asked foundations whether gender equality was a primary or secondary objective. The aim was to distinguish organisations that establish gender equality as the most important and explicit goal of their grants and projects from those that advance the well-being of women and girls but pursue other goals as well.

Of the 103 respondents, only 5 foundations make gender equality the main objective of their giving. A total of 29 foundations see gender equality as both a primary and secondary objective, while for another 30 respondents it is a secondary objective. For 39 foundations, gender equality is neither a primary nor a secondary objective of their grant making (Figure 2.22).

Figure 2.22. How foundations rank their funding of gender equality, 2016-19



Note: Foundations were asked to identify if their activities aimed at reducing gender equality in developing countries. Based on responses from 103 foundations.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/jp3xlt

Organisations for which gender equality is a primary and secondary goal mainly fund the direct delivery of services to women and girls, such as support of activities to improve women's reproductive health or women's economic empowerment, among others. They also finance programmes that target men and boys, with the aim of promoting behavioural and attitudinal changes in support of greater gender equality.

Interestingly, organisations for which gender equality is a secondary goal are increasingly using *gender analysis*[5] as a tool to design their programmes, particularly trying to identify how their interventions have differential effects between men and women. Organisations financing efforts towards gender equality face two main barriers: first, they do not wish to discriminate between their beneficiaries based on gender, and second, they may be unable to measure and report tangible results from interventions aimed at improving gender equality.

2.5. Implementation of philanthropic giving

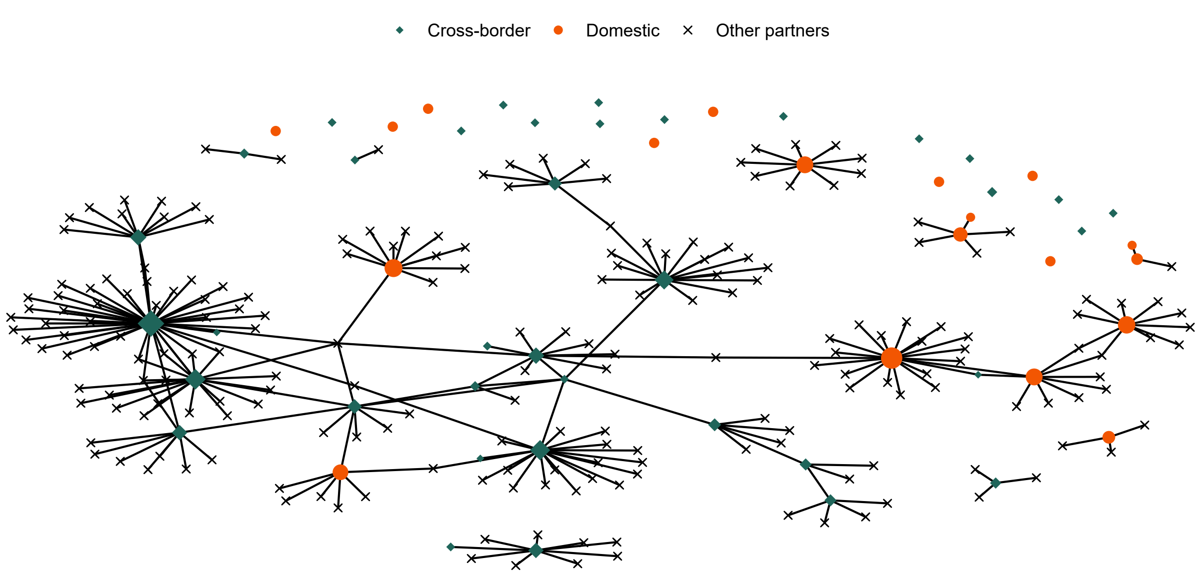
2.5.1. Collaboration among philanthropic donors is increasing

Philanthropy is becoming more interconnected. Philanthropic donors work with one another to fund joint initiatives for multiple reasons, from scaling up a particular programme to pooling funds to tackle an issue that a single funder cannot address alone. However, the extent to which private foundations co-finance their programmes remains an understudied feature of the philanthropic sector.

To identify co-financing operations, the OECD survey defined *private philanthropic collaboratives* as partnerships involving at least two private donors that allocated financial resources to a common objective, or organisation, before deploying the funding. Survey respondents could highlight up to three private philanthropic collaboratives, indicating all other organisations involved – including government agencies, universities, companies and non-profit organisations – as well as the amount of resources the organisation allocated to each private collaborative.

Among 103 respondents, 67 organisations had at least one collaborative between 2016-19. Based on the partners indicated by each respondent, it was possible to see a global network of private philanthropic collaboratives. This network is not an exhaustive picture of philanthropic collaboration, yet it shows the multiple existing relationships among philanthropic organisations, both internationally and domestically, and distinguishes between those that work individually or collaboratively (Figure 2.23).

Figure 2.23. A global network of philanthropic collaboration

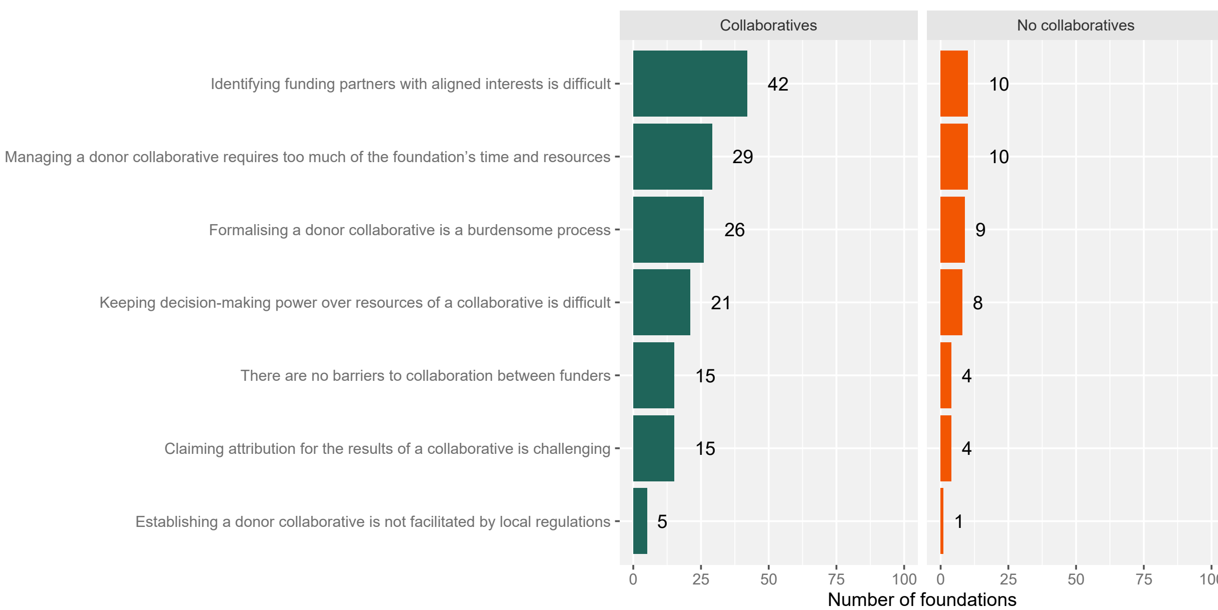


Note: Based on responses from 67 foundations that voluntarily declared having, or not having, private collaboratives. Each node represents one philanthropic organisation, and each link represents a connection with another organisation, which can be another private funder or other partners, including governments and implementing organisations. Nodes without connections represent organisations that did not manifest being involved in any private collaborative.
Source: *OECD Private Philanthropy for Development* organisational survey.

Interestingly, foundation size in terms of annual expenditure is not related to whether organisations work through private collaboratives: foundations both large and small have a similar number of partners. International foundations have more private collaboratives than domestic foundations do, and these international collaboratives are larger, involving more resources and partners. More importantly, collaboratives involving international foundations are often connected through common partners, indicating that a few key participants are engaged in multiple private collaboratives.

The OECD survey asked which barriers to collaboration were the most binding. Respondents who are part of a collaborative, as well as those who are not, indicated that the biggest barrier is finding partners who have aligned interests. This indicates a lack of awareness among donors about each other's objectives (private philanthropic donors as well as providers of ODA). More foundations are providing information on their funding, priorities and behaviour (Box 2.4 and Box 2.5). Yet there is still much room to improve transparency on philanthropic resources allocated for development. Other salient barriers were the administrative costs of managing resources from multiple organisations, and the fact that formalising a collaborative agreement, contractually, can be burdensome (Figure 2.24).

Figure 2.24. Barriers to collaborations among philanthropic donors



Note: Foundations were asked to identify their barriers for collaboration. Based on 103 foundations that responded to the organisational survey. Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/qo8wi3

Box 2.4. How to make voluntary Open Philanthropy work: Perspectives from the United Kingdom and Colombia

360Giving – United Kingdom

360Giving is a charity that helps organisations publish open and standardised grants data, and supports people to use it to improve charitable giving. Since 360Giving was founded in 2015, it has worked with well over 200 funders to publish over GBP 110 billion of their grants data openly in the 360Giving Data Standard – including the United Kingdom government, making it possible to access and analyse grants awarded by different funders using a single search engine, GrantNav https://grantnav.threesixtygiving.org

360Giving was inspired by global open data initiatives that used open data standards to increase transparency and accountability in the use of public funds, for example, the International Aid Transparency Initiative (IATI) and the Open Contracting Data Standard. However, unlike these standards, 360Giving has a voluntary framework because social and charitable organisations in the United Kingdom fall under a multitude of regulators and reporting regimes, as do different types of funders. This means that there was not a single body or reporting framework able to enforce unified sharing of data. The voluntary framework also encourages responsibility for the data and its use, as the publishers host and manage their data published in the standard.

The advantages of an open-data model, combined with effective tools to access, means that there is a much greater impact from the data, not just for those that are sharing it. This includes supporting public transparency over where funds are distributed, use by other funders to understand the landscape, use by charities to understand funder priorities before considering applications, and use by researchers and policy makers.

The data have improved how foundations work by supporting informed decision-making, strategy and collaboration. They have been used to identify potential funding partners as well as charities that may have already received funding elsewhere. More recently, the availability of the data has made a key difference to the COVID-19 pandemic response, with many funders using the 360Giving tools to inform their rapid decision-making, especially https://covidtracker.threesixtygiving.org/ to identify gaps and overlaps in funding.

Contributed by Tania Cohen, Chief Executive, 360Giving.

Association of Family and Corporate Foundations (AFE) Colombia

AFE Colombia was created in 2008 by 9 foundations seeking to formalise collaborative work in the social sector; by 2021 it grouped 67 donors and other non-profit organisations. Its work focuses on building and strengthening capacities, encouraging collaborative work and advocating on public policy. Members are encouraged to share what they do, where they work and how they are financed.

In its role as leader and convener in the Colombian philanthropic sector, AFE promotes transparency among members and with the public at large. In 2010 it created an open-data system where foundations voluntarily disclose detailed information about their social programmes. All reports, case studies, research and financial information are published on its website, https://afecolombia.org/.

Open data are a powerful tool to improve the work of foundations because they allow for better targeting of funding where it is needed the most. Open data also encourage foundations to collaborate and establish partnerships. They help to build trust among foundations and third parties, as publicly available information shows what each foundation can bring to the table.

Contributed by Aura Lucia Lloreda, Executive Director, AFE Colombia.

Box 2.5. Foundations' early responses to COVID-19

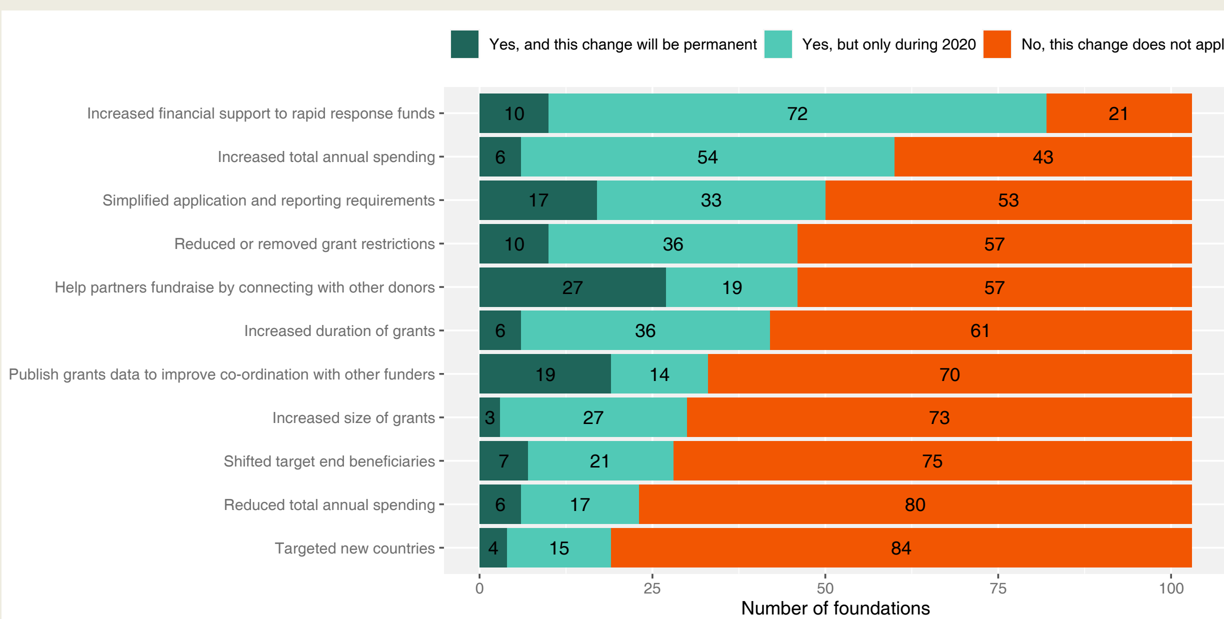
During the COVID-19 crisis, foundations increased financial support for rapid response funds (82 of 103 foundations) and increased total annual spending (60 of 103 foundations). Encouragingly, only 23 of the foundations in the sample reduced total spending in 2020. However, these financial shifts seem to be short term, as fewer than 10% of foundations indicated they intended the changes to be permanent (Figure 2.25).

In terms of philanthropic practice and approaches, key shifts were the introduction of simplified application and reporting requirements (50 of 103 foundations), reduced grant restrictions or their removal, and support of partners' fundraising efforts by connecting them with other donors (46 of 103).

The COVID-19 crisis did not seem to have significant effects on foundations' priority countries. Only 4 of the 103 foundations permanently shifted their geographical priorities, while 15 foundations did so only for 2020. Similarly, only 28 foundations changed their targeted beneficiaries, and most did so only for 2020.

While most changes in giving strategies and practice seem to be seen by foundations as short term, three new practices appear to hold the potential to become permanent: support for partners' fundraising efforts, simplified application and reporting requirements, and greater transparency about grants to improve co-ordination.

Figure 2.25. How foundations adapted to COVID-19



Source: *OECD Private Philanthropy for Development* organisational survey.

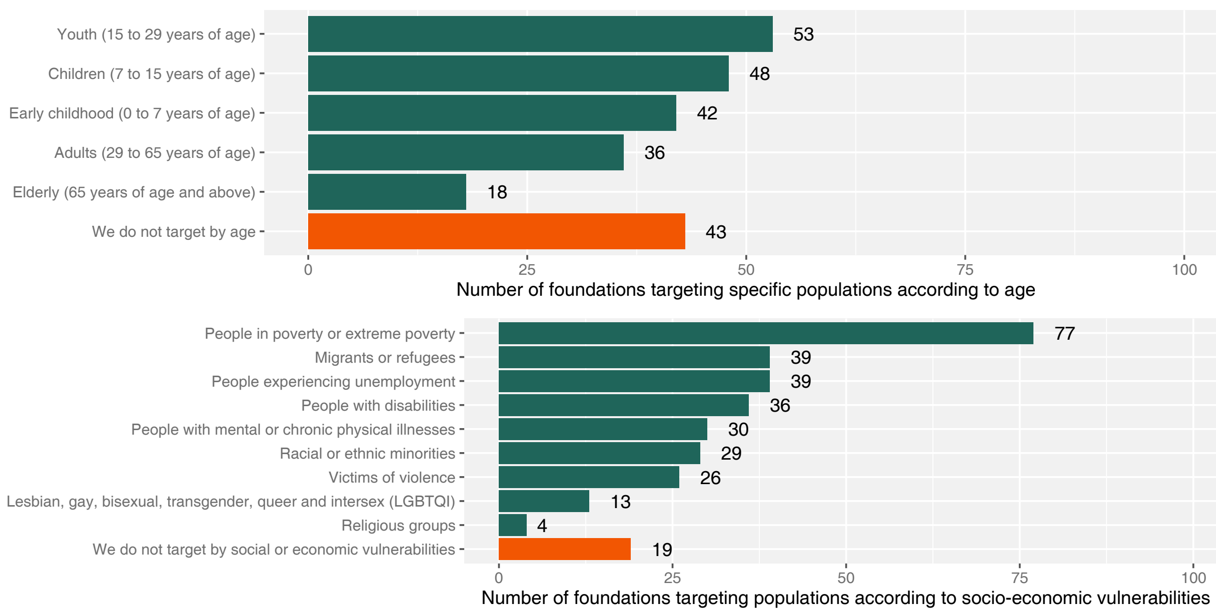
StatLink https://stat.link/db7w0h

2.5.2. Foundations predominantly target youth and people living in poverty

Respondents to the OECD organisational survey have multiple target populations for their financing. More than half (60 of the 103 respondents) target age groups for their financing, with an emphasis on children and youth, while the rest (43 foundations) do not target populations according to age. Few foundations explicitly target the elderly.

In terms of socio-economic vulnerabilities, the populations most targeted by respondents are those living in poverty (77 foundations). Other top target groups are the unemployed, migrants and refugees. Most foundations that provide funding in the health sector target populations with specific disabilities or experiencing chronic illnesses (Figure 2.26).

Figure 2.26. Target populations by age and socio-economic vulnerabilities



Note: Foundations were asked to identify their targeted demographies. Based on 103 foundations that responded to the organisational survey. Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

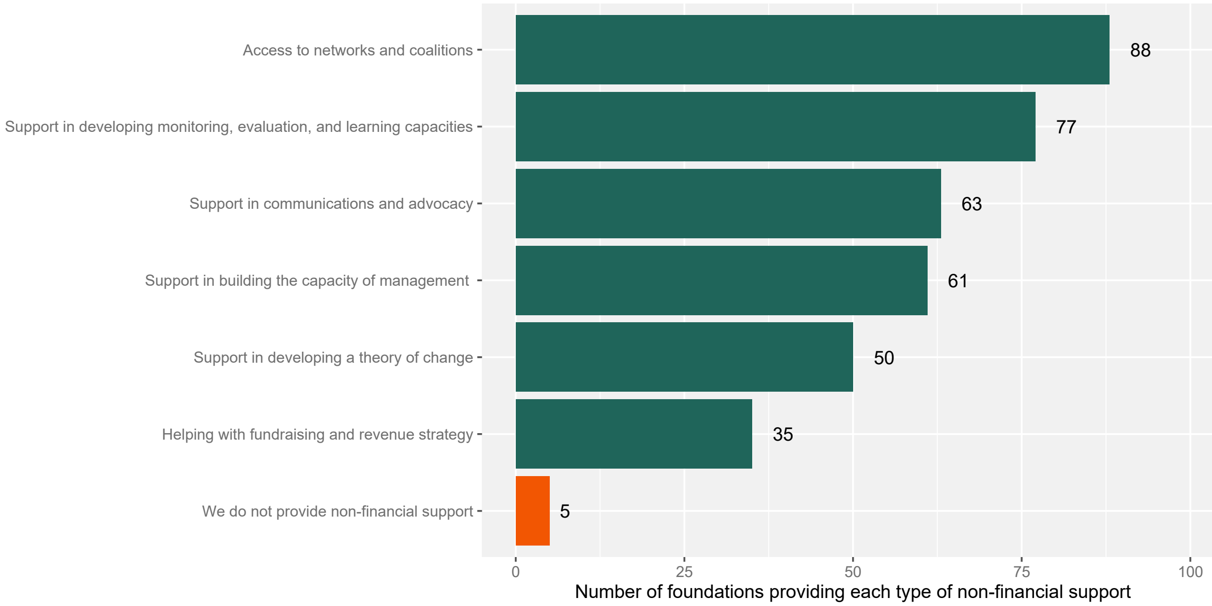
StatLink https://stat.link/yw5joz

2.5.3. Foundations also provide non-financial resources like access to expertise

Beyond financing, philanthropic donors provide non-financial resources that play an important part in the development and sustainability of the organisations they support. Most foundations provide grantees with access to networks and coalitions of funders, in the form of connections to additional sources of financing, information and expertise. Monitoring and evaluation (M&E) capacities and managerial practices are also supported by foundations, which may sit on the board of a beneficiary organisation to contribute directly to its strategic orientation.

Funders likewise help to improve the visibility of their grantees through communications and fundraising opportunities. Non-financial support plays a role in how foundations help their grantees engage in advocacy, and also in how they become sustainable in the long run (Figure 2.27).

Figure 2.27. Non-financial support provided by philanthropic donors



Note: Foundations were asked to identify the types of non-financial support they provide. Based on 103 foundations that responded to the organisational survey. Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/hr2417

Notes

[1] See http://www.oecd.org/dac/financing-sustainable-development/.

[2] Includes the following OECD DAC purpose codes: Infectious disease control (12250), Malaria control (12262), Tuberculosis control (12263) and STD control including HIV/AIDS (13040).

[3] Includes the following OECD DAC purpose codes: NCDs control, general (12310), Tobacco use control (12320), Control of harmful use of alcohol and drugs (12330), Promotion of mental health and well-being (12340), Other prevention and treatment of NCDs (12350) and Research for prevention and control of NCDs (12382). These estimates are likely to be underestimated in terms of all NCD response and the amounts philanthropy is providing, given that a a significant portion of funding that addresses NCDs is often categorised as general health sector support.

[4] Calculations based on (OECD, 2021[6]).

[5] For the purpose of this survey, gender analysis was defined as “assessing the differences between women and men, girls and boys in terms of their relative distribution of resources, opportunities, constraints and power during the design, implementation, monitoring and evaluation of its programmes to ensure equitable participation of women and men”.

References

OECD (2022), *(Forthcoming) Domestic Philanthropy for Development and Gender Equality in Nigeria*, OECD Publishing, Paris. [3]

OECD (2021), *Domestic Philanthropy for Development and Gender Equality in Colombia*, https://www.oecd.org/development/philanthropy-centre/researchprojects/countrystudies/OECD_CoP_DomesticPhilanthropyColombia.pdf. [1]

OECD (2021), *Domestic Philanthropy for Development and Gender Equality in South Africa*, https://www.oecd.org/development/philanthropy-centre/researchprojects/countrystudies/OECD_CoP_DomesticPhilanthropySouthAfrica.pdf. [2]

OECD (2021), *Research and Development Statistics: Gross domestic expenditure on R-D by sector of performance and source of funds (Edition 2020)*, OECD Science, Technology and R&D Statistics (database), Paris, https://doi.org/10.1787/19151f52-en. [6]

OECD (2020), *Taxation and Philanthropy*, OECD Publishing, Paris, https://doi.org/10.1787/df434a77-en. [4]

Stephan, P. (2012), "How economics shapes science", *Harvard University Press, Cambridge, MA*, https://www.hup.harvard.edu/catalog.php?isbn=9780674088160. [5]

3 En route to 2030: Mobilising, advocating, learning

This chapter explores how foundations are **mobilising** by investing their assets and spending their philanthropic capital to create additional resources for development; how they are strategically **advocating** to amplify and sustain their impact; and how they are striving to become **learning** organisations and produce knowledge that can improve development policy and practice through monitoring and evaluation.

3.1. Unpacking foundations' strategies to mobilise funds, advocate and learn from evaluations

Private philanthropy for development has bold goals. Many foundations aim to go beyond palliative solutions to alleviate poverty by using their funding strategically to dismantle some of the root barriers to economic and social development. But what foundations can give to developing countries is typically dwarfed by the resources of other players. Official development providers give more than 14 times as much as private philanthropy for development, and the volume of private remittances to developing countries surpasses philanthropy by more than a factor of 10.

This chapter explores how foundations are **mobilising** by investing their assets and spending their philanthropic capital to create additional resources for development; how they are strategically **advocating** to amplify and sustain their impact; and how they are striving to become **learning** organisations and produce knowledge that can improve development policy and practice through monitoring and evaluation.

Findings in this chapter draw on data from 103 foundations that replied to OECD's organisational survey. Of the foundations in the sample, 45% are mixed foundations (they provide grants and operate their own programmes); 37% are grant-makers only; 10% are operational foundations; and the remaining 8% are either re-granter foundations (they distribute donations received from either individuals or other foundations, including crowdfunding) or belong to other categories.

3.2. Mobilising resources for sustainable development

This section examines foundations' efforts to mobilise additional resources to leverage their role as asset owners, investors and grant makers. It assesses how foundations use assets from their endowment to advance environmental, social and governance goals. It also explores the extent to which foundations employ diverse financial mechanisms to deploy their philanthropic capital, including loans, equity and guarantees. Finally, it outlines how, through their grant making, foundations can build an enabling environment that supports investing with a mix of financial and social goals, within and beyond the philanthropic sector.

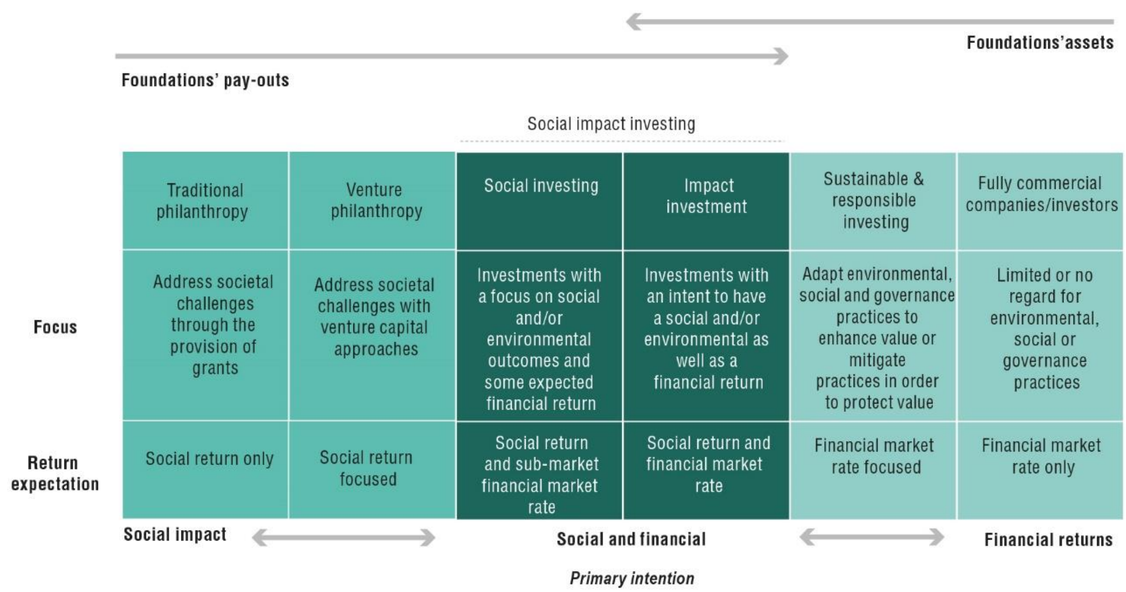
3.2.1. Foundations seek to mobilise additional finance through capital markets

There is a growing imperative to mobilise additional finance towards sustainable development. COVID-19 has had a profound impact on livelihoods around the world. It is estimated that the forgone working hours equate to 200 million people losing their jobs, and 100 million people have fallen into extreme poverty (OECD, 2020[1]). While an additional USD 1 trillion will be needed for developing countries to match the expenditures of OECD countries on the COVID-19 pandemic and recovery, external private finance towards these regions has decreased. In 2020, remittances fell by 1.6% from the previous year, to USD 540 billion (World Bank, 2021[2]) while foreign direct investment (FDI) in developing countries dropped by an estimated 8%, from USD 723 billion to USD 663 billion (UNCTAD, 2021[3]). Furthermore, developing countries that entered the crisis with large and pre-existing vulnerabilities now have limited fiscal space to support recovery actions (OECD, 2020[4]). Overall, the estimated SDG funding gap in developing countries rose by USD 1.7 trillion during the pandemic, a 68% increase from the pre-COVID annual gap of USD 2.5 trillion (OECD, 2020[1]).

The assets of foundations are negligible compared to those held by private investors, governments and multilateral donors. Yet foundations can play their part in helping to mobilise private capital markets to support development. First, a sizeable share of foundations in the sample, primarily from the United States, Latin America and Europe, are endowed. In their role as asset owners, and provided their country legal and fiscal frameworks allow, foundations can invest their endowments to advance environmental, social and governance (ESG) goals; promote responsible investment strategies among the asset managers they hire; and engage with the industries they invest in to encourage sustainable and inclusive business practices. However, while endowed foundations are common in Europe and North America, in some emerging markets they are not. An OECD study on domestic philanthropy in Colombia found that, of 54 foundations in the sample, only 12 had a private endowment (OECD, 2021[5]). Second, foundations can mobilise additional private finance for development through innovative approaches such as tailored finance.[1] Finally, in their role as grant makers, foundations can support an enabling environment that facilitates responsible investing. They can fund networks and support organisations that connect investors from the private, philanthropic and public sectors, and also help build capacities and codify best and emerging practices in the sector.

Figure 3.1 illustrates the spectrum of capital in which foundations can operate. On the right-hand side of the spectrum, investments have the sole objective of maximising shareholder and debtholder value through financial returns based on absolute or risk-adjusted measures of financial value (e.g. investing endowment assets with a finance-first focus). On the left-hand side of the spectrum, disbursements have the sole objective of achieving social returns (e.g. grants). Social impact investing aims for a mix of social and financial returns. The following section outlines the extent to which foundations mix social and financial returns to mobilise commercial private finance towards sustainable development.

Figure 3.1. Leveraging foundations' assets and pay-outs along the spectrum of capital

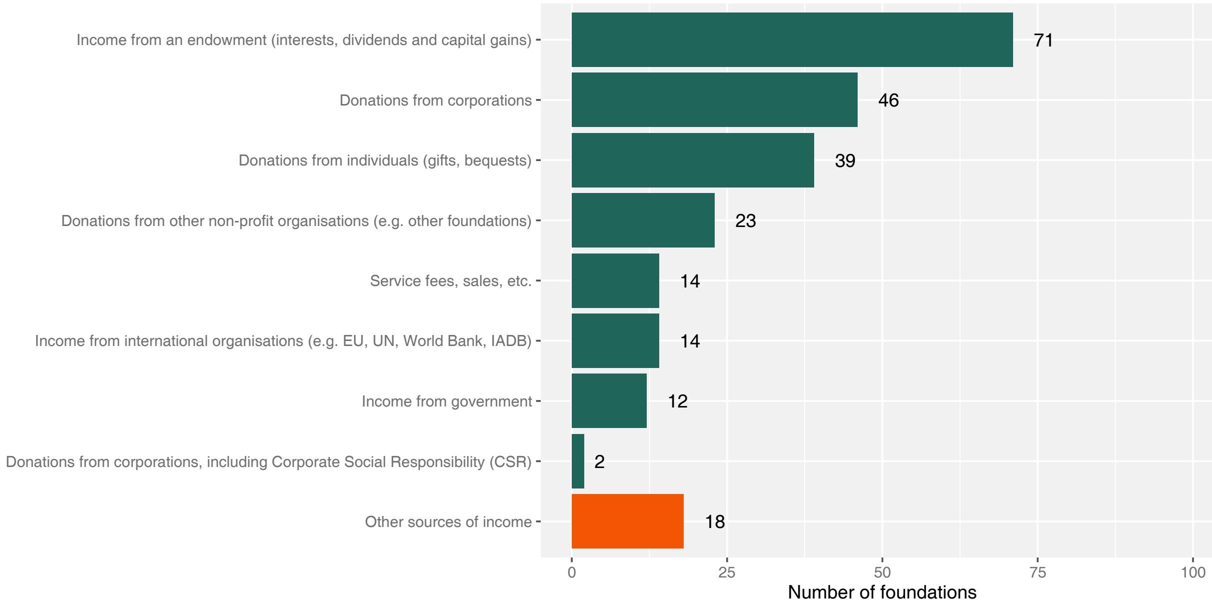


Source: Based on (OECD, 2019[6]).

3.2.2. Responsible investing aims to achieve both social and financial returns

The OECD organisational survey covered 103 foundations that are active in developing countries. Of those, 71 derive their income from an endowment (Figure 3.2). Close to half of these endowed foundations have an internal investment team (36 foundations); the rest have a minimal internal structure and work with external advisors or managers (30 foundations) or do not know/cannot reply (5). Close to 80% of endowed foundations in the sample are from Europe (24), Latin America & the Caribbean (17) and North America (16). Only 14 endowed foundations are from Sub-Saharan Africa (5), East Asia (7) and the Middle East & North Africa (2).

Figure 3.2. Foundations' sources of income



Note: Foundations were asked to identify their sources of income. Based on 103 foundations that responded to the organisational survey. Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/unpwmj

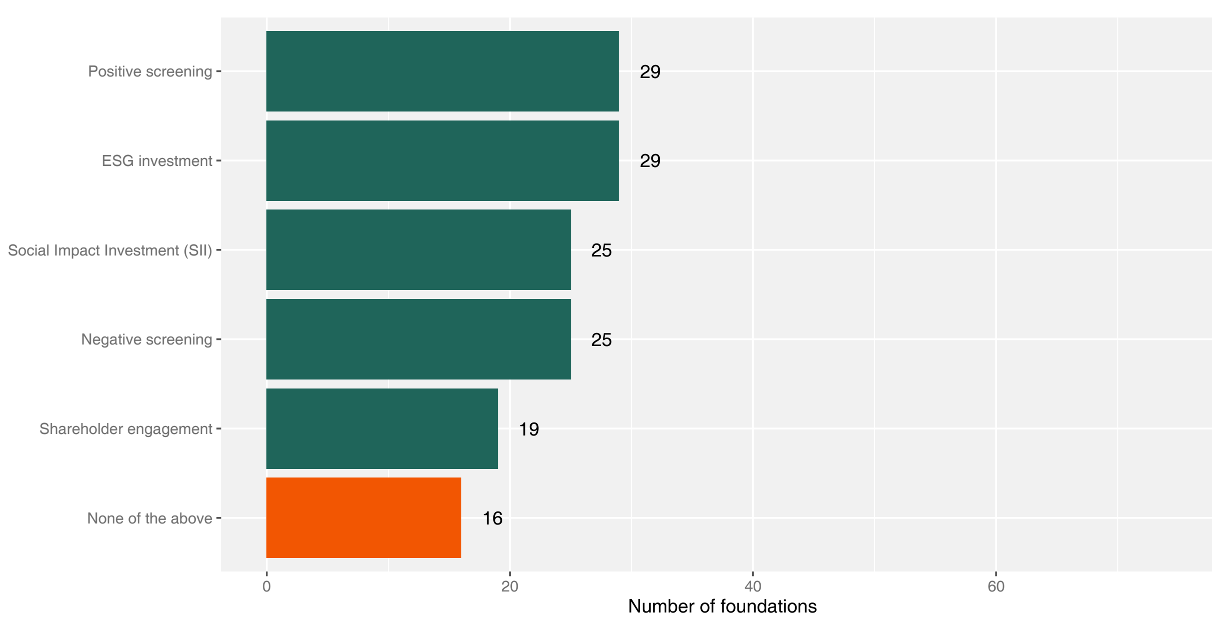
Over the past two decades, foundations have shown growing interest in investing their endowment to further social and environmental goals. These investments, often broadly referred to as *sustainable and responsible investments*, seek to generate a market rate of return on capital while also furthering a social and/or environmental purpose. They are generally expected to yield competitive rates of return in order to guarantee the foundations' preservation of capital and long-term existence. In some instances, these investments can also be aligned to the foundation's mission and programmatic goals (in which case they are often referred to as *mission-related investments*, or MRIs). A 2011 survey of US-based foundations found that close to half of 168 foundations that engaged in responsible investing had begun within the previous two years (Lawrence and Mukai, 2011[7]). Similarly, in the United States, the annual growth rate of mission investments averaged 16% over 2002-07, up from only 2.9% in the previous 32 years (Cooch et al., 2007[8]).

Foundations report using sustainable and responsible investing for a number of reasons (Godeke and Bauer, 2008[9]; Bolton, 2006[10]; Cooch et al., 2007[8]). By aligning assets with social goals, and particularly with foundations' own programmatic objectives, foundations seek to extend the financial resources they devote to their mission. In the United States, for instance, foundations are legally required to disburse 5% of the average market value of their net investment assets annually. Sustainable and responsible investing has the potential to leverage the "untapped 95%" (OECD, 2018[11]; Mahlab and Harrison, n.d.[12]). This was a major driver for the creation of the W.K Kellogg Foundation's Mission Dirven Investment Portfolio. In 2007, the foundation decided to expand the resources allocated to its mission, and to invest USD 100 million of its endowment with the aim of achieving social returns alongside financial returns (W.K. Kellogg Foundation, 2019[13]). Foundations also use their assets to demonstrate how responsible investments yield competitive market returns alongside increased social value, in the hope of convincing more prudent commercial investors to follow suit (Kölbel et al., 2020[14]; Walker, 2017[15]; McCarthy, 2017[16]; Miller and Heron Foundation, 2012[17]). For instance, in 2017, the Ford Foundation committed

USD 1 billion of its endowment to mission-related investing funds, to be phased in over a period of 10 years. One of the objectives was to produce evidence on the financial and social returns of mission-related investments that could be shared with other investors within and beyond the philanthropic sector (Box 3.1) (Walker, 2017[15]). Furthermore, foundations have used sustainable and responsible investing to ensure a greater degree of consistency and avoid discrepancies between their values and programmatic priorities and the management of their own assets. At a time when public scrutiny of philanthropy is increasing, avoiding investments in industries at odds with a foundation's mission – such as in fossil fuels, alcohol or tobacco – can help foundations protect their reputation and credibility. Finally, responsible investing can be a strategy for protecting the value of foundations' assets in the long run. Societal values related to environmental protection and social inclusion are increasingly influencing consumer and investor choices, with a likely bearing on future corporate (and asset) performance (OECD, 2020[1]). In a 2020 global consumer survey, 70% of respondents stated that COVID-19 had made them more aware of human activity's threat to the climate, and 87% said that companies should take better account of the environmental impact of their products, services and operations (Kachaner et al., 2020[18]).

In the OECD survey of endowed foundations, three out of four respondents (55 of 71) reported using one or more strategies to invest their endowments responsibly. The most common strategies cited are the application of ESG criteria to define an investment portfolio and the positive screening of investments. Shareholder engagement, which can constitute an effective channel to influence corporate conduct and performance, is less frequently used (Figure 3.3). Around 34% of endowed foundations (24 of 71) employ just one type of investment strategy, while 44% (31 of 71) combine two or more different strategies. Although these figures suggest that a majority of foundations employ a combination of responsible investing strategies, they do not provide the share of endowments (and value of assets) that are invested responsibly.

Figure 3.3. Foundations' investment strategies for their endowment



Note: Answers to the question "Does your foundation follow any of the investment strategies listed for its endowment?". Based on 71 foundations with income from an endowment (out of 103 foundations surveyed). Foundations could choose multiple investment strategies.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/qsfzxg

Box 3.1. Ford Foundation: Unlocking the power of its endowment

Roy Swan, who leads the Ford Foundation's Mission Investments team, provided this explanation of the foundation's investment strategy:

"The current global capitalist system is increasing inequality. Investment policies that singularly seek to maximise short-term financial return seem antiquated and unsophisticated given what we now know about the negative and positive externalities produced by those investments. In light of that and other considerations, the Ford Foundation's president, Darren Walker, stated in 2015: 'I no longer find it defensible to say that our investment strategy is only to maximise the value of our endowment – just as it's no longer defensible for a corporation to say its only responsibility is to maximise shareholder value.'

"Walker's statement arose out of a recognition that philanthropy is a creation of capitalism and an acknowledgment of the inherent complexities of current endowment investment strategies – i.e. the need to generate investment returns in order for endowments to live on in perpetuity and continue to grow, but the fact that some of the problems we are aiming to solve, especially around inequality, are products of the system that we are investing in. From that statement sprang the idea to carve out USD 1 billion from the Ford Foundation's endowment to create the mission-related investments (MRI) endowment dedicated to impact investments aligned with the foundation's mission.

"The Ford Foundation created the Mission Investments programme in 2017 to perform four functions: i) invest and manage the USD 1 billion MRI endowment; ii) invest and manage the USD 350 million programme-related investment fund; iii) manage a USD 5 million annual grant budget dedicated to supporting the global impact investing infrastructure and field; and iv) help raise awareness and increase investor interest in impact and ESG-oriented investing.

"The USD 1 billion MRI endowment, to be allocated over ten years, seeks risk-adjusted market rates of return and positive social impact along its themes: multifamily affordable rental housing, diverse fund managers and quality jobs in the United States; and biotech/healthtech and financial inclusion/fintech in the Global South. It will be invested primarily in the private markets (private equity and venture capital funds) to drive impact, with a small allocation reserved for public-market investments. All capital is managed internally, with the MRI Committee of the Ford Foundation's Board of Trustees approving all investments.

"As of 31 August 2021, USD 280 million in MRI capital had been committed and USD 137 million funded. While it is much too early to measure financial success given the J-curve nature of private-market investments, the MRI endowment has achieved compounded annual returns in excess of the typical hurdle rate for perpetual foundations (spend rate plus inflation). The private equity and venture capital funds in which the MRI capital is invested have preserved more than 23 000 affordable housing units, served more than 76 million low-income consumers, improved or created nearly 7 000 jobs, and supported 15 companies developing diagnostics, therapeutics and vaccines; 83% of the MRI endowment's fund managers are owned by women and/or people of colour."

Contributed by Roy Swan, Ford Foundation.

ESG investing

ESG investing and positive screening are the most common investment strategies for endowed foundations in the sample (both are used by 29 of 71) (Figure 3.3). ESG investing seeks to incorporate information regarding environmental, social and governance risks and opportunities into portfolio investment and management (OECD, 2020[19]). It considers investees' practices related to ESG issues (such as a company's carbon footprint, protection of human rights or board independence) and identifies potential long-term risks that may affect the company's performance by eroding its equity value or limiting its credit lines. For instance, in 2021 the Rockefeller Foundation launched a new ethical investment policy for its endowment (Rockefeller Foundation, 2021[20]). Its investment strategy seeks to generate the highest level of returns prudently while at the same time integrating ethical practices. Its endowment is primarily invested with external investment managers who are expected to consider ESG factors and their implications for asset valuations. While the foundation's endowment includes investments that yield a market rate of return alongside social and/or environmental impact, it does not actively seek impact (double or triple bottom line) investments (Rockefeller Foundation, 2020[21]).

For foundations entering the responsible-investment space, ESG investing can be a relatively simple place to start. Vehicles such as ESG exchange traded funds (ETFs) allow for passive investment strategies and provide an opportunity for foundations to outsource the screening and constitution of investment portfolios. ESG ETFs invest in a basket of bonds, stocks or other assets and track to a specific sustainable index. Through these funds, foundations can build a diversified investment portfolio at a lower cost than with active investment strategies. In addition to broad sustainable ETFs, there are several thematic ETFs that allow foundations to focus on one specific sustainability theme, such as cardio-vascular health, gender equality or clean energy.

However, ESG investing has its limitations. It has become a lucrative sector and financial firms are developing a wide variety of new ESG products, often without a clear definition of what these products contain (Peirce, 2021[22]). For instance, ESG passive investment vehicles such as ETFs can bundle several assets, some of which may be at odds with the foundation's values and mission. It is therefore critical that foundations carefully assess the specific assets included in the ETFs they invest in. Furthermore, there is a growing number of third-party independent companies and research groups, with no single methodology to compute ESG scores. Rating agencies can assign different weights to each ESG factor considered, and then aggregate results into a composite ESG score. As this method involves unreliable access to ESG information and human judgement, it results in inconsistency across scores and a lack of transparency about companies' performance in specific ESG dimensions. For example, a company with a high score on environmental performance can also have high carbon emissions if other environmental factors are given greater weight (OECD, 2020[23]).

Screening

Screening is often done as part of ESG investing. It allows foundations to select investments that fulfil certain criteria or, more broadly, to build investment portfolios that better reflect their mission and values. Foundations can intentionally include, or *positively screen*, best-in-class companies (those with the best performance relative to industry peers), or companies that engage in desirable behaviours (such as renewable energy companies, entities that create jobs for disadvantaged communities, industries that provide quality jobs for women, etc.). Foundations can also exclude, or *negatively screen*, companies that engage in unethical conduct or produce objectionable goods (such as investments in firearms, fossil fuels, tobacco, alcohol, etc.). Beyond ESG criteria, foundations can screen investments based on specific investing principles that set their own boundaries when it comes to investing. About 41% of endowed foundations in the sample (29 of 71) use positive screening techniques for their endowments, while 35% use negative screening (Figure 3.3, above).

For example, the King Baudouin Foundation in Belgium invests its endowment with a mix of negative screening and a best-in-class approach. The foundation targets the best performing companies in each sector, based on ESG criteria, and systematically excludes certain sectors, such as the controversial arms industry. Its exclusion criteria draw upon legal criteria (e.g. Belgium's Mahoux law, adopted in 2007, which prohibits the financing, manufacture, use and holding of cluster munitions) and upon the exclusion list used by the Norwegian Pension Fund (King Baudouin Foundation, n.d.[24]).

Similarly, the UK-based Children's Investment Fund Foundation (CIFF) has prohibited investments in companies in specific sectors that can harm their mission. Its endowment managers cannot invest in companies that generate income from the production or marketing of tobacco, market breast-milk substitutes (unless they follow the World Health Organization's code for marketing such substitutes), or in companies that generate 10% or more of profits from fossil fuels or more than 25% of profits from arms. The foundation sets a 12-month time frame to divest from companies that are already in its portfolio and fall within one of the previous categories (CIFF, n.d.[25]).

Divestment is a related investment strategy. It involves selling off shares of specific companies or products. While negative screening can be done privately and independently by a single investor, divestment is generally associated with a vocal movement and widespread media coverage to reprimand a company or industry for its behaviour. In 2019, for instance, the Calouste Gulbenkian Foundation, created by one of the world's first oil tycoons, sold its shares in Partex, a Portuguese oil extraction company. The foundation is reinvesting the USD 622 million in revenues generated by the sale in renewable energies (Calouste Gulbenkian Foundation, 2019[26]). Meanwhile, 188 foundations have joined the DivestInvest movement, a coalition committed to accelerating the transition to a zero-carbon economy by divesting fossil fuels and switching to clean energy investments (DivestInvest, n.d.[27]). Proponents stress that divestment, media campaigns and public debate are a way for foundations to take a public stance against the fossil-fuel industry, encourage more aggressive policy to regulate it and, in the long run, strip it of its social license to operate. Through divestment movements, foundations also aim to mobilise resources in support of climate-responsible investments.

Some foundations have taken an alternative route. An example is the Hewlett Foundation, a major climate funder, which has not divested from fossil fuels. The foundation views the possible impact from divestment as not worth the financial risk. Instead it seeks to accomplish a larger impact by using its philanthropic resources to support and mobilise additional funding for climate-friendly solutions (Roohi and Keidan, 2020[28]; Hewlett Foundation, 2019[29]).

Social Impact investing (SII)

Social impact investing (SII) provides finance to organisations that address social and/or environmental needs – with the explicit expectation of a measurable social, as well as financial, return (OECD, 2019[6]). More than a third of endowed foundations in the sample invest a share of their endowment through SII, slightly less than those who employ ESG investing and positive screening (Figure 3.3). Because SII is predicated on the intention of having a social impact in addition to financial return, defining and measuring impact is critical (OECD, 2019[6]) (Box 3.2).

This study does not allow determination of the share of foundations' endowments invested with an impact lens. However, evidence from other contexts suggests that impact investment remains limited. A 2015 survey of 64 large US-based foundations found that most respondents directed 2% of their endowment towards impact investing (Buchanan and Buteau, 2015[30]).

Some foundations note that the need to deliver a positive financial return in tandem with social impact can reduce the field of opportunities for SII. Furthermore, many if not all impact investment opportunities are relatively small and illiquid (i.e. privately traded) (Johnson and Lee, 2013[31]), while the prospect of receiving dividends is uncertain as profits are often reinvested to support investees' growth. As endowments also need to produce sufficiently high rates of return to secure the foundation's spending capacity, foundation endowment managers can be hesitant to invest a high share of their endowment with an impact lens.

Box 3.2. Impact standards for financing sustainable development

Achieving the 2030 Agenda is not only about mobilising resources for the SDGs in developing countries, but also about ensuring that those resources are achieving shared sustainable development objectives (OECD, 2019[6]). Impact Measurement and Management (IMM) is the process through which organisations embed impact in decision making, in their investment and business strategy, and throughout all steps of the investment process.

Most organisations are signatories to high-level IMM principles, which are meant to signal a commitment to act to achieve development impact from an investing perspective – and thus to be an impact investor, as compared to an organisation only seeking to mitigate ESG risks. Although these principles have a positive signalling effect, they fail to provide detailed information on how organisations are proactively taking an impact-centred approach, and transparently reporting on their development results. At the same time, standardised metrics and indicators have been developed in an attempt to foster more comparability across investments, and more harmonised external disclosure. However, common indicators and reporting frameworks are not sufficient to prove that an organisation has the right systems in place to seek actively to achieve development results and to report on those results transparently (and thus be classified as a real impact-centred organisation).

In this context, the OECD and the United Nations Development Programme (UNDP) jointly developed the Impact Standards for Financing Sustainable Development (IS-FSD). Recently adopted by the OECD Development Assistance Committee, the standards help all development finance actors find a common language and integrate impact management into investment practices and decision making, with a view to assessing both positive and negative effects on people and the planet. By aligning impact management practices with the Standards, organisations can prove that they qualify as impact investors, and that the organisations they support are impact centred themselves.

The OECD report *Social Impact Investment 2019: The Impact Imperative for Sustainable Development* calls for action across four areas: financing, policy, innovation and data. In terms of data, the report highlights that it is necessary to: i) facilitate transparent, standardised and interoperable data sharing; ii) ensure funding of data infrastructure; and iii) co-ordinate approaches for assessing investment impact (OECD, 2019[6]).

Philanthropic organisations can play a key role in supporting all three areas of the data impact imperative. First, foundations can adopt existing standards for IMM, including the OECD UNDP Impact Standards for Financing Sustainable Development (IS-FSD). The adoption of the highest standard of practice by foundations would give a strong signal to the market that achieving development impact is central to their strategy. In addition, foundations can support their grantees and investees in adopting solid IMM practices themselves, providing them with the necessary financial and non-financial support.

Second, foundations can support the creation of data-sharing infrastructure. Given their market-building role, foundations have the resources and the capacity to set up data collection initiatives that are independent and provide the market with real-time investment impact data. Third, foundations can be first-movers when it comes to transparency by sharing data on the social and environmental impacts they are helping to achieve through their investments, and that are being achieved by their investees.

Source: OECD Development Co-operation Directorate (DCD).

Shareholder engagement

Foundations can engage with the companies in which they invest provided they hold significant shares. Shareholder engagement involves interactions – between investors and current or potential investee companies – with the aim of improving ESG practices or disclosure (PRI, n.d.[32]). Foundations can raise their voice and help shape corporate conduct through mechanisms such as: proxy voting on topics raised by corporate management; proposing resolutions for other shareholders to vote on; and engaging informally with investees. Evidence suggests that shareholder engagement is one of the most reliable paths to improved corporate behaviour along ESG dimensions (Kölbel et al., 2020[14]). Additionally, strong shareholder rights, including voting, can have significant positive influence over companies' returns, valuation and operating performance (Gompers, Ishii and Metrick, 2003[33]). Proponents of shareholder engagement endorse it as a long-term strategy to push for more transparency and accountability in corporate behaviour (Godeke and Bauer, 2008[9]). As an example, the policy of the UK-based Wellcome Trust is to engage actively with senior management and vote in meetings of companies in which it has direct holdings to ensure that sustainability, risk and governance issues are appropriately highlighted (Wellcome Trust, 2021[34]).

However, shareholder engagement is at the bottom of the list of investment strategies used by private philanthropy for development, according to the OECD survey (Figure 3.3). Some foundations are sceptical about its effectiveness, as their potential for influence may be limited by other investors with greater assets in the same company. Cost can also deter foundations from adopting active ownership strategies. First, proxy voting services come at a cost. Second, some foundations engage in securities lending, a strategy to earn an additional profit by temporarily transferring their shares to a borrower. But foundations need to be in possession of their assets to exercise shareholder power. They would therefore have to forgo the income from security lending in order to practice shareholder engagement.

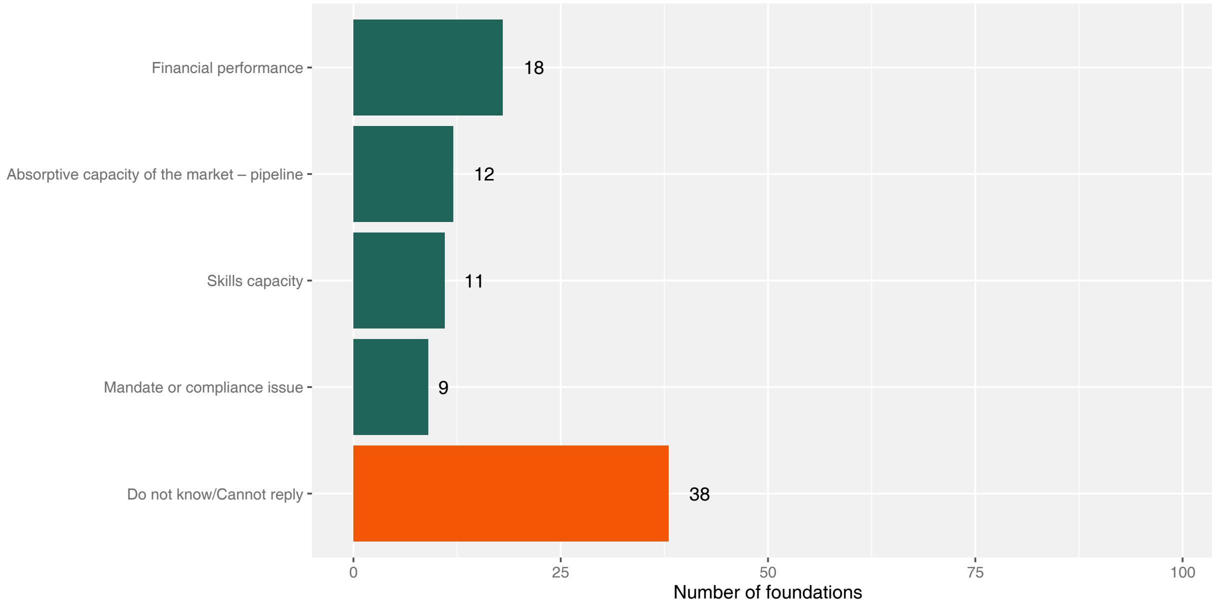
Barriers to responsible investment

Interestingly, more than half of the 71 endowed foundations that responded to the OECD survey could not highlight specific factors that make responsible investment challenging or inadequate for the foundation. This finding suggests a possible lack of familiarity among foundation staff with the ins and outs of the foundation's investment decisions. Foundations that cited specific barriers noted the following concerns.

***The potential effect on financial performance is seen as a risk*.** Among foundations that reported specific barriers, the challenge cited most often is the belief that socially responsible investing can compromise the financial performance of the foundation's investments (Figure 3.4). The fact that socially responsible investing comprises a wide range of strategies – from ESG investing to impact investing, as outlined above – makes it difficult to establish general statements on its effect on financial performance. A closer look at ESG investing suggests that this concern is not totally unfounded. Evidence is mixed and inconsistent on the performance of ESG investing, both in terms of societal benefit and financial materiality (OECD, 2020[23]; OECD, 2020[19]). This inconsistency can be driven by the wide variety of ESG practices (negative and positive screening, rebalancing portfolios towards entities with higher ESG scores, their combination with other investment strategies that may include a thematic focus), combined with disparate metrics to compute ESG scores and incorporate materiality (OECD, 2020[19]).

Accounting for the social performance of investments is challenging. The difficulty of accounting for the social dimension of ESG discourages some foundations from incorporating social goals into their endowment management. A 2017 review of 12 existing frameworks noted that there are no commonly agreed standards or definition for measuring the social dimension. Definitions are often vague or limited to narrow labour concerns, such as freedom of association, occupational health and equal opportunity, and this makes it difficult for investors to draw meaningful conclusions about a company's performance (O' Connor and Labowitz, 2017[35]).

Figure 3.4. Factors that make responsible investing challenging for foundations



Note: Answers to the question "What are some of the factors that make responsible investment challenging or an inadequate alternative for your foundation?". Based on 71 foundations with incomes from an endowment (out of 103 foundations surveyed). Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/27mn43

A lack of suitable investment opportunities can limit responsible investing. Some foundations found this to be particularly the case when conducting impact investing. Building a sufficiently large investment pipeline and finding investment managers with a strong track record is deemed especially challenging when foundations also seek to align investment portfolios with their programmatic mission.

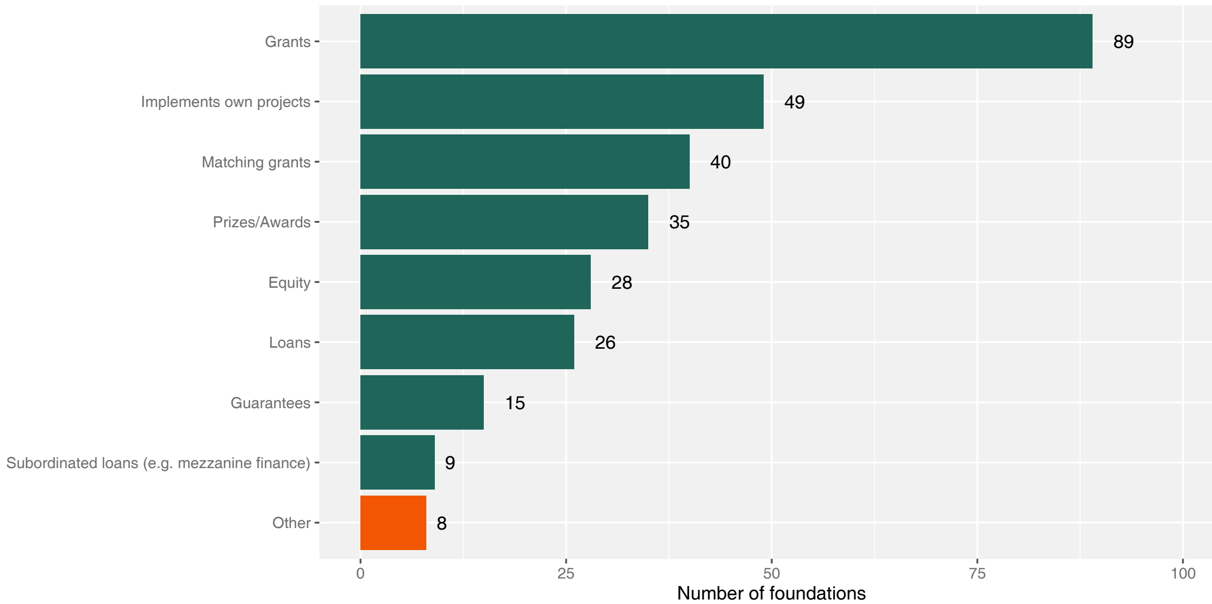
The legal environment can be challenging. Although few foundations highlighted this as a major challenge, not all national legislation is conducive to responsible investing. In some European countries, like Germany and Spain, national foundation regulations are not supportive of investment strategies that prioritise impact on mission achievement over optimisation of risk and return (European Commission, 2018[36]; Breen, 2018[37]). In the United States, it was only in 2015 that the national tax authorities provided official guidance on the use of mission-related investments (IRS, 2015[38]). This guidance clarified that prudent investment strategies that align with mission are not jeopardising the foundation's fiduciary duty (IRS, 2015[38]). Finally, in many countries in Latin America, regulatory frameworks restrict the creation of endowments and the protection of their assets, which limits the existence of endowed foundations in the first place (UBS Philanthropy Advisory and Hauser Institute for Civil Society, 2015[39]). An encouraging development is a 2019 law in Brazil that introduces a national framework to regulate the creation and management of philanthropic endowment funds (Fabiani and Davies, 2019[40]; Bonamin et al., 2019[41]).

3.2.3. Grant making can be leveraged to mobilise additional private finance

Foundations can move beyond grant making and choose from a variety of instruments to support their partners and help them mobilise additional, commercial finance. The process of adapting financial instruments to partners' specific needs is often referred to as tailored finance (Gianoncelli and Boiardi, 2017[42]).

Private philanthropy for development is still conservative in the way it disburses its philanthropic resources. Most foundations in the sample use grants, matching grants and prizes/awards (Figure 3.5). Other instruments like loans, guarantees or equity are less widely used, with 63% of foundations in the sample not currently using any of these three financial mechanisms.

Figure 3.5. Financial instruments currently employed by foundations



Note: Answers to the question "Which financial instrument does your foundation currently employ?". Based on 103 foundations that responded to the organisational survey. Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

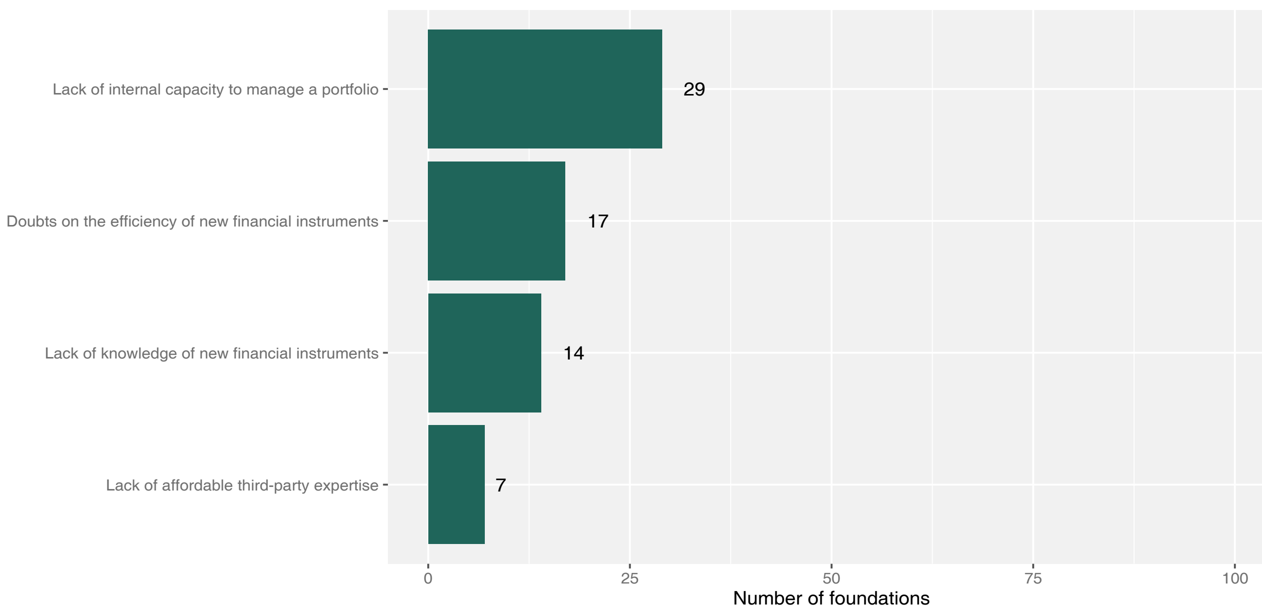
StatLink https://stat.link/7uqon4

Although the use of loans, equity and guarantees remains limited among foundations, they can be beneficial in specific situations. Through loans, foundations can directly support partners that do not have the credit history to access commercial finance. As loans will be reimbursed, foundations can use the same philanthropic capital several times. For instance, the Packard Foundation provided a USD 4 million loan to the African Population and Health Research Center. The loan was used to purchase and renovate real estate in Nairobi, Kenya (David and Lucile Packard Foundation, 2020[43]). Foundations can also issue guarantees to help partners access commercial finance. By agreeing to cover partners' losses in case of default, up to a given amount, foundations can reduce the risk for traditional credit providers. Guarantees also allow foundations to advance their programmatic goals and unlock commercial finance without spending any money upfront. The Skoll Foundation provides an interesting example. Through a programme-related investment, it granted a credit guarantee to scale up the activities of Riders for Health in the Gambia, which partners with the government to manage and maintain vehicles used to provide health care services in rural communities. Skoll Foundation's credit guarantee helped Riders for Health to secure a USD 3.5 million loan from Nigeria's GTBank (Rammohan, 2010[44]).

Foundations can also mix grants with equity investments for promising early-stage ventures. While grants can support the financial survival of new ventures as they establish proof of concept, equity investments can send a positive signal and attract traditional investors' support. The Bill & Melinda Gates Foundation has made equity investments in biotech start-ups to encourage them to focus on neglected diseases such as malaria and tuberculosis (Brest, 2016[45]).

Foundations' lack of internal capacity to manage investments is a limitation to engaging with financial instruments other than grants. In some ways, tailored finance can be easier to deploy than sustainable and responsible investing with the endowment as it uses philanthropic capital without challenging the financial conventions that normally guide endowment management. Yet there are still barriers that limit its use in the philanthropic sector. About 28% of respondents highlighted a lack of internal capacity for deal sourcing, due diligence, design and management of an investment portfolio (Figure 3.6). Programmatic or grant-making staff generally come from an academic or non-profit background, and do not always have the needed combination of programme knowledge and financial acumen to oversee investments. Board education is also critical, as trustees are not always well acquainted with legal and tax requirements, and with the due diligence needed to source investment opportunities. Finally, as with the endowment's investing, national regulations can also constitute a barrier for foundations. Some national legislations lack a definition of social enterprises (OECD, 2019[6]), and in some countries, foundations are only allowed to deploy their capital through grants (Breen, 2018[37]).

Figure 3.6. Largest limitations to engaging with financial instruments other than grants



Note: Answers to the question "which are the largest limitations to engage with these instruments? (loans, equity, guarantees, or subordinated loans)?". Based on 103 foundations that responded to the organisational survey. Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/unb7r8

3.2.4. Foundations are strengthening the ecosystem for private responsible investing

Foundations have played a central role in building a more robust marketplace for responsible investment. For instance, the Global Impact Investing Network (GIIN) sprang out of the Rockefeller Foundation's efforts to provide a platform that connects and supports an otherwise fragmented impact investing ecosystem. More recently, a group of leading foundations launched the Response, Recovery, and Resilience Investment Coalition (R3 Coalition), which streamlines impact investing to address the large-scale social and economic consequences of the COVID-19 pandemic. The initiative, managed by GIIN, is a collaboration across several impact investing networks.

Foundations have also facilitated the creation of networks that connect actors from different sectors of the responsible investment ecosystem, from corporations, investing firms and family offices to philanthropy, academia and the public sector. For example, the European Venture Philanthropy Association (EVPA), and its sister initiatives in Latin America (LatImpacto), Africa (AVPA) and Asia (AVPN), connect investors from different sectors, build their capacity and raise awareness on investing for impact.

National and regional associations of foundations have also become centres of gravity for philanthropy to learn more about socially responsible investment. In Europe, one example of a working group is EVPA's Foundations Along the Spectrum of Capital. SwissFoundations, the association of Swiss grant-making foundations, also has dedicated working groups on responsible investing that explore opportunities for foundations to expand their portfolios. In the United States, examples include The Forum for Sustainable and Responsible Investment, a membership association for institutions and individuals engaged in sustainable, responsible and impact investing, and the Mission Investors Exchange, a network that promotes the use of endowments for impact.

3.3. Advocating for a cause to achieve change

Foundations have broadened their ambitions in recent years, moving from narrowly defined interventions to bolder objectives aimed at influencing social systems and informing policy design (Powell and Bromley, 2020[46]). This section delves into foundations' engagement in advocacy. It clarifies the concept of advocacy, examines foundations' objectives in advocating for a cause and outlines the strategies they use to achieve these aims. It also considers the obstacles to advocacy that foundations continue to face and proposes good practices for overcoming them.

3.3.1. Advocacy means working to support a cause

Advocacy denotes an activity or set of activities aimed at supporting or defending a cause. This is not the same as lobbying, which involves contact with policy makers to influence legislation. The OECD survey on private philanthropy for development that was conducted for this report considers advocacy to be "an organised attempt to change policy, practice, and/or attitudes by presenting evidence and arguments for how and why change should happen" (OSF, 2010[47]). Under this definition, advocacy comprises not just efforts to influence the public policy agenda and policy design, but also initiatives to change social norms and practices.

While advocacy comprises a wide set of activities to induce change, lobbying is a more narrowly defined form of special interest politics that involves attempts to influence the legislative or regulatory process via contact with lawmakers or members of regulatory agencies (Helpman and Grossman, 2001[48]). Advocacy is considered legitimate and permissible in most countries, whereas lobbying is more contentious and in some countries is explicitly prohibited for private foundations. Initiatives to educate the public are broadly accepted, yet disagreement persists on whether and to what extent foundations should be allowed to engage in lobbying (Box 3.3).

Box 3.3. Legal regulations and restrictions on advocacy

National regulations concerning advocacy by private foundations vary significantly across countries. Some distinguish among different types of activities related to advocacy and outline in detail what is allowed and what is not.

In the United States, where private foundations are tax-exempt organisations under section 501(c)(3) of the Internal Revenue Code, private foundations are prohibited from engaging in campaigns that support or oppose candidates for public office, and their lobbying activities are subject to restrictions (IRS, 2021[49]). Under the law, lobbying includes attempts to influence legislation by contacting or urging the public to contact employees or members of legislative bodies to propose, support or oppose specific legislation, or by advocating the adoption or rejection of legislation. Private foundations are allowed to fund public charities registered as 501(c)(3) organisations that engage in lobbying, but they cannot earmark grants for lobbying (Atlantic Philanthropies, 2008[50]; Bolder Advocacy, 2012[51]). The only exception where private foundations are allowed to engage in what is defined as lobbying is in self-defence, i.e. attempts to influence specific legislation that affects the foundations' existence, powers and duties, tax-exempt status or the deductibility of contributions (Bolder Advocacy, 2012[52]; Council on Foundations, n.d.[53]). Advocacy to educate the public on policy issues through educational meetings, dissemination of educational materials or other initiatives is not considered lobbying (IRS, 2021[49]). This leaves foundations space to influence public policy and engage in advocacy without jeopardising their tax-exempt status.

Other countries also prohibit foundations from engaging in partisan political activities, i.e. supporting or opposing a political party, but allow them to engage in lobbying aimed at influencing legislation. In South Africa, the Income Tax Act [section 30(3)(h)] prohibits public benefit organisations from using their resources to support, advance or oppose a political party, but does not explicitly prohibit lobbying (Council on Foundations, 2020[54]). Similarly, in the United Kingdom foundations may engage in lobbying and advocacy as long as these activities are conducted on a non-partisan basis and promote the foundations' charitable purposes. However, foundations cannot be established to pursue a political purpose; hence advocacy or lobbying cannot be the only approach by which foundations pursue their mission (Dafne and EFC, 2020[55]; Foundation Center, 2012[56]).

In a recent publication, the Donors and Foundations Networks in Europe (Dafne) and the European Foundation Centre (EFC) provided a detailed overview of the legal and fiscal regulation of foundations in 40 countries across Europe (Dafne and EFC, 2021[57]). It found that in the Nordic countries, specifically Denmark, Finland, Norway and Sweden, hardly any limitations are specified in civil or tax law concerning political or general lobbying and advocacy activities.

Source: Authors' elaboration.

The line between advocacy and lobbying is blurred in public discourse. Lobbying is often seen as a channel to promote private interests above the broader well-being of society (Keidan, 2020[58]). One reason for this perception is that lobbying has historically been dominated by large corporations that pursue private interests and whose influence offsets the lobbying activities of the non-profit sector (Keidan, 2020[58]; Alemanno, 2021[59]). Furthermore, there is some scepticism towards foundations' efforts to influence policy. The harshest critics portray foundations' involvement in advocacy as an illegitimate exercise of power that allows wealthy individuals and corporations to distort public policy decisions while benefiting from tax exemptions (Raman, 2011[60]; Reich, 2018[61]). This negative view, and measures foundations can take to counter it, are discussed further below.

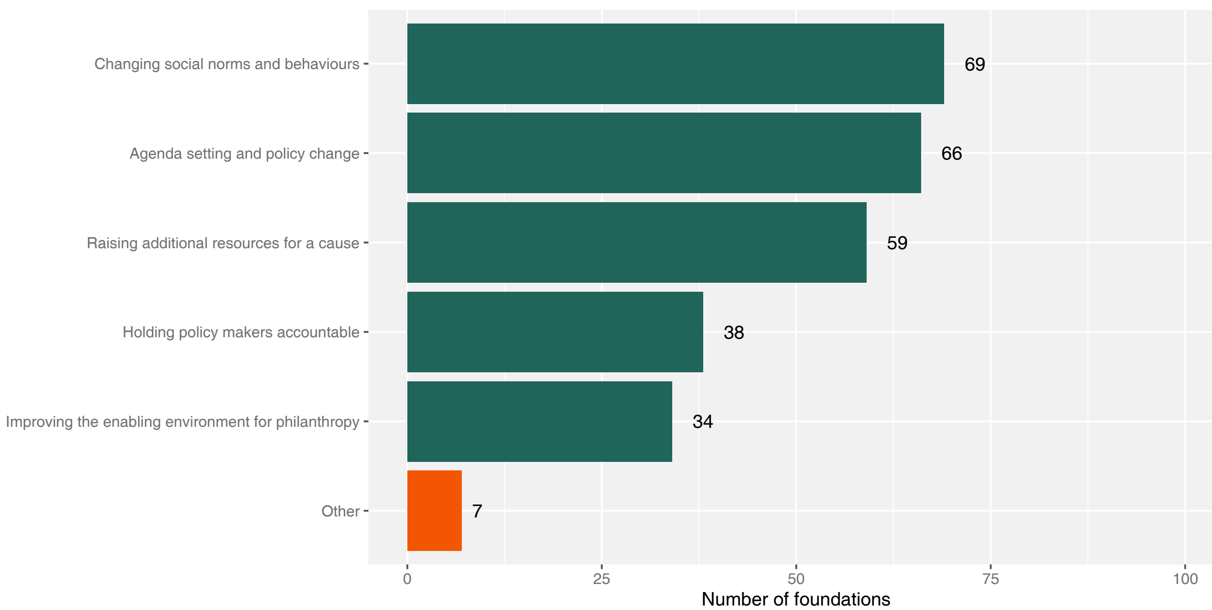
3.3.2. Advocacy aims to influence policy and shift social norms

Foundations committed to systems change aim to address the root causes rather than the symptoms of social issues in order to achieve lasting change (Ashoka & McKinsey, 2020[62]).[2] Depending on the applicable legal framework, foundations can influence the underlying structures and mechanisms that hold a system in place. They can change formal rules by mobilising policy makers and the public around the impact of existing policies and possible alternatives. Foundations can also use advocacy to reshape informal rules such as conventions, values, social beliefs and behaviour (Ferris and Williams, 2010[63]). Since formal and informal rules interact with each other, efforts to change policies and social norms may reinforce or complement each other. Changing collective behaviour is more likely to succeed if new laws and social beliefs are not too distant from each other (Bicchieri, 2016[64]). Changes in formal rules alone may have limited effect if social norms push in the opposite direction, and vice versa (Kinzig et al., 2013[65]; Bicchieri, 2016[64]).

In the OECD organisational survey of foundations conducted for this report, 84 of the 103 respondents (82%) reported engaging in advocacy – either indirectly, through networks, collaboratives or grantees, or directly, through in-house leadership or advocacy teams. Among the remaining 19 foundations, 15 reported that they do not engage in advocacy and 4 chose not to respond to the question.

Of the foundations that engage in advocacy (directly or indirectly), more than three-quarters seek to influence the public policy agenda and/or inform policy design (66 of the 84, or 79%), and a similar proportion strives to change social norms and behaviour (69 of the 84, or 82%) (Figure 3.7).

Figure 3.7. Why foundations engage in advocacy



Note: Answers to the question "What are the objectives of your foundation's advocacy?". Based on 84 foundations that engage in advocacy (out of 103 foundations surveyed). Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/j3q50w

Advocating to influence policy

Foundations seeking to influence public policy acknowledge that their budget is small compared to public-sector spending and that national policies and programmes tend to reach a broader public than interventions funded or implemented by foundations themselves (Orensten et al., 2020[66]). They also recognise that grant making may not suffice to address the root causes of development challenges. Some foundation leaders therefore consider the use of their resources for policy advocacy a better investment than allocating all funding to solve social problems directly via grants for intervention programmes (Raman, 2011[60]; Orensten et al., 2020[66]).

Foundations can use their full range of resources – money, knowledge and networks – to influence different stages of the policy-making process, from problem definition and policy design to programme implementation (Ferris and Mintrom, 2009[67]; Elson and Hall, 2016[68]). For example, foundations can conduct or fund research to identify the determinants of social problems and analyse the impact of current policies and legislation to identify their shortcomings. An example is the Open Society Foundations' (OSF) report "Ethnic Profiling in the European Union", which makes the case that ethnic profiling – the use in law enforcement of generalisations based on ethnicity, religion, race or national origin – is pervasive, discriminatory and inefficient (OSF, 2009[69]). Arguing that better alternatives exist to identify suspects, the report recommends that national governments and the European Union both outlaw ethnic profiling and collect data to track law enforcement.

Foundations can also support pilot projects to explore viable policy alternatives and create spaces to disseminate new policy ideas and innovative approaches (Ferris and Mintrom, 2009[67]). For example, Google.org supports the non-profit organisation GiveDirectly in running the world's longest-term universal basic income (UBI) study, which is in progress in rural Kenya (GiveDirectly, n.d.[70]). The project aims to explore the potential of UBI to improve livelihoods and close knowledge gaps on the effectiveness of long-term unconditional cash transfers (more information on demonstration pilots can be found in Section 3.3.3 below). Furthermore, foundations can promote exchanges among relevant stakeholders and forge coalitions to build a critical mass in support of policy change (Ferris and Mintrom, 2009[67]). In the run-up to the Paris Climate Conference in 2015 – the 21st Conference of the Parties (COP21) – foundations teamed up to create the International Policies and Politics Initiative (IPPI), a platform used by various actors, including philanthropic organisations, non-governmental organisations (NGOs) and think tanks, to better co-ordinate and catalyse climate action and to promote ambitious outcomes of the COP21 (Morena, 2016[71]; Aykut, Foyer and Morena, 2017[72]).

Advocating to shift social norms

Many foundations use advocacy to increase public awareness of a particular issue in the aim of changing collective beliefs and behaviour. A prominent example of advocacy on this front is the Robert Wood Johnson Foundation's work to shift social norms around smoking in public places, such as indoor sporting events or hospitality venues, in order to combat tobacco addiction in the United States (RWJF, 2011[73]). Between 1991 and 2009, the foundation invested nearly USD 700 million to curb tobacco use and help smokers quit. Together with researchers, advocates and broader coalitions, it promoted excise taxes, bans on indoor smoking and bans on smoking advertising targeting youth. It also made efforts to expand access to health services such as smoking cessation treatments. The foundation reported that these efforts were associated with: declining smoking rates, particularly among high school students; the establishment of new infrastructure for the prevention and treatment of smoking addiction; and increased support for smoking bans in public places. Another example is Population Foundation of India's programme to change discriminatory gender norms and inform the population on family planning issues (Population Foundation of India, n.d.[74]). To help shift social norms and behaviour, the programme uses communication via entertainment. Reaching out via TV and radio drama series, social media and a chatbot, it provides women, men and young people information on sexual and reproductive health. An increasing body of evidence shows promising results of the use of mass media to change social norms and behaviour (Bicchieri, 2016[64]; Haider, 2017[75]).

However, even as foundations seek to change the structures and mechanisms that hold systems in place, their ambitions can conflict with the resources and strategies deployed. Foundations often provide short-term financial resources for specific purposes (OECD, 2018[11]), yet effective advocacy aimed at changing social norms requires long-term support and a high degree of flexibility. Short funding horizons and restrictions on how the money can be spent constrain grantees' capacity to adapt their strategies to changes in external circumstances and move away from piecemeal solutions to structural problems. Instead of imposing concrete spending guidelines, foundations could consider providing core funding, and then serving as "thought partners" to discuss how the funds could be used (Ashoka & McKinsey, 2020[62]). They could also consider longer funding horizons to increase the financial stability of implementing partners. This requires a more trust-based approach, with foundations granting greater responsibility to their partners on the ground. A pioneer on this front is the Dutch Postcode Lottery, which mainly provides long-term core support to its grantees (Wallace and Saxton, 2018[76]). In 2019, two-thirds of its funding was provided as core support (OECD, 2021[77]). One of the foundation's long-term beneficiaries is Human Rights Watch, which recently received additional funding for its research and advocacy work (Human Rights Watch, 2020[78]; Human Rights Watch, 2019[79]).

Advocating for other purposes

Advocacy can also be used to raise additional resources for a cause, to hold policy makers accountable for their actions and to improve the enabling environment for philanthropy. In the OECD survey, more than two-thirds of the foundations that engaged in advocacy (59 of the 84, or 70%) reported using advocacy to mobilise more funding and find co-operation partners by increasing the visibility of a cause. For example, the Save Our Future movement sought to encourage international investment in children's education during the COVID-19 crisis (Save Our Future, 2020[80]). Another example is the Equality Fund, which leverages resources to promote feminist movements and shift power dynamics. The Fund was launched by the Canadian government with strong support of philanthropy through the network Philanthropy Advancing Women's Human Rights (PAWHR), which is committed to strengthening the women's rights ecosystem (Equality Fund, n.d.[81]; Equality Fund, n.d.[82]).

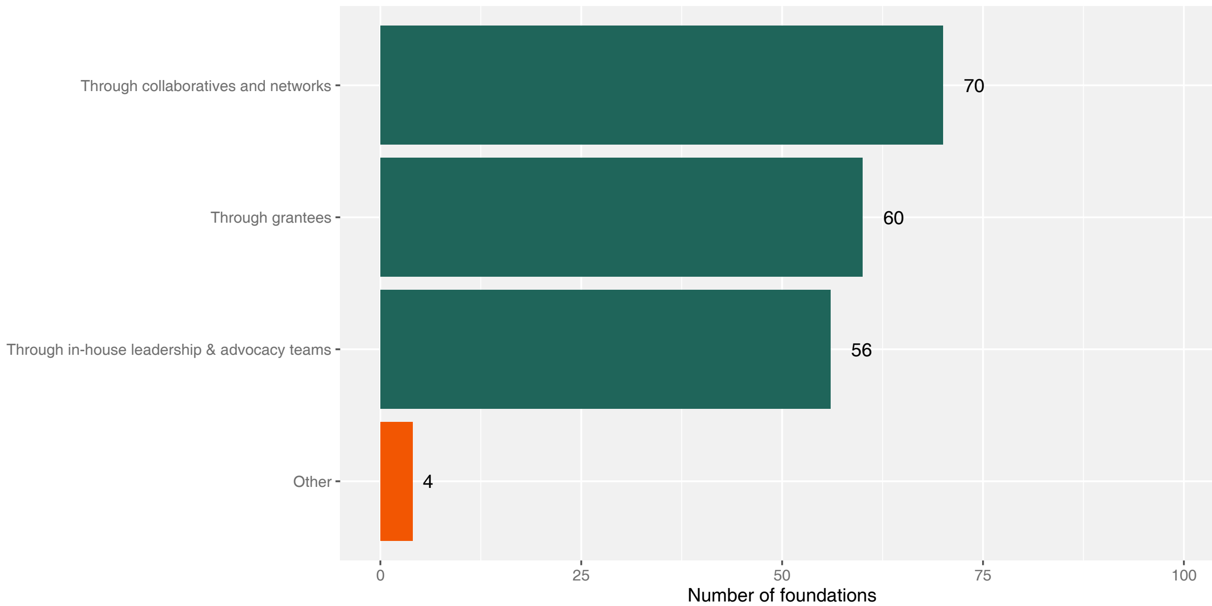
A smaller share of respondents (38 of the 84, or 45%) use advocacy to ensure that citizens are equipped with the information, oversight and tools they need to hold political representatives accountable. For example, the MacArthur Foundation promotes Nigerian-led efforts to curb corruption and strengthen accountability (MacArthur Foundation, n.d.[83]). This includes: support for independent media and investigative, data-driven journalism; funding civil society organisations working to raise accountability and advocating for policy change; supporting entertainment organisations that address corruption-related issues via television, radio and online formats; and working with religious leaders and interfaith organisations to promote the anti-corruption campaign and help shift social norms and behaviour.

Finally, about two-fifth of survey respondents that engaged in advocacy use it to promote an enabling environment for philanthropy (34 of the 84, or 40%). An example is the Worldwide Initiatives for Grantmaker Support (WINGS), a network of more than 100 philanthropy associations and support organisations. WINGS calls on governments to provide the conditions and policies that enable the philanthropic sector to do its work, particularly at a time when restrictions on domestic and cross-border philanthropy are growing (Ribeiro, 2016[84]; WINGS, 2021[85]).

3.3.3. Advocacy strategies are collective and take various forms

Foundations engage in advocacy collectively, not individually, through networks and partnerships. Most of the 84 foundations in the sample that engage in advocacy do so indirectly as part of a broader network or donor collaborative (70 of the 84, or 83%) or by supporting grantees' efforts to promote or defend a cause (60 of the 84, or 71%) (Figure 3.8). A slightly smaller but still substantial share (56 of the 84, or 67%) also use their own leadership or advocacy teams to engage in advocacy, although no foundation does this exclusively. Interviews with key respondents indicate that some foundation leaders see their implementing partners as having greater expertise and legitimacy to influence policy, social norms and practices in the local context.

Figure 3.8. How foundations engage in advocacy



Note: Answers to the question "How does your foundation engage in advocacy?". Based on 84 foundations that engage in advocacy (out of 103 foundations surveyed). Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/hm2o8d

Most foundations in the sample use more than one channel to engage in advocacy. Almost half (39 of the 84, or 46%) report advocating through all three channels: networks, grantees and their own advocacy teams or in-house leadership. For example, the Bill and Melinda Gates Foundation has its own advocacy teams but also provides grants to non-profit organisations such as Malaria No More and global networks like the Roll Back Malaria Partnership to strengthen global advocacy in the fight against malaria (BMGF, 2006[86]; BMGF, n.d.[87]; BMGF, 2011[88]). In addition, the Open Society Foundations are currently using multiple channels to promote equal access to COVID-19 vaccines, including financial support for the People's Vaccine Alliance, a coalition of organisations and activists campaigning for vaccine equity (The People's Vaccine, n.d.[89]; OSF, 2021[90]). Another example is the World Diabetes Foundation, which advocates for greater focus on non-communicable diseases (NCDs) in global, regional and national health and development agendas. It works through a variety of channels, including in partnership with the NCD Alliance, a civil society network committed to better prevention and control of NCDs, as well as engagements with the World Health Organization (WHO) at different levels (NCD Alliance, 2021[91]; WDF, n.d.[92]).

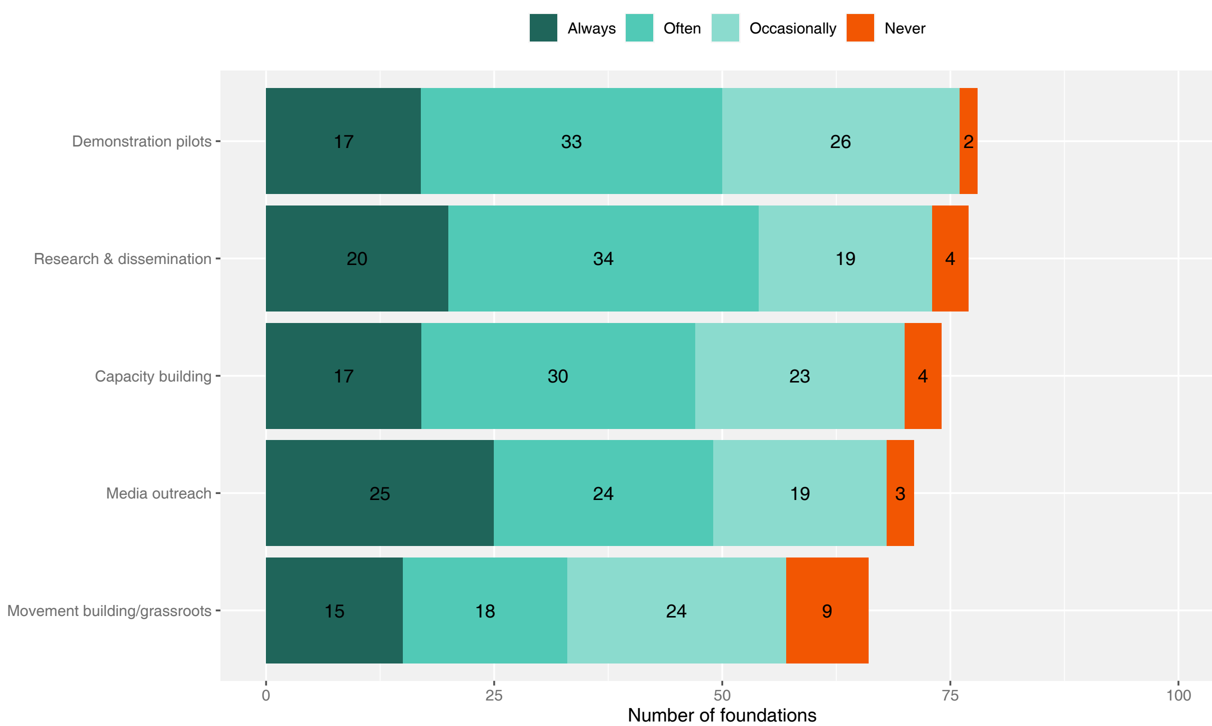
The interviews indicated that foundations use different channels to pursue different objectives. One foundation leader said that the in-house team was used for advocacy to shift common practices in the philanthropic sector, while support of grantees' efforts was the channel used to influence the policy agenda and inform policy design. Another expert said that in-house leadership was used when the foundation's leaders had already established credibility in the field, while grants were provided when other organisations or voices were better suited to promote a cause.

Evidence gaps persist concerning the share of foundations that provide grants for advocacy and the proportion of funding allocated to advocacy efforts. In addition, little is known about the evolution of grant making for advocacy and the sectors supported by these grants.

Foundations use a range of strategies to advocate for a cause. They include demonstration pilots, research and dissemination, capacity building, media outreach and grassroots organisation.

Demonstration pilots involve the small-scale implementation of programmes to generate knowledge about policy or programme alternatives that can be implemented at scale if proved successful. Of the 84 foundations engaged in advocacy, 76 said that they always, often or occasionally used demonstration pilots (Figure 3.9). A prominent example of a successful pilot is the Ultra-Poor Graduation Approach, a holistic programme to lift people out of extreme poverty (see also Box 3.7). This approach was used by an NGO in Bangladesh, the Bangladesh Rural Advancement Committee (BRAC). When the pilot achieved promising results, the Ford Foundation teamed up with the Consultative Group to Assist the Poor (CGAP), a global partnership of leading development organisations and donors, to test and adapt the Graduation Approach across eight countries in Asia, Africa and Latin America (Ford Foundation, n.d.[93]; Thacker, 2017[94]). Based on the positive results of this effort, the Ford Foundation and CGAP developed a strategy to promote the Graduation Approach as an effective measure to combat extreme poverty (Ford Foundation, n.d.[93]).

Figure 3.9. Advocacy strategies used by foundations



Note: Answers to the question "Since 2016, how frequently did your foundation use the following strategies to change policy, practice and/or attitudes?". Based on 84 foundations that engage in advocacy (out of 103 foundations surveyed). Foundations selected a frequency for each available option.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/tzi2gu

Research and dissemination of the findings of academic scholars, think tanks or other experts is conducted by most foundations that engage in advocacy (73 of the 84, or 87%). This strategy may use primary research, reviews of existing evidence, policy analysis and evaluation. The aim is to bring rigorous evidence to policy debates and encourage evidence-based decision making.

Capacity building is also used by foundations on a regular basis to help other organisations improve their advocacy efforts (70 of the 84, or 83%). As noted above (Section 2.5.3), many foundations have come to realise that they can support grantees with resources that go beyond financial support. This includes investing in capacity building – helping individuals directly engaged in advocacy to develop their skills; convening experts and relevant stakeholders; and building bridges across organisations, including grassroots bodies, research institutes and public authorities. For example, the OSF's policy and advocacy branch in Europe, the Open Society European Policy Institute, provides inputs on EU processes and country programming to help foundations and the implementing partners of OSF initiatives better understand the political economy (HRDN, n.d.[95]). Furthermore, Nadace OSF provides workshops and networking events for civil society organisations in order to strengthen their ability to advocate for public interests (Nadace OSF, n.d.[96]).

Media outreach is another frequent tactic. About four-fifths of the foundations in the sample that engage in advocacy, regularly use social media, the press or television to share evidence and arguments for why and how change should happen (68 of the 84, or 81%). Emerging technologies enable foundations to identify potential supporters, target a specific audience and test messages in real time at low cost (Guerriero and Wolf Ditkoff, 2018[97]). Such technologies include listening reports, which track trending themes on social media in order to identify opportunities to advocate and craft compelling messages, and online polling tools that test how messages are resonating and help target convincing messages to a particular audience.

Movement building or grassroots mobilisation is used by 57 of the 84 foundations that engage in advocacy (68%) to increase the visibility of public efforts to advocate for a cause and to give marginalised groups a voice. Although the majority of foundations that engage in advocacy support grassroots movements in their efforts to defend a cause, it is the least cited advocacy tactic. One example is the donor collaborative Girls First Fund, which supports community-based organisations and women-led grassroots efforts to eliminate child marriage (Girls First Fund, 2021[98]). The fund receives financial support from the Children's Investment Fund Foundation (CIFF) and the Ford Foundation, among others. CIFF also provides grants to support communications for youth climate leaders (CIFF, n.d.[99]) and to develop channels of engagement between youth activists, the C40 Cities Climate Leadership Group and C40 mayors (CIFF, n.d.[100]).

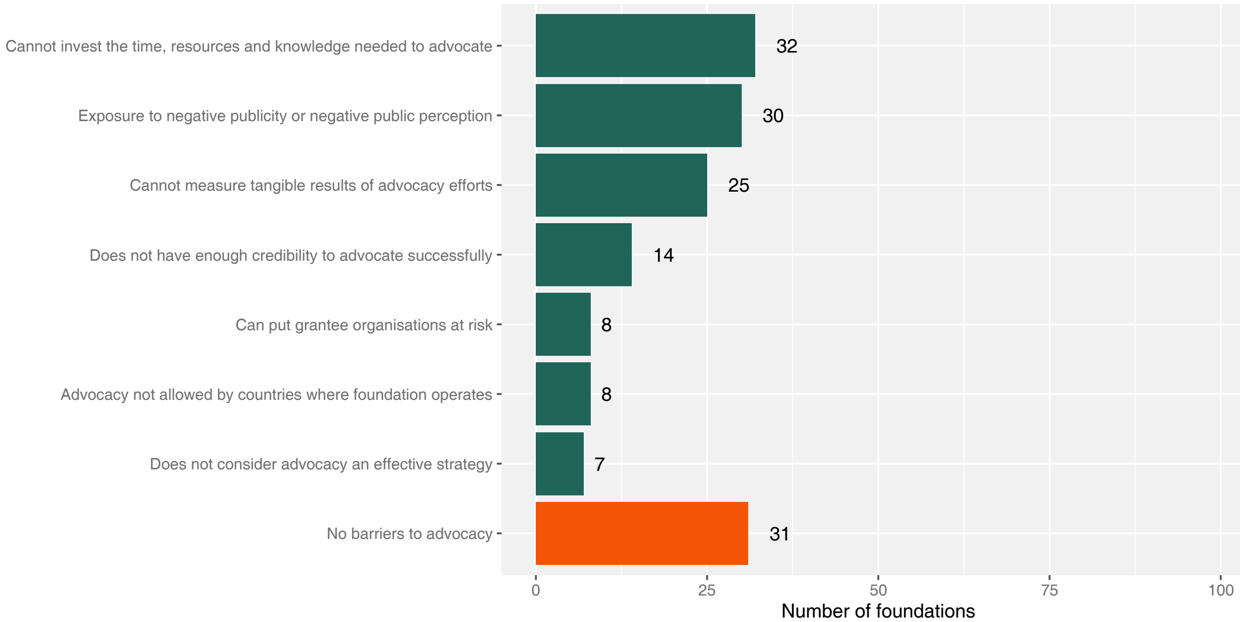
3.3.4. Barriers to advocacy include a lack of resources and fear of negative publicity

The barriers to engagement in advocacy cited most frequently by foundations are a lack of time, resources and the knowledge needed to advocate successfully, and the risk of facing negative publicity.

Many foundations have limited organisational capacity to advocate professionally and, therefore, successfully. Almost one in three foundations in the sample (32 of 103 foundations, or 31%) report that constraints on resources and time as well as a lack of knowledge pose obstacles to their engagement in advocacy. Successful advocacy requires staff that have the skills to assess when advocacy efforts are promising and how to allocate time and resources effectively. It also requires staff to have a profound understanding of the local context, relevant stakeholders and different advocacy strategies in a given policy environment. Finally, foundations need staff or partners who can provide quick feedback and data to advance advocacy efforts and be responsive to changes in the external environment (Atlantic Philanthropies, 2008[50]).

Furthermore, almost one-third of foundations in the sample (30 of 103 foundations, or 29%) fear that engagement in advocacy could lead to negative publicity or adversely affect perception of their work (Figure 3.10). This fear may be partially grounded in adverse public perceptions of lobbying and political influence. As noted above, the line between lobbying and advocacy is not always clear-cut, and lobbying is often seen as an unaccountable channel of power that distorts policy decisions towards corporate interests (Keidan, 2020[58]).

Figure 3.10. Barriers to engagement in advocacy



Note: Answers to the question "What are the main barriers for your foundation to engage in advocacy?". Based on 103 foundations that responded to the organisational survey, including foundations that do not engage in advocacy. Foundations could choose multiple options or "No barriers to advocacy".
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/gyecl7

Scepticism regarding advocacy by foundations has been documented in the United States (Vallely, 2020[101]; Tompkins-Stange, 2020[102]). For example, the Gates Foundation has come under fire for its alleged influence over US education policy, with critics challenging its approach to the reform of public schools (Cody, 2014[103]; Vallely, 2020[101]). Some critics consider the involvement of tax-exempt foundations in advocacy to be an illegitimate exercise of power enabling wealthy individuals and corporations to influence policy in their favour (Raman, 2011[60]; Giacomin and Jones, 2021[104]). Evidence shows that this view is not entirely unfounded. For example, one study shows that shortly after US corporations provided grants to non-profit organisations, these same non-profits were more likely to comment on new policy proposals that favoured their benefactors' bottom line (Bertrand et al., 2018[105]). A separate study found that grants by the charitable foundations of major corporations in the United States tend to serve the interests of politicians who are important for the corporations' profitability (Bertrand et al., 2020[106]). Another phenomenon is "astroturfing", through which corporations support fake grassroots voices in order to pursue corporate interests (Keidan, 2020[58]; Alemanno, 2021[59]). Foundations can reduce scepticism towards their engagement in advocacy by introducing checks and balances in their advocacy work and implementing clear accountability structures (Alemanno, 2020[107]; Keidan, 2020[58]). They can make efforts to increase transparency in grant making and advocacy, to work in close partnership with local organisations and relevant stakeholders, and to promote a better balance between private and public interests in policy debates (Box 3.4).

Box 3.4. Good practices for countering scepticism about advocacy by foundations

A first step towards overcoming scepticism towards policy advocacy is to **demonstrate accountability by investing in transparency and improved governance**. Foundations could: disclose grant-level information to increase transparency on who funds what and where, in instances where this does not pose direct risks to grantees; explicitly communicate the objectives behind their grant making and advocacy efforts; and provide feedback to potential grantees whose funding is not approved on why they were rejected (Alemanno, 2020[107]). In addition, foundations could guarantee independence from corporate funders by working on issues that are not directly connected to the business activities of the corporation with which they are associated. Finally, foundations should be prepared to answer critical questions and justify the routes they are taking by referring to credible evidence and research.

A second step is to **work in close partnership with other organisations and relevant local stakeholders** rather than organising advocacy initiatives unilaterally or detached from local ecosystems. Foundations could continue supporting local organisations in their efforts to inform policy debates and convene like-minded organisations to align their messages. This does not suggest that foundations should hide behind the advocacy work of other organisations, but that they should ensure that their advocacy efforts are supported by a wide network of local actors and embedded in their work.

Furthermore, foundations can counter the image of policy advocacy as an illegitimate instrument of power by striving to **increase diversity in political discourse** and communicating this aim effectively. While companies lobby for private interests, foundations can promote a better balance between private and public interests by lifting up voices that have been left unheard and representing the interests of those who are not part of policy debates, such as future generations or the voices of women and girls in some countries (Reich, 2018[61]). The non-profit civic startup The Good Lobby works to balance the influence of special-interest groups in policy making by promoting civic engagement and facilitating unconventional collaborations among NGOs, progressive corporations and foundations to inform policy decisions, disseminate new policy ideas and hold political representatives accountable (The Good Lobby, 2021[108]). Foundations can also promote civic engagement by supporting grassroots organisations and giving visibility to different perspectives. In the OECD survey, support for grassroots movements was the least frequently used advocacy tactic, but good examples in this field are evolving. For instance, the global philanthropic organisation Luminate seeks to promote civic empowerment to enable meaningful and inclusive participation in governance, improve equitable access to public services and ensure accountability of those in power. To pursue this aim, Luminate supports local organisations and focuses on amplifying and defending the voices of excluded, marginalised and underserved communities (Luminate, 2021[109]). Another example is the Omidyar Network's grants to grassroots organisations in Kenya that are seeking to elevate public debate and shape public policy surrounding the accelerated issuance of a new digital ID system in response to the COVID-19 pandemic (Omidyar Network, 2020[110]).

Finally, established platforms and networks of philanthropic organisations can **facilitate safe spaces to discuss contentious issues and establish standards of responsible advocacy**. An example is the PEXforum, a conference on European philanthropy that addresses foundations' engagement in advocacy as a key priority. Discussions at the first annual forum, held in 2020, resulted in a joint project called Philanthropy Advocacy that is to be a hub for "monitoring, legal analysis and policy engagement for European philanthropy". It was developed by the Donors and Foundations Networks in Europe and the European Foundation Centre (Dafne, 2021[111]; Dafne and EFC, 2021[112]).

Difficulties in measuring and reporting tangible results of advocacy efforts were cited as a barrier to engagement in advocacy by 25 out of 103 foundations (24%). While rigorous evaluation might be possible for well-defined campaigns, it can be difficult to attribute changes in norms, practices or policies to advocacy efforts that comprise multiple strategies. For example, mass-media communication campaigns have been rigorously evaluated (Haider, 2017[75]; Bicchieri, 2016[64]), and it might be possible to assess whether demonstration pilots have been brought to scale or replicated to expand the evidence base. But assessing the impact of other advocacy strategies, such as the support of research or grassroots movements, can prove difficult. Changing entrenched social norms and behaviours takes time, and even successful approaches can face setbacks due to changes in external factors. A promising new approach would entail measuring advocacy success against improvements in the advocacy capacity of a given organisation (Alemanno, 2020[107]; Alemanno, 2021[59]). In other words, regardless of the outcome in terms of changes in policy or social norms, it should be possible to evaluate the improvement of the relevant organisation against its previously defined advocacy capacity baseline.

Less frequently cited barriers include lack of credibility for successful advocacy in a specific thematic area (14 of the 103, 14%); limited knowledge of legal restrictions or of tolerance for advocacy in countries where the foundation operates (8 of the 103, 8%); and fear of putting implementing partners at risk (8 of the 103, 8%).

3.4. Learning through evaluation of philanthropy's effects

Private philanthropy for development strives to realise tangible improvements, such as reducing illness, enhancing learning or fostering women's economic empowerment. Experience shows that not all well-intentioned investments achieve their goals, and some may even unintentionally cause harm. Whether the grants or programmatic efforts of foundations translate into real changes for people is therefore a central question.

Monitoring and evaluation (M&E) are at the heart of organisational learning. Monitoring provides ongoing insights on performance and results achieved to enable managers to correct course, learn, be accountable and communicate. Evaluations involve the systematic and objective assessment of a planned, ongoing or completed intervention, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, and the coherence, effectiveness, efficiency, impact and sustainability of the intervention (OECD, 2002[113]).

Well thought out M&E strategies, developed at the outset, are essential to test innovations in programme design or service delivery, and to shed light on approaches that improve development outcomes. Assessing whether a programme is responding to existing needs and priorities, reaching the people it aims to benefit, delivering planned results and, importantly, having a concrete positive and lasting impact on people's lives is also crucial for allocating resources effectively. When evaluations rely on suitable, rigorous scientific research methods and are published transparently, they can constitute a global public good and benefit communities, researchers, practitioners and policy makers. Finally, monitoring and evaluation constitute the basis for transparency and accountability. At a time when governments and civil society are increasingly demanding accountability from philanthropic actors, robust and objective evaluations can yield credible evidence on philanthropy's contribution to development.

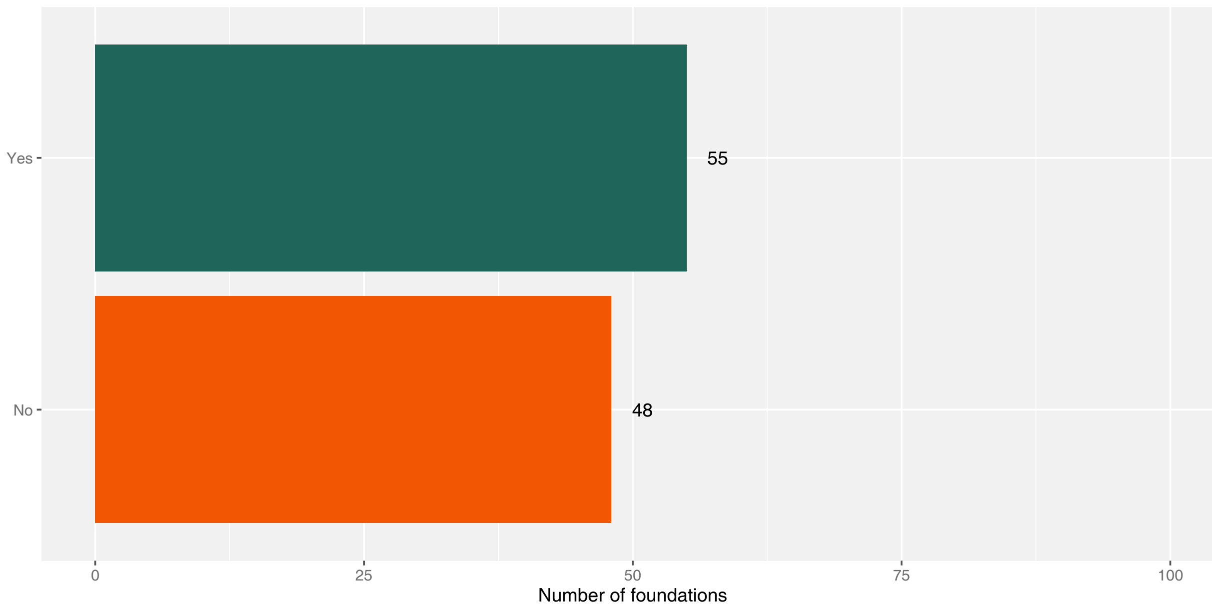
This section provides an overview of foundations' M&E practices. It sheds light on how foundations are learning from evaluations, the types of evaluations they employ and some of the challenges to using what is learned and communicating lessons with the field.

3.4.1. How are foundations learning from M&E?

Foundations are developing in-house evaluation capacities. Of the foundations active in developing countries that took part in the OECD organisational survey, around half (53%, or 55 of 103) have a dedicated evaluation person, unit or department, separate from the programme department (Figure 3.11).

These in-house evaluation teams generally have a dedicated budget for monitoring, evaluation and learning (for 73% of respondents with an evaluation unit or staff).

Figure 3.11. Foundations with a dedicated evaluation person, unit or department, separate from the programme department

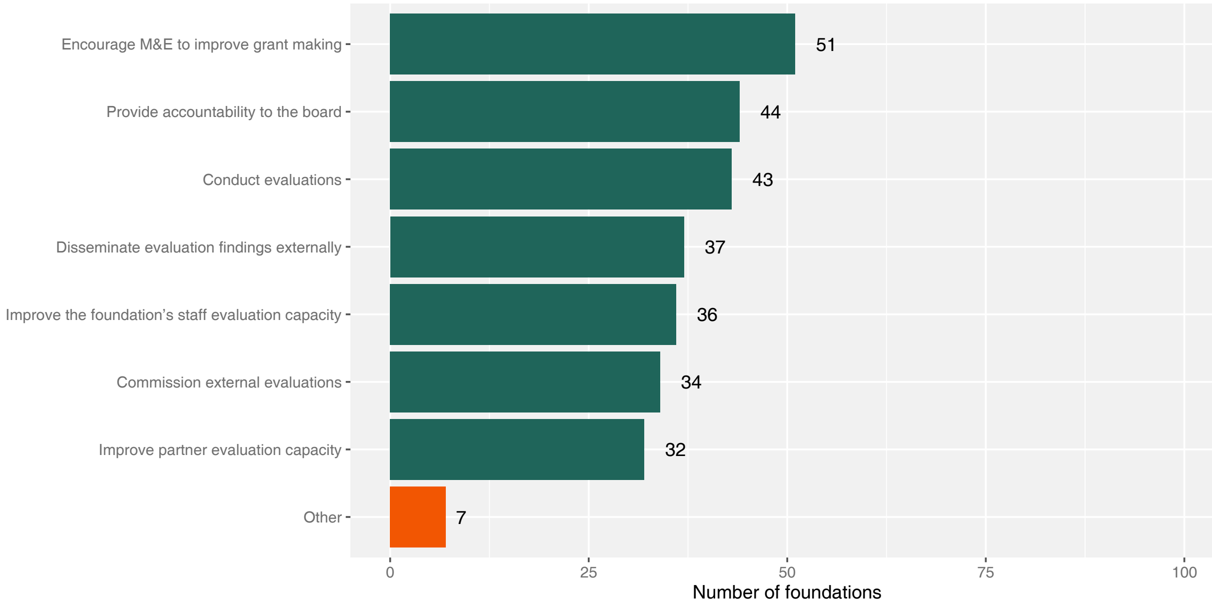


Note: Answers to the question "Do you have a dedicated evaluation person, unit or department, separate from the programme department?". Based on 103 foundations that responded to the organisational survey.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/1p0xkw

Evaluations have a dual purpose: promoting both learning and accountability. Foundations' evaluation staff or units have a range of mandates. The most common are to encourage the use of monitoring, evaluation and research data to improve the foundation's grant making or programmatic strategy; to conduct or commission evaluations of the foundation's initiatives/programmes; and to provide accountability to the board. It is less common for the evaluation staff or units to lead capacity building for partners or foundation staff (Figure 3.12).

Figure 3.12. Purpose of the foundation's evaluation person, unit or department



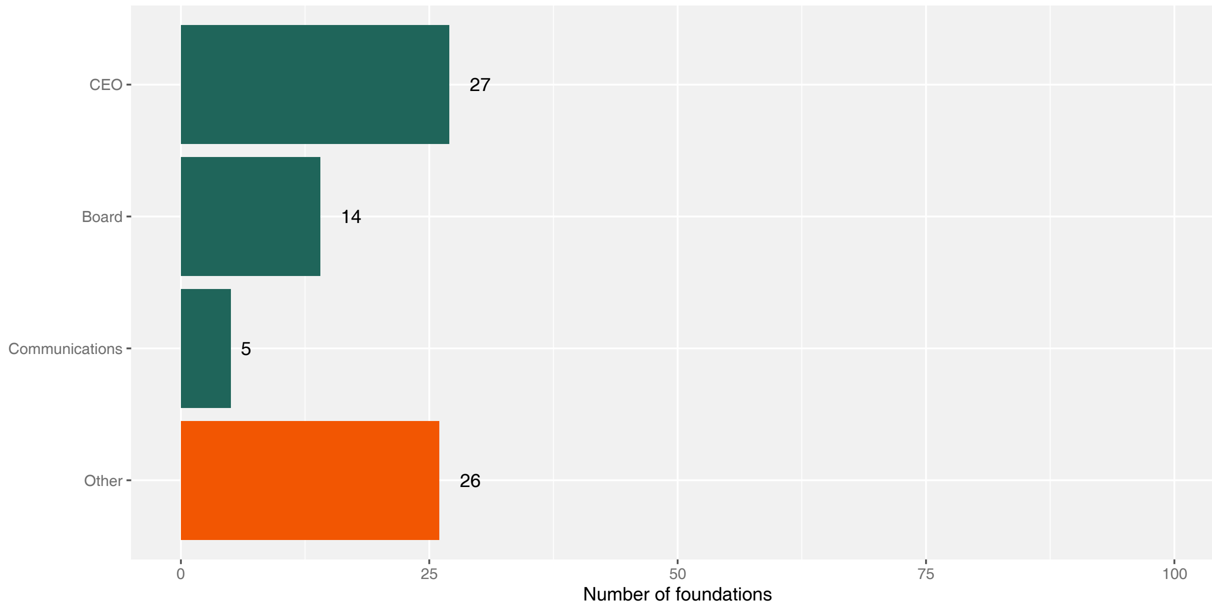
Note: Answers to the question "What is the purpose of the foundation's evaluation person, unit or department?". Based on 55 foundations that have a dedicated evaluation person, unit or department, separate from the programme department (out of 103 foundations surveyed). Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/z02kjq

Reporting lines ensure the independence and credibility of the evaluation function, and create feedback loops to ensure action is taken on findings and recommendations. In most cases, the head of evaluation reports to the foundation's CEO or the board (Figure 3.13). Many also report to senior management or programme teams to support learning. In only a handful of foundations is there a direct reporting line with the communications department. This suggests that evaluation is generally considered as a tool to improve the foundation's strategy and impacts.

Having a dedicated evaluation person, unit or department can be an important step to improve M&E capacities and influence. It can ensure that the unit or staff has the specific technical skills and the explicit mandate to plan, commission and disseminate evaluation results, while also supporting adequate monitoring throughout implementation. When the head of evaluation reports to the foundation's board or senior management, it creates a direct channel for evaluation findings to inform the strategic choices of foundations at the highest level. Dedicated evaluation staff or units can also enhance the coherence and synergies across a foundation's monitoring, evaluation and learning efforts, as they have a comprehensive vision of all ongoing and planned evaluations across teams and portfolios. However some foundations, and particularly smaller ones, may not have the resources to designate a team or person for evaluation. In these cases, some foundations are including a decentralised M&E function, whereby the foundations' programme staff co-ordinate monitoring, evaluation and learning within their specific portfolio. Other foundations are outsourcing the M&E function to learning partners (evaluation consultancies, evidence brokers or academics).

Figure 3.13. To whom does the head of evaluation report?



Note: Answers to the question "To whom does the head of evaluation report?". Based on 55 foundations that have a dedicated evaluation person, unit or department (out of the 103 foundations surveyed). Foundations could choose multiple options.
Source: OECD Private Philanthropy for Development organisational survey.

StatLink https://stat.link/tfvmlr

Some foundations are starting to build learning agendas to identify gaps in knowledge, co-ordinate evaluations across different portfolios and encourage evidence sharing internally and with other stakeholders working on similar issues (Box 3.5). These agendas are iterative documents that outline a set of critical open learning questions and activities to guide an organisation's evidence building and decision making. For example, the Hewlett Foundation regularly publishes detailed overviews of its sectoral strategies, including the specific questions it aims to answer with its learning partners. One such strategy focuses on approaches to improving public service delivery through enhanced transparency and accountability between governments and their citizens (Hewlett Foundation, 2018[114]). The Jacobs Foundation has also developed a learning agenda to better understand how heterogeneity and individual differences among children and youth affect learning (Jacobs Foundation, n.d.[115]). Similarly, the Laudes Foundation has developed a learning agenda to advance its mission of promoting a climate-positive and inclusive economy (Laudes Foundation, 2021[116]). Setting up a relevant agenda generally requires involving a broad set of stakeholders, from policy makers and academic researchers to implementing partners, who can raise issues important in their specific context and highlight promising or innovative solutions that warrant further evidence (Nightingale, Fudge and Schupmann, 2018[117]). Foundations also use evidence gap maps, systematic reviews and meta-analyses to take stock of evidence on specific questions and inform both programme design and future evaluations and research.

Box 3.5. Building learning organisations

Fondation Botnar is a Swiss foundation committed to improving the health and well-being of young people in urban environments. Acknowledging the complexity of social change, the foundation is developing a learning and evaluation system. The system's goal is to help the foundation understand what difference it makes, to whom and how. It involves generating utilisation-focused evidence to inform strategic decision making and promote reflexive adaptation on this basis, and to ensure a participatory and inclusive approach to evaluating the contribution and outcomes of selected initiatives and the effectiveness of the different approaches taken to achieve them.

To facilitate the development of this comprehensive system, in 2017 the foundation established a strategic learning function including a Chief Learning Officer (CLO) and a Strategic Learning Manager (SLM). Their task is to position strategic learning and evaluation (SLE). The CLO and the SLM, with external experts, established an initial learning agenda with an organisational theory of change and priority learning questions at the foundation level (e.g. "To what extent and in what ways is Fondation Botnar's role evolving to have the greatest funding impact?" "To what extent and in what ways are our assumptions and understanding of the potential for digital and AI-based solutions to drive long-term outcomes evolving?"). The agenda supports foundation staff in the design of a learning and evaluation strategy for specific portfolios and programmes, and facilitates activities for staff and partners to draw on M&E data to refine programmatic approaches.

Looking ahead, the foundation will place greater efforts on building the M&E and learning capacity of partners in low- and middle-income cities, and on deepening participation in and use of its processes.

Contributed by Aline Cossy-Gantner and David Suhr, Fondation Botnar.

The **Jacobs Foundation** is devoted to the creation of learning ecosystems in diverse contexts that provide children with effective knowledge, skills, attitudes, tools and equitable opportunities to reach their full learning potential and thrive together. The strategy is grounded in the commitment to being a leading learning foundation that embraces a culture of learning and proactively shares what is learned to inspire systems change beyond the foundation's direct reach.

In 2021, the foundation developed a learning agenda for its new Strategy 2030. First it identified priority learning areas in alignment with its theory of change. It then worked to formulate and prioritise a set of strategic learning questions designed to increase the knowledge base in key areas of child learning and development and support a better understanding of the most impactful role the foundation can play. In doing so, the foundation engaged with its stakeholders, partners and peers to ensure that the learning agenda is relevant and meaningful in advancing shared priorities. In addition, the foundation brought onboard a Learning & Evaluation partner – a trusted thought-partner leading the implementation of a robust but agile Monitoring, Evaluation, and Learning (MEL) strategy that supports the Jacobs Foundation in ensuring that Strategy 2030 is as impactful as it can be.

Looking ahead, the Jacobs Foundation considers it is essential for funders to engage in greater collaboration around learning, including exploring opportunities to foster joint learning activities and support increased alignment and transparency in how research and evaluation work is designed and shared. In this context, openly communicating about the foundation's learning strategy is crucial to increase visibility and encourage opportunities for constructive engagement and honest exchange.

Contributed by Donika Dimovska, Jacobs Foundation.

3.4.2. What types of evaluations are foundations employing?

Foundations' evaluation efforts focus primarily on relevance and efficiency of programme design and implementation, while impact evaluations and cost-effectiveness analyses are less common. There are many types of knowledge, and correspondingly many useful evaluation methods that can be used (Gertler et al., 2016[118]) (Box 3.6).

Box 3.6. Tools for monitoring, evaluation and learning: Definitions

Needs assessments, also referred to as context analysis, gap analysis or needs analysis, help to identify the problem and provide insights on its likely source and extent. They focus on the gaps between current results and desired results.

An intervention design or theory of change is a roadmap that outlines the causal pathway through which an investment (programme) works to produce outputs and influence outcomes. Theories of change include assumptions about how the programme will work. To be sound, they must be informed by rigorous evidence.

Monitoring data can help understand what goals are being achieved or not.

Process evaluations assess how a programme is executed, focusing on whether it was implemented as designed, whether milestones are attained well or efficiently, and whether intended beneficiaries are reached.

Impact evaluations establish the causal link between an intervention and outcomes. At the heart of impact evaluation is comparison using counterfactual methods: to the extent possible, the evaluation team compares outcomes at sites, communities or people supported by the programme with similar groups not supported by the programme. The comparison group, or "counterfactual", provides a measure of what would have happened in the absence of the programme. The best method for establishing a solid counterfactual, when properly designed and conducted, is randomly assigning entities from a sufficiently large sample to the comparison and to the treatment group.

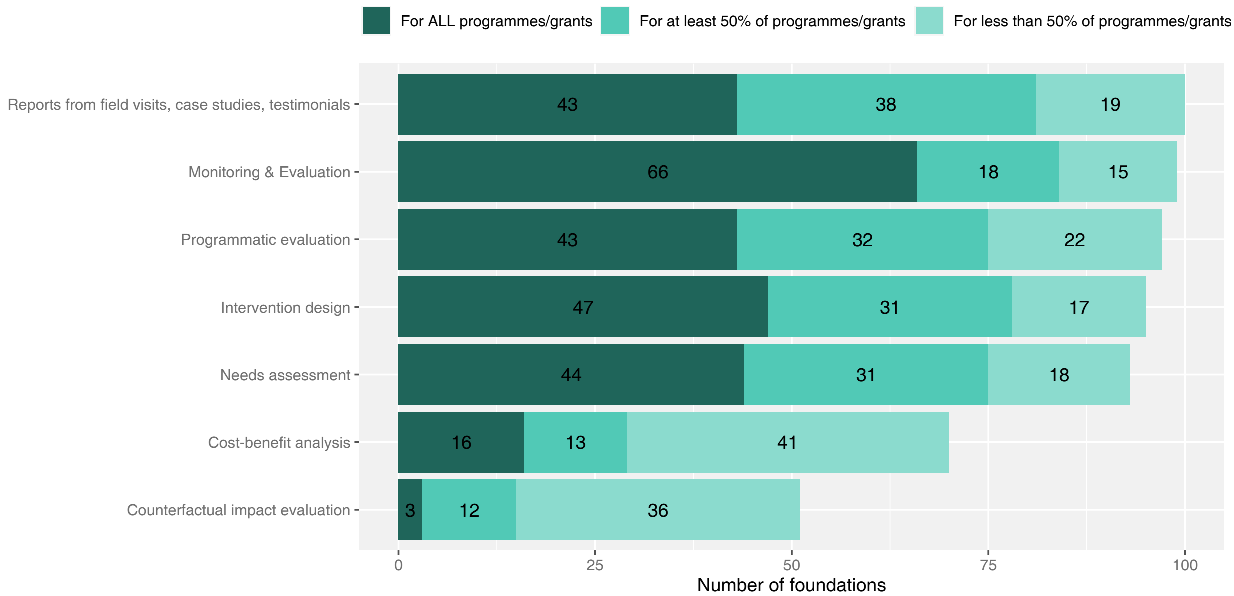
Cost-effectiveness analysis estimates the ratio of the amount of "impact" an approach can achieve for a certain amount of cost. Comparative cost-effectiveness analyses compare the relative efficiency of different approaches that aim to achieve a similar outcome.

Programmatic evaluations assess the relevance, coherence, effectiveness, efficiency, outputs and sustainability of a given programme, judging the merit or worth of the intervention and its results.

Source: (Gertler et al., 2016[118]; Watkins, West Meiers and Visser, 2012[119]; OECD, 1991[120]).

Foundations active in developing countries frequently use needs assessment, theory of change, monitoring evaluation and programmatic evaluations. They also use result reports from field visits, case studies, feedback from people involved in or benefiting from their programmes, and testimonials. Cost-effectiveness analyses and counterfactual impact evaluations are less frequently used (Figure 3.14).

Figure 3.14. Methods employed by foundations to assess their programmes and grants



Note: Answers to the question "Since 2016, how frequently has your foundation employed any of the assessment and evaluation methods to assess your programmes and grants?". Based on 103 foundations that responded to the organisational survey. Foundations selected a frequency for each available option.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/08tuyh

Impact evaluation remains the least used evaluation method by private philanthropy despite its proven potential to improve the effectiveness of development interventions. Around half of respondents have never employed an impact evaluation, or highlight that such an approach does not apply to their work. Rigorous impact evaluations are an important tool for learning about the components and dosage that make an intervention effective. They also identify cost-effective approaches that can be scaled and, more broadly, provide robust scientific knowledge to inform development policy and practice (Box 3.7). Some ODA providers are actively supporting rigorous impact evaluations of development policy and programmes. For instance, in 2013, the United Kingdom, partnered with the World Bank's Development Impact Evaluation (DIME) group to create a USD 180 million multi-donor trust fund to support impact evaluations. The fund, i2i (Impact Evaluation to Development Impact), is co-financed by the European Union (EU), the Norwegian Agency for Development Co-operation (Norad), and the World Food Programme (WFP), and has received support from a number of multilateral and bilateral organisations (World Bank, 2019[121]).

Box 3.7. How impact evaluation of the Graduation Approach helped lift millions out of poverty

The Graduation Approach has achieved success by showing how to improve the livelihoods, income and well-being of millions sustainably. Pioneered by the Bangladesh Rural & Advancement Committee (BRAC), a local NGO, the Graduation Approach has an ambitious M&E and learning agenda, including rigorous randomised evaluations, process evaluations and qualitative household surveys. This agenda was critical to growing a pilot programme into a global model that benefits approximately 14 million people across 50 countries.

The BRAC programme provided a mix of cash or food consumption support, cash or productive asset transfers, financial literacy training, life coaching on life skills and access to basic health or education. It showed promising results early on. A first randomised evaluation found that, seven years after participation, targeted households were continuing their path out of poverty, exhibiting 37% growth in annual income (Balboni et al., 2015[122]).

In view of the encouraging evidence, the Ford Foundation and the Consultative Group to Assist the Poor (CGAP) collaborated on 10 pilots based on the BRAC model across eight developing countries from 2006-14. Together they set up a research and learning plan to monitor the effects of the intervention and disclose the results. Despite adjustments made to adapt to the different contexts, randomised impact evaluations conducted in six of the targeted countries recorded similar results to those attributable to the original BRAC programme (Banerjee et al., 2018[123]). CGAP and the Ford Foundation were extensively involved in the pilots' design and monitoring, and covered part of the research and implementation costs. Other funders included the Mastercard Foundation, the Michael & Susan Dell Foundation, the European Commission, the International Fund for Agricultural Development, Swiss Development Cooperation, USAID and the World Bank.

Source: (World Bank, 2019[124]).

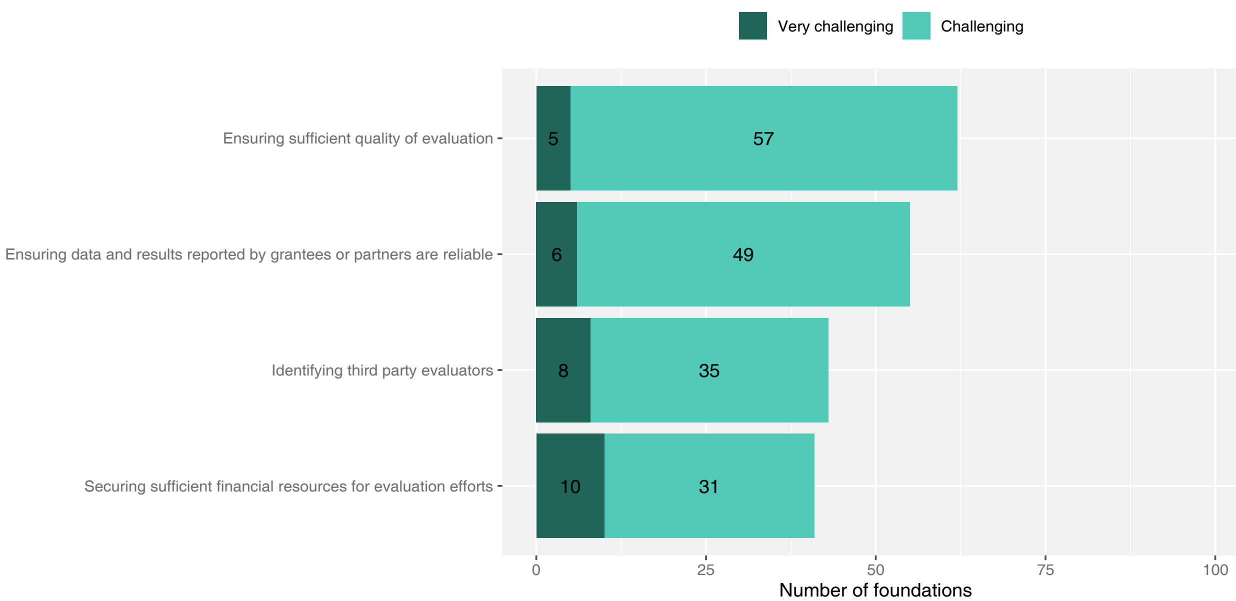
However, a properly designed and implemented impact evaluation requires planning and capacity and the evaluation must be integrated from the outset. It can be costly (depending on the scale of primary data collection and the follow-up period). It often demands substantial additional work from implementing partners. This may explain why impact evaluation is not used more often. Carefully assessing the specific interventions that warrant a rigorous impact evaluation is an important step to earmark foundations' limited evaluation resources.

Some foundations have led important efforts to improve the quality, relevance and supply of impact evaluations. For example, the Bill & Melinda Gates Foundation and the Hewlett Foundation supported the Evaluation Gap Working Group hosted by the Center for Global Development from 2004-06. This group's final report, "When Will We Ever Learn? Improving Lives through Impact Evaluation", built the case for robust impact evaluation and led to major increases in the use of rigorous methods in development (Savedoff, Levine and Birdsall, 2006[125]). It also led to the inception of the International Initiative for Impact Evaluation, which funds systematic reviews and impact evaluations across a diversity of development issues, and numerous efforts by bilateral and multilateral development agencies to improve the use of robust evaluation methods. The Network of Networks on Impact Evaluation (NONIE) later produced guidance on the use of impact evaluations in the realm of development, including the application of different methodologies (Leeuw and Vaessen, 2009[126]).

3.4.3. Foundations face challenges in preparing evaluations

Foundations find it challenging to produce quality evaluations. A majority of respondents (60%) find it particularly challenging to ensure that evaluations are of sufficiently high quality. They also highlight the inadequate capacity of their partners to collect and report reliable data (Figure 3.15). As noted in Chapter 2, 75% of respondents in the sample help partners to improve their monitoring, evaluation and learning capacities through non-financial support. These findings suggest that there is still much room to consider how to enhance partners' capacities to gather and use high-quality data throughout the programme cycle (Box 3.8).

Figure 3.15. Monitoring and evaluation challenges faced by foundations



Note: Answers to the question "Which of the following are challenging for your foundation?". Based on 103 foundations that responded to the organisational survey. Foundations used a Likert scale for each available option. The figure only shows the number of responses for "Very challenging/Challenging" levels.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/4etfw5

Box 3.8. Lifting the barriers to using insights from evaluations

The Sawiris Foundation for Social Development provided this perspective on its approach to making the most of monitoring and evaluation.

"At Sawiris Foundation for Social Development (SFSD), the Learning and Strategy department is responsible for monitoring and evaluating the projects that the foundation supports, and for funnelling findings and insights from monitoring and evaluation into organisational and external learning and into the foundation's evidence-based strategy. The foundation currently accepts unsolicited proposals throughout the year across its three technical sectors: economic empowerment, education and social empowerment. Submitted proposals can enter one of two tracks – Track A: smaller funding for innovative pilot projects with limited supporting evidence and to be tested using rigorous methodologies, or Track B: larger funding for rigorously tested and proven projects to be scaled up. All projects are evaluated, and the methodology depends on the supporting evidence or lack thereof. Projects are also reviewed to ensure that they align with the foundation's evidence-based strategy.

"The foundation's learning component aims to build the capacities of the organisation and its partners to understand and use evidence. Through clear executive leadership buy-in, the learning component is using Donnela Meadow's systems change approach to establish clear processes, information flows and procedures to promote learning within the organisation. This takes the form of evidence reviews for strategic priorities, internal learning seminars, learning bulletins that share evidence, training on how to use evidence and creating a learning bank that houses all of that knowledge for ease of access by its staff. The learning component also covers findings from evidence reviews; gap analyses; and completed impact evaluations in easy-to-understand learning products such as policy toolkits, learning agendas, blogs and a learning podcast.

"SFSD understands that access to evidence is not enough, and that a lot of investment is needed to train and improve the capacities of its NGO partners to implement high-quality projects with sound monitoring and evaluation mechanisms. As such, the foundation is leading the development of a nation-wide capacity-building programme that will assess the critical needs of partner NGOs regarding monitoring, evaluation and organisational learning, in addition to the release of an NGOs report that will share findings on a representative sample of NGOs in Egypt and their critical challenges and opportunities for improvement in these areas."

Contributed by Farida El-Gueretly, Sawiris Foundation for Social Development.

Partners' capacity to report reliable data can be hindered if they have multiple, incoherent monitoring, reporting and evaluation requirements for different donors. Building the right incentives could also improve the reliability of partners' data and support learning. A narrow focus on reporting for donor accountability can discourage partners from taking on the most challenging social problems for fear of failing, or can compel them to understate challenges and present the work in the best possible light.

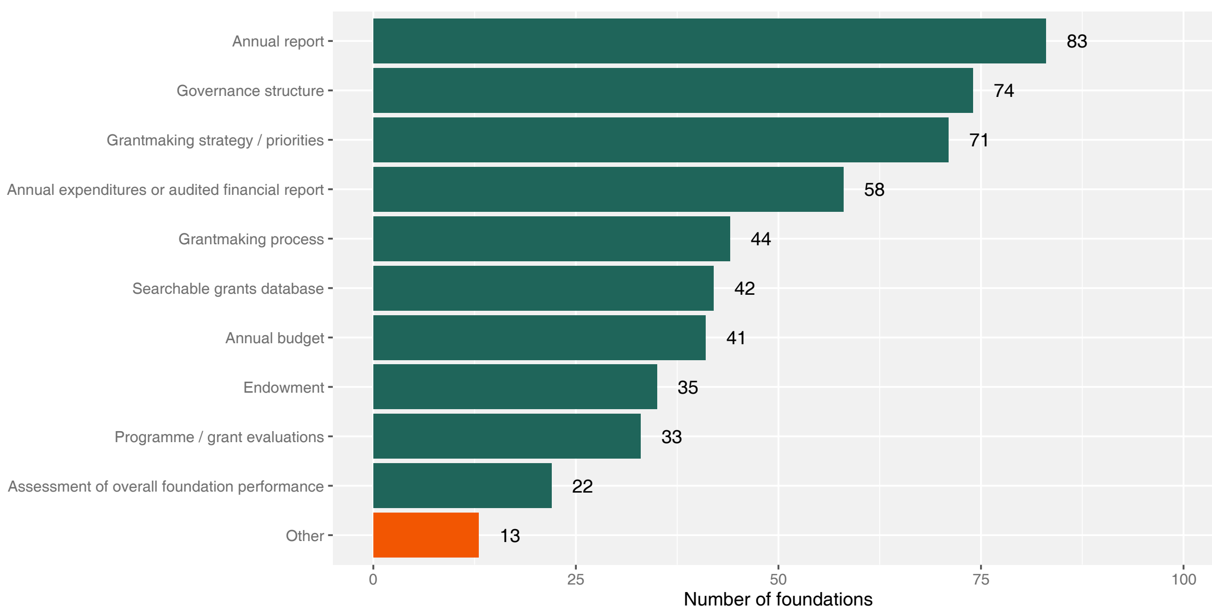
Furthermore, one-fourth of foundations in the sample (26 of 103, *OECD Private Philanthropy for Development* organisational survey, data not shown) highlight that foundation staff do not have adequate capacity to manage monitoring and evaluation work or to interpret or use evaluation data and results. Yet foundation teams need a minimum set of competencies to be able to judge and weigh different types of evidence along other considerations to be able to inform their day-to-day tasks. An increasing number of foundations are expanding the role of evaluation staff to include support of organisational learning in an ongoing way, and to support the use of evidence during programme design and implementation (Centre for Effective Philanthropy, 2016[127]). Some foundations are also creating chief learning or knowledge officer positions to transform the organisation's learning capacities and culture, and to ensure the continuous professional development of staff and partners, as outlined above.

3.4.4. Learning challenges also exist beyond foundations

Foundations' programme and grant evaluations are rarely publicly shared, limiting the learning potential within and beyond the philanthropic sector. The design of development programmes does not begin with a blank slate. For all topics on which foundations work, there is at least some body of evidence on the needs, operational lessons from similar efforts or on approaches that have been more or less effective in delivering change. However, there is a strong perception that foundations often "reinvent the wheel" and fail to capitalise on existing work or past experience.

This perception might be driven by foundations' lack of transparency when it comes to sharing evaluation results. Foundations are more likely to share information about their strategy, priorities and inputs (e.g. annual expenditures, annual budgets) and sometimes outputs (e.g. annual report) than evaluations of their programmes and grant results or information about the foundation's performance (Figure 3.16). Transparency is one of the core OECD principles for results-based management (Box 3.9).

Figure 3.16. Information foundations make available via publicly accessible sources



Note: Answers to the question "What information do you make available on your website or other publicly accessible sources?". Based on 103 foundations that responded to the organisational survey. Foundations could choose multiple options.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/kczjop

Box 3.9. Managing for Sustainable Development Results: OECD DAC Guiding Principles

The OECD DAC devised six Guiding Principles on Managing for Sustainable Development Results (MfSDR) to support development organisations in adapting their result-based management (RBM) policies to complex development challenges. Principles include:

1. Support sustainable development goals and desired change. MfSDR approaches should reinforce the efficacy of measures aimed at achieving inclusive sustainable development.

2. Adapt to context. MfSDR approaches should be adaptable to the different operational contexts, modalities of engagement and types of partnerships.

3. Enhance country ownership, mutual accountability and transparency. MfSDR approaches should align to partner countries' strategic planning, monitoring and statistics systems to avoid duplication costs, increase local capacity and foster the effectiveness of partnerships.

4. Maximise the use of results information for learning and decision making. Alongside communication and accountability, evidence should be used for learning and decision making at all levels.

5. Foster a culture of results and learning. Leadership should promote and sustain a culture of results through appropriate guidance, tools, and incentives, both within the organisation and with partners.

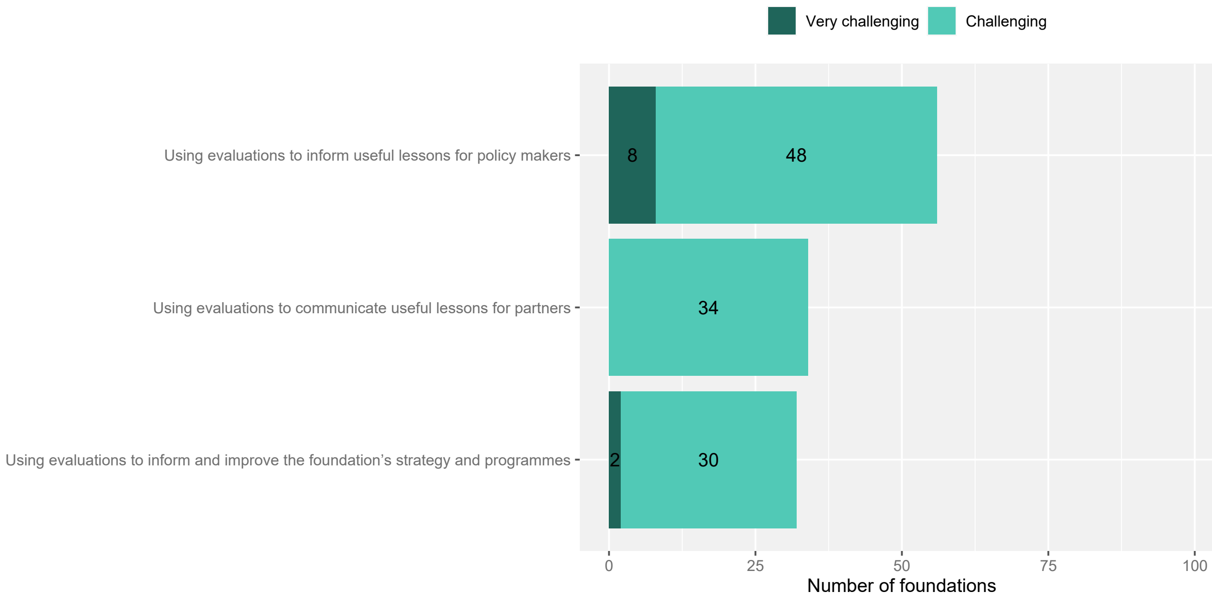
6. Develop a results system that is manageable and reliable. Results frameworks, measurement and reporting systems should be regularly reviewed and maintained as fit for purpose, credible and adaptable.

Source*:* (OECD, 2019[128]).

Interestingly, few respondents believe that sharing information about what did or did not work could negatively affect the foundation's reputation (12 of 103, or 12%) or harm the possibility of grantees receiving support from other donors (9% of respondents) (*OECD Private Philanthropy for Development* organisational survey, data not shown). The discrepancy between this low perceived risk of openly sharing evaluation results and the actual lack of transparency in this area may suggest that foundations see internal teams as the primary audience of their evaluation efforts. However, sharing data and usable knowledge from results monitoring and evaluations can help advance learning among foundations, partners and the broader development community (Hamilton et al., 2005[129]). It can help foundations better co-ordinate their evaluation efforts with other development players working on similar issues, and encourage greater efficiency and higher quality standards, as evaluations could be accessible for peer review and scrutiny.

Foundations find it hard to translate evaluation findings into lessons for policy makers. As noted in Section 3.3, more than half of the foundations in the sample use research and dissemination as an advocacy strategy to inform policy. Communicating evaluation findings can lead to the scaling up of effective programmes. However, 54% of respondents find it challenging to use the results of evaluations to provide useful lessons for policy makers (Figure 3.17).

Figure 3.17. Challenges for the uptake of evaluation results



Note: Answers to the question "Which of the following are challenging for your foundation?". Based on 103 foundations that responded to the organisational survey. Foundations used a Likert scale for each available option. The figure only shows the number of responses for "Very challenging/Challenging" levels.
Source: *OECD Private Philanthropy for Development* organisational survey.

StatLink https://stat.link/b9sc7v

Close to half of respondents (45%) highlight that their staff have limited time to analyse and communicate evaluation results (*OECD Private Philanthropy for Development* organisational survey, data not shown). Another potential factor is that foundations' evaluations are not always aligned with policy makers' needs and demand. Not all foundations have an in-country presence, which might limit their capacity to engage directly with national and local stakeholders and share evaluation findings. They may have limited understanding of the local political economy (i.e. the incentives and interests of local decision makers) and of government learning needs.

To overcome these challenges, some foundations are partnering with governments to fund the evaluation of the results of a government-led programme. This enables the government to test and scale what works. Foundations are also creating strategic partnerships with academic institutions and donor and expert networks that disseminate findings with policy makers. One example from the education sector is Building Evidence in Education (BE2), a donor collaborative that brings together bilateral, multilateral and philanthropic organisations in order to improve the standards for commissioned evidence in education, find synergies in their research and evaluation agendas, and share actionable lessons with policy makers.

Some foundations are also investing in the capacity of evaluators in the countries where they work. Evaluations, and particularly rigorous impact evaluations, are often conducted by professionals from donor countries, who are generally not part of the local context and may have limited capacity to develop and sustain relationships with decision makers in the field (Savedoff, Levine and Birdsall, 2006[125]). Locally based and qualified evaluators can enhance the relevance of evaluations and encourage their uptake for decision making. An example is the Hewlett Foundation's support of the West Africa Capacity-building and Impact Evaluation initiative, launched by the International Initiative for Impact Evaluation. The initiative aims to improve the capacity of countries in the region to articulate valuable questions and conduct evaluations. Similarly, the Mastercard Foundation is training new cohorts of young African and Canadian

Indigenous evaluators, and matching them to more experienced evaluators to deliver commissioned rigorous evaluations on the foundations' work (Mastercard Foundation, 2020[130]).

Notes

[1] Tailored financing is defined as "the process through which a venture philanthropy organisation or a social investor finds the most suitable financial instrument (FI) to support a social purpose organisation choosing from the range of financial instruments available (grant, debt, equity, and hybrid financial instruments)". (https://evpa.eu.com/uploads/publications/EVPA_Financing_for_Social_Impact_2017_online.pdf)

[2] Systems change refers to "a change in the policies, processes, relationships, knowledge, power structures, values or norms of participants within a system that affects a social issue" (OECD, 2018[11]). Systems consist of multiple interconnected parts, including people, institutions and resources, as well as intangible elements such as relationships, values and perceptions (OECD, 2018[11]).

References

Alemanno, A. (2021), “Breaking the lobbying taboo. Why and how to foster nonprofit advocacy”, *HEC Paris Research Paper Series*. [59]

Alemanno, A. (2020), “Is COVID-19 philanthropy’s pandora’s box?”, *Alliance Magazine*, https://www.alliancemagazine.org/blog/is-covid-19-philanthropys-pandoras-box/. [107]

Ashoka & McKinsey (2020), *Embracing complexity: towards a shared understanding of funding systems change.*, https://www.ashoka.org/en/files/embracing-complexitypdf (accessed on 29 September 2021). [62]

Atlantic Philanthropies (2008), *Why Supporting Advocacy Makes Sense for Foundations*, https://www.giarts.org/sites/default/files/why-supporting-advocacy-makes-sense-for-foundations.pdf. [50]

Aykut, S., J. Foyer and E. Morena (2017), *Globalising the Climate: COP21 and the Climatisation of Global Debates*, Routledge, London, https://doi.org/10.4324/9781315560595. [72]

Balboni, C. et al. (2015), “Transforming the economic lives of the ultra-poor”, *IGC Growth Brief*, International Growth Centre, https://www.theigc.org/wp-content/uploads/2015/12/IGCJ2287_Growth_Brief_4_WEB.pdf. [122]

Banerjee, A. et al. (2018), *Unpacking a Multi-Faceted Program to Build Sustainable Income for the Very Poor*, National Bureau of Economic Research, Cambridge, MA, http://dx.doi.org/10.3386/w24271. [123]

Bertrand, M. et al. (2018), “Hall of mirrors: Corporate philanthropy and strategic advocacy”, *NBER Working Papers*, No. 25329, National Bureau of Economic Research, http://www.nber.org/papers/w25329. [105]

Bertrand, M. et al. (2020), “Tax-exempt lobbying: Corporate philanthropy as a tool for political influence”, *American Economic Review*, Vol. 110/7, American Economic Association, http://dx.doi.org/10.1257/aer.20180615. [106]

Bicchieri, C. (2016), *Norms in the wild: How to diagnose, measure, and change social norms*, Ofxord University Press, http://dx.doi.org/doi:10.1093/acprof:oso/9780190622046.001.0001. [64]

BMGF (2011), “Malaria: Strategy overview”, Bill & Melinda Gates Foundation, https://docs.gatesfoundation.org/documents/malaria-strategy.pdf. [88]

BMGF (2006), “Major Commitment to Global Fight Against Malaria”, Bill & Melinda Gates Foundation, https://www.gatesfoundation.org/ideas/media-center/press-releases/2006/12/commitment-to-fight-malaria. [86]

BMGF (n.d.), *Committed Grants*, (database), Bill & Melinda Gates Foundation, https://www.gatesfoundation.org/about/committed-grants. [87]

Bolder Advocacy (2012), “Private and public foundations may fund charities that lobby”, (fact sheet), https://bolderadvocacy.org/wp-content/uploads/2012/04/Private_and_Public_Foundations_May_Fund_Charities_that_Lobby.pdf. [51]

Bolder Advocacy (2012), “Private foundations may advocate”, (fact sheet), https://bolderadvocacy.org/wp-content/uploads/2012/05/Private_Foundations_May_Advocate.pdf. [52]

Bolton, M. (2006), *Foundations and Social Investment in Europe*, Social Investment Group Survey Report, http://efc.issuelab.org/resources/16021/16021.pdf. [10]

Bonamin, A. et al. (2019), “Brazil: Legal milestone: Endowment Act is enacted”, *Mondaq*, https://www.mondaq.com/brazil/fund-management-reits/772418/legal-milestone-endowment-act-is-enacted. [41]

Breen, O. (2018), *Enlarging the Space for European Philanthropy*, EFC/Dafne, https://www.philanthropyadvocacy.eu/wp-content/uploads/2019/03/2018-Enlarging-the-Space-for-European-Philanthropy-joint-EFC-DAFNE-study-by-Oonagh-Breen.pdf. [37]

Brest, P. (2016), “Investing for Impact with Program-Related Investments: A Report on Strategic Investing at the Bill & Melinda Gates Foundation”, *Making Markets Work for the Poor*, pp. 19-27, https://sif.gatesfoundation.org/wp-content/uploads/2018/02/Chapter-7.pdf. [45]

Buchanan, P. and E. Buteau (2015), *Investing and Social Impact: Practices of Private Foundations*, Centre for Effective Philanthropy, http://cep.org/wp-content/uploads/2015/05/Investing-and-Social-Impact-2015-1.pdf. [30]

Calouste Gulbenkian Foundation (2019), “The Calouste Gulbenkian Foundation announces the sale of Partex”, (news release), https://gulbenkian.pt/en/news/the-calouste-gulbenkian-foundation-announces-the-sale-of-partex/?__cf_chl_managed_tk__=pmd_qJM47yjoYWyGewe20HgDVdsv4D382SWvYUcLx9WczRk-1632918761-0-gqNtZGzNA1CjcnBszQk9. [26]

Centre for Effective Philanthropy (2016), *Benchmarking Foundation Evaluation Practices*, https://cep.org/wp-content/uploads/2016/09/Benchmarking-Foundation-Evaluation-Practices-1.pdf. [127]

CIFF (n.d.), “C40 Youth Engagement”, Children’s Investment Fund Foundation, https://ciff.org/grant-portfolio/c40-youth-engagement/. [100]

CIFF (n.d.), “Endowment”, Children’s Investment Fund Foundation, https://ciff.org/about-us/endowment/. [25]

CIFF (n.d.), “Youth Climate Leadership”, Children’s Investment Fund Foundation, https://ciff.org/grant-portfolio/youth-climate-leadership/. [99]

Cody, A. (2014), *The Educator and the Oligarch: A Teacher Challenges The Gates Foundation*, GArn Press. [103]

Cooch, S. et al. (2007), *Compounding Impact: Mission Investing by US Foundations*, FSG, https://www.fsg.org/publications/compounding-impact. [8]

Council on Foundations (2020), *Nonprofit law in South Africa*, https://www.cof.org/content/nonprofit-law-south-africa#Political_ (accessed on 29 September 2021). [54]

Council on Foundations (n.d.), “Rules of advocacy & lobbying”, https://www.cof.org/content/rules-advocacy-lobbying. [53]

Dafne (2021), “PEX projects”, https://dafne-online.eu/pex/pexprojects/. [111]

Dafne and EFC (2021), *Comparative Highlights of Foundation Law: The Operating Environment for Foundations in Europe*, https://www.philanthropyadvocacy.eu/wp-content/uploads/2021/09/Comparative-Highlights-Of-Foundation-Laws.pdf. [57]

Dafne and EFC (2021), “News and updates from philanthropy advocacy”, https://www.philanthropyadvocacy.eu/. [112]

Dafne and EFC (2020), *Legal Environment for Philanthropy in Europe: The Latest Data on Trends and Developments Across Europe*, https://www.philanthropyadvocacy.eu/legal-environment-for-philanthropy-in-europe/. [55]

David and Lucile Packard Foundation (2020), “Mission investing program examples”, https://www.packard.org/wp-content/uploads/2020/09/Packard-Mission-Investing-Program-Examples-2020.pdf. [43]

DivestInvest (n.d.), “Commitments to DivestInvest”, https://www.divestinvest.org/commitments/. [27]

Elson, P. and S. Hall (2016), “System change agents: A profile of policy-focused grantmaking foundation engagement in public policy”, *Canadian Journal of Nonprofit and Social Economic Research*, Vol. 7/2, https://anserj.ca/index.php/cjnser/article/view/222/146 (accessed on 29 September 2021). [68]

Equality Fund (n.d.), “Funding feminist futures”, *Equality Fund*, https://equalityfund.ca/. [81]

Equality Fund (n.d.), “Philanthropy advancing women’s human rights”, *Equality Fund*, https://equalityfund.ca/collective-members/philanthropy-advancing-womens-human-rights/. [82]

European Commission (2018), *Driving Progress for Research and Innovation in Europe: The Potential of R&I Foundations*, Directorate General for Research and Innovation, http://dx.doi.org/10.2777/434029. [36]

Fabiani, P. and R. Davies (2019), “Brazil’s New Endowment Law Could Strengthen Philanthropy and Democracy Around the Globe”, *Standford Social Innovation Review*, https://ssir.org/articles/entry/brazils_new_endowment_law_could_strengthen_philanthropy_and_democracy_around_the_globe. [40]

Ferris, J. and M. Mintrom (2009), “Foundations and Public Policymaking: A Conceptual Framework”, *Foundations and Public Policy: Leveraging Philanthropic Dollars, Knowledge, and Networks for Greater Impact*, Chapter 2. [67]

Ferris, J. and N. Williams (2010), “Foundation strategy for social impact: A system change perspective”, Nonprofit Policy Forum, Vol. 1/1, De Gruyter, https://doi.org/10.2202/2154-3348.1008. [63]

Ford Foundation (n.d.), “Early lessons from large-scale implementations of the graduation approach”, https://www.fordfoundation.org/campaigns/early-lessons-from-large-scale-implementations-of-the-graduation-approach/#. [93]

Foundation Center (2012), *Speaking Up! Foundations and Advocacy in Europe*, https://grantcraft.org/wp-content/uploads/sites/2/2018/12/advocacy_eu.pdf. [56]

Gertler, P. et al. (2016), *Impact Evaluation in Practice, Second Edition*, Inter-American Development Bank and World Bank, http://dx.doi.org/10.1596/978-1-4648-0779-4. [118]

Giacomin, V. and G. Jones (2021), "Drivers of Philanthropic Foundations in Emerging Markets: Family, Values and Spirituality", *Journal of Business Ethics*, pp. 1-20, https://link.springer.com/article/10.1007/s10551-021-04875-4?error=cookies_not_supported&code=353263a1-0d44-47a3-baa2-ff9b19289039. [104]

Gianoncelli, A. and P. Boiardi (2017), *Financing for Social Impact - The Key Role of Tailored Financing and Hybrid Finance*, European Venture Philanthropy Association, https://evpa.eu.com/download/EVPA_Financing_for_Social_Impact_2017_online.pdf. [42]

Girls First Fund (2021), "About Us", *Girls First Fund*, https://girlsfirstfund.org/about-us/. [98]

GiveDirectly (n.d.), *Funders and Partners*, https://www.givedirectly.org/funders-and-partners/. [70]

Godeke, S. and D. Bauer (2008), *Mission-Related Investing A Policy and Implementation Guide for Foundation Trustees*, https://www.rockpa.org/wp-content/uploads/2018/09/Mission-Related-Investing-A-Policy-and-Implementation-Guide-for-Foundation-Trustees.pdf. [9]

Gompers, P., J. Ishii and A. Metrick (2003), "Corporate Governance and Equity Prices", *The Quarterly Journal of Economics*, Vol. 118/1, http://dx.doi.org/10.1162/00335530360535162. [33]

Guerriero, P. and S. Wolf Ditkoff (2018), "When philanthropy meets advocacy", *Standford Social Innovation Review*, https://ssir.org/articles/entry/when_philanthropy_meets_advocacy#. [97]

Haider, H. (2017), "Changing gender and social norms, attitudes and behaviours", *K4D Helpdesk Research Report series*, https://gsdrc.org/publications/changing-gender-social-norms-attitudes-behaviours/. [75]

Hamilton, R. et al. (2005), "Learning for Community Change: Core Components of Foundations that Learn", (discussion paper), Chapin Hall Center for Children, University of Chicago, https://www.ncfp.org/wp-content/uploads/2018/09/Core-Components-of-Foundations-that-Learn-Chapin-Hall-2005-learning-for-community-change-core-components-of-foundations-that-learn-chapin-hall.pdf. [129]

Helpman, E. and G. Grossman (2001), *Special Interest Politics*, MIT Press, https://mitpress.mit.edu/books/special-interest-politics. [48]

Hewlett Foundation (2019), "Climate Finance Strategy 2018-2023", https://hewlett.org/wp-content/uploads/2019/09/Hewlett-Climate-Finance-Strategy-2018-2023.pdf. [29]

Hewlett Foundation (2018), *Transparency, Participation, and Accountability: Learning Sub-Strategy*, Global Development and Population Program, https://hewlett.org/wp-content/uploads/2018/10/Transparency-Participation-and-Accountability-Learning-Sub-Strategy-English.pdf. [114]

HRDN (n.d.), *Open Society Foundations*, Human Rights & Democracy Network, https://hrdn.eu/open-society-foundations/. [95]

Human Rights Watch (2020), "Dutch Postcode Lottery grant to Human Rights Watch", (news release), https://www.hrw.org/news/2020/03/10/dutch-postcode-lottery-grant-human-rights-watch. [78]

Human Rights Watch (2019), “Dutch Postcode Lottery continues to support human rights”, (news release), https://www.hrw.org/news/2019/01/23/dutch-postcode-lottery-continues-support-human-rights. [79]

IRS (2021), “Political and lobbying activities”, Internal Revenue Service, Washington, D.C., https://www.irs.gov/charities-non-profits/charitable-organizations/political-and-lobbying-activities. [49]

IRS (2015), “Investments made for charitable purposes”, Notice 2015-62, Internal Revenue Service, Washington, D.C., https://www.irs.gov/pub/irs-drop/n-15-62.pdf. [38]

Jacobs Foundation (n.d.), *Introduction and Strategy 2030*, Jacobs Foundation, Zurich, https://jacobsfoundation.org/app/uploads/2021/03/Jacobs-Foundation_Overview_Strategy-2030.pdf. [115]

Johnson, K. and H. Lee (2013), *Impact Investing: A Framework for Decision Making*, Cambridge Associates LLC, https://thegiin.org/assets/documents/pub/impact-investing-a-framework-for-decision-making.pdf. [31]

Kachaner, N. et al. (2020), “The Pandemic is heightening environmental awareness”, BCG Center for Climate Responsibility, https://www.bcg.com/publications/2020/pandemic-is-heightening-environmental-awareness. [18]

Keidan, C. (2020), “Interview: Alberto Alemanno, The Good Lobby”, *Alliance Magazine*, https://www.alliancemagazine.org/interview/interview-alberto-alemanno-the-good-lobby/. [58]

King Baudouin Foundation (n.d.), *King Baudouin Foundation*, Brussels, https://www.kbs-frb.be/. [24]

Kinzig, A. et al. (2013), “Social Norms and Global Environmental Challenges: The Complex Interaction of Behaviors, Values, and Policy”, *BioScience*, Vol. 63/3, pp. 164-175, http://dx.doi.org/10.1525/bio.2013.63.3.5. [65]

Kölbel, J. et al. (2020), “Can Sustainable Investing Save the World? Reviewing the Mechanisms of Investor Impact”, *Organization & Environment*, Vol. 33/4, pp. 554-574, http://dx.doi.org/10.1177/1086026620919202. [14]

Laudes Foundation (2021), “Request for proposals: Conducting evidence synthesis for organisational learning”, https://www.laudesfoundation.org/latest/news/2021/07/rfp-evidence-mapping. [116]

Lawrence, S. and R. Mukai (2011), “Key facts on mission investing”, https://foundationcenter.issuelab.org/resources/13579/13579.pdf. [7]

Leeuw, F. and J. Vaessen (2009), *Impact Evaluations and Development: NONIE Guidance on Impact Evaluation*, The Network of Networks on Impact Evaluation, Washington, D.C., https://www.oecd.org/development/evaluation/dcdndep/47466906.pdf. [126]

Luminate (2021), “Our work: Civic empowerment”, https://luminategroup.com/civic-empowerment/en. [109]

MacArthur Foundation (n.d.), “On Nigeria”, https://www.macfound.org/programs/nigeria/strategy (accessed on October 2021). [83]

Mahlab, S. and B. Harrison (n.d.), “Introduction: Why mission-related investing?”, in *Effective and Emerging Approaches to Mission-Related Investing*, Council on Foundations, https://www.cof.org/content/effective-and-emerging-approaches-mission-related-investing. [12]

Mastercard Foundation (2020), *Impact Strategy*, https://mastercardfdn.org/wp-content/uploads/2020/09/Mastercard-Foundation-Impact-Strategy-2021.pdf. [130]

McCarthy, P. (2017), “Leveraging all assets for social good”, *Standford Social Innovation Review*, https://ssir.org/articles/entry/leveraging_all_assets_for_social_good#. [16]

Miller, C. and Heron Foundation (2012), “The world has changed and so must we”, in Andrews, N. et al. (eds.), *Investing in what works for America’s communities*, Federal Reserve Bank of San Francisco & Low Income Investment Fund, San Francisco, http://whatworksforamerica.org/pdf/whatworks_fullbook.pdf (accessed on 30 September 2021). [17]

Morena, E. (2016), *The price of climate action: Philanthropic foundations in the international climate debate*, Palgrave Macmillan, https://www.palgrave.com/gp/book/9783319424835. [71]

Nadace OSF (n.d.), “Capacity building for CSOs in advocacy work”, Nadace OSF, Prague, https://osf.cz/en/capacity-building-for-csos-in-advocacy-work/. [96]

NCD Alliance (2021), “NCD Alliance and World Diabetes Foundation enter new advocacy partnership in the joint fight against noncommunicable diseases”, (news release), https://ncdalliance.org/news-events/news/ncd-alliance-and-world-diabetes-foundation-enter-new-advocacy-partnership-in-the-joint-fight-against-noncommunicable-diseases. [91]

Nightingale, D., K. Fudge and W. Schupmann (2018), “Evidence toolkit: learning agendas”, Urban Institute, Washington, D.C., https://www.urban.org/sites/default/files/publication/97406/evidence_toolkit_learning_agendas_2.pdf. [117]

O’ Connor, C. and S. Labowitz (2017), *Putting the “s” in ESG: Measuring Human Rights Performance for Investors*, NYU Stern Center for Business and Human Rights, New York, https://static1.squarespace.com/static/547df270e4b0ba184dfc490e/t/58cad912e58c6274180b58b6/1489688854754/Metrics-Report-final-1.pdf?utm_source=Segment+2+-+VIP+suppressed&utm_campaign=bb69a89595-EMAIL_CAMPAIGN_2017_03_16&utm_medium=email&utm_term=0_59dce0b125-bb69a89595-505931093. [35]

OECD (2021), *Domestic Philanthropy for Development and Gender Equality in Colombia*, OECD Publishing, Paris, https://www.oecd.org/development/philanthropy-centre/researchprojects/countrystudies/OECD_CoP_DomesticPhilanthropyColombia.pdf. [5]

OECD (2021), *OECD.stats: Creditor Reporting System (CRS)*, https://stats.oecd.org/. [77]

OECD (2020), *ESG Investing: Practices, Progress and Challenges*, OECD Publishing, Paris, https://www.oecd.org/finance/ESG-Investing-Practices-Progress-Challenges.pdf. [23]

OECD (2020), *Global Outlook on Financing for Sustainable Development 2021: A New Way to Invest for People and Planet*, OECD Publishing, Paris, https://dx.doi.org/10.1787/e3c30a9a-en. [1]

OECD (2020), *OECD Business and Finance Outlook 2020: Sustainable and Resilient Finance*, OECD Publishing, Paris, https://dx.doi.org/10.1787/eb61fd29-en. [19]

OECD (2020), *Tax Co-operation for Development: Progress Report in the COVID-19 Era*, OECD Publishing, https://www.oecd.org/tax/tax-global/tax-co-operation-for-development-progress-report-on-2020.pdf. [4]

OECD (2019), *Managing for Sustainable Development Results OECD DAC Guiding Principles*, https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC(2019)37/FINAL&docLanguage=En#:~:text=Results%20management%20is%20developed%20in,stakeholders%20while%20minimising%20reporting%20burden. [128]

OECD (2019), *Social Impact Investment 2019: The Impact Imperative for Sustainable Development*, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264311299-en. [6]

OECD (2018), *Private Philanthropy for Development*, The Development Dimension, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264085190-en. [11]

OECD (2002), *Glossary of Key Terms in Evaluation and Results Based Management*, OECD Publishing, Paris, https://www.oecd.org/dac/evaluation/2754804.pdf. [113]

OECD (1991), *Principles for Evaluation of Development Assistance*, OECD Publishing, https://www.oecd.org/development/evaluation/2755284.pdf. [120]

Omidyar Network (2020), "Why we invested in good ID advocacy efforts led by civil society and grassroots organizations in East Africa", https://medium.com/omidyar-network/why-we-invested-in-good-id-advocacy-efforts-led-by-civil-society-and-grassroots-organizations-in-7edb0a7f1a70. [110]

Orensten, N. et al. (2020), *Policy Influence: What Foundations are Doing and Why*, Center for Effective Philanthropy, https://cep.org/portfolio/policy-influence-what-foundations-are-doing-and-why/. [66]

OSF (2021), "Why the World Needs a People's Vaccine", Open Society Foundations., https://www.opensocietyfoundations.org/explainers/why-the-world-needs-a-peoples-vaccine. [90]

OSF (2010), *An Introductory Guide to Successful Advocacy*, Open Society Foundations, https://www.opensocietyfoundations.org/uploads/99ce7dec-9e89-40b1-ad88-7db45b4d68a5/guide-to-successful-advocacy-20100101.pdf. [47]

OSF (2009), *Ethnic Profiling in the European Union: Pervasive, Ineffective, and Discriminatory*, Open Society Foundations, https://www.justiceinitiative.org/uploads/8cef0d30-2833-40fd-b80b-9efb17c6de41/profiling_20090526.pdf. [69]

Peirce, H. (2021), "Statement on the staff ESG risk alert", US Securities and Exchange Commission, Washington, D.C., https://www.sec.gov/news/public-statement/peirce-statement-staff-esg-risk-alert. [22]

Population Foundation of India (n.d.), "Social & Behaviour Change Communication (SBCC)", https://populationfoundation.in/approaches/behaviour-change-communication/. [74]

Powell, W. and P. Bromley (eds.) (2020), *The Nonprofit Sector: A Research Handbook*, Stanford University Press, https://www.sup.org/books/title/?id=30371. [46]

PRI (n.d.), *An Introduction to Responsible Investment: Stewardship*, Principles for Responsible Investment, https://www.unpri.org/download?ac=12686. [32]

Raman, S. (2011), "Focusing on advocacy", *Stanford Social Innovation Review*. [60]

Rammohan, S. (2010), *Riders for Health: A Fleet Leasing Model in the Gambia*, Global Supply Chain Management Forum, Standford University, https://files.givewell.org/files/DWDA%202009/Riders%20forHealthCaseStudy-Gambia.pdf. [44]

Reich, R. (2018), *Just Giving: Why Philanthropy Is Failing Democracy and How It Can Do Better*, Princeton University Press, https://press.princeton.edu/books/hardcover/9780691183497/just-giving. [61]

Ribeiro, P. (2016), "Advocating for an enabling environment globally", *Alliance Magazine*, https://www.alliancemagazine.org/blog/advocating-enabling-environment-globally/. [84]

Rockefeller Foundation (2021), "The Rockefeller Foundation releases new policy for ethical investing", (press release), The Rockefeller Foundation, New York, https://www.rockefellerfoundation.org/news/the-rockefeller-foundation-releases-new-policy-for-ethical-investing/. [20]

Rockefeller Foundation (2020), "The Rockefeller Foundation Ethical Investing Policy: Preamble", https://www.rockefellerfoundation.org/wp-content/uploads/2021/04/The-Rockefeller-Foundation-Ethical-Investing-Policy-Framework.pdf. [21]

Roohi, E. and C. Keidan (2020), "'Frustrated' Hewlett chief hits out at philanthropy sector 'virtue signalling'", *Alliance Magazine*, https://www.alliancemagazine.org/blog/frustrated-hewlett-chief-hits-out-at-philanthropy-sector-virtue-signalling/. [28]

RWJF (2011), "The Tobacco Campaigns", Center for Public Program Evaluation, Robert Wood Johnson Foundation Retrospective Series, https://www.rwjf.org/en/library/research/2011/04/the-tobacco-campaigns-.html. [73]

Save Our Future (2020), *Save our Future Impact Report: Phase I: August-October 2020*, https://saveourfuture.world/wp-content/uploads/2020/12/SOF-Impact-Report_FINAL.pdf (accessed on 30 September 2021). [80]

Savedoff, W., R. Levine and N. Birdsall (2006), *When Will We Ever Learn? Improving Lives through Impact Evaluation*, Center for Global Development, Washington, D.C., https://www.cgdev.org/publication/when-will-we-ever-learn-improving-lives-through-impact-evaluation. [125]

Thacker, K. (2017), "The future of the Graduation Approach: Taking a proven anti-poverty measure to scale", NextBillion, https://nextbillion.net/the-future-of-the-graduation-approach-taking-a-proven-anti-poverty-measure-to-scale/. [94]

The Good Lobby (2021), "About The Good Lobby", https://www.thegoodlobby.eu/about/. [108]

The People's Vaccine (n.d.), "Supporters", https://peoplesvaccine.org/supporters/. [89]

Tompkins-Stange, M. (2020), *Policy Patrons: Philanthropy, Education reform, and the Politics of Influence*, Harvard Education Press. [102]

UBS Philanthropy Advisory and Hauser Institute for Civil Society (2015), *From Prosperity to Purpose: Perspectives on Philanthropy and Social Investment among Wealthy Individuals in Latin America*, Harvard Kennedy School, Cambridge, MA, https://cpl.hks.harvard.edu/files/cpl/files/hauser_-_ubs_overview.pdf. [39]

UNCTAD (2021), *World Investment Report 2021: Investing in Sustainable Recovery*, United Nations Conference on Trade and Development, https://unctad.org/system/files/official-document/wir2021_en.pdf. [3]

Vallely, P. (2020), *Philanthropy: From Aristotle to Zuckerberg*, Bloomsbury Publishing, https://www.bloomsbury.com/uk/philanthropy-9781472920126/. [101]

W.K. Kellogg Foundation (2019), *Invest for Impact: Maximizing the Impact of W.K. Kellogg Foundation's Mission Driven Investment Portfolio*, https://www.wkkf.org/resource-directory/resources/2019/06/invest-for-impact--maximizing-the-impact-of-w-k--kellogg-foundation-s-mission-driven-investment-port. [13]

Walker, D. (2017), "Unleashing the power of endowments: The next great challenge for philanthropy", Ford Foundation, https://www.fordfoundation.org/just-matters/just-matters/posts/unleashing-the-power-of-endowments-the-next-great-challenge-for-philanthropy/. [15]

Wallace, F. and J. Saxton (2018), *Funding for Impact: Understanding the perceptions and views of the organisations which receive funding from the People's Postcode Lottery*, People's Postcode Lottery, https://www.postcodelottery.info/media/1339/funding-for-impact-report.pdf. [76]

Watkins, R., M. West Meiers and Y. Visser (2012), *A Guide to Assessing Needs*, The World Bank, http://dx.doi.org/10.1596/978-0-8213-8868-6. [119]

WDF (n.d.), "Raising the priority of NCD prevention and control within global, regional and national agendas", World Diabetes Foundation, https://www.worlddiabetesfoundation.org/what-we-do/intervention-areas/advocacy. [92]

Wellcome Trust (2021), *Investment Policy*, Wellcome Trust, https://cms.wellcome.org/sites/default/files/investment-policy-202002.pdf. [34]

WINGS (2021), "What we do: Advocacy and policy", WINGS Foundation, https://wingsweb.org/en/what-we-do-advocacy. [85]

World Bank (2021), "COVID-19 Crisis Through a Migration Lens", Migration and Development Brief 34, KNOMAD, World Bank Group, https://www.knomad.org/sites/default/files/2021-05/Migration%20and%20Development%20Brief%2034_1.pdf. [2]

World Bank (2019), *Graduating the Poor : CGAP Completion Report*. [124]

World Bank (2019), *Science for Impact: Better Evidence for Better Decisions - The DIME Experience*, Development Impact Evaluation (DIME), World Bank Group, https://documents1.worldbank.org/curated/en/942491550779087507/pdf/134802-AR-PUBLIC-DIME-AnnRpt19-WEB.pdf. [121]

4 Conclusions and way forward

This chapter summarises current strategies used by foundations to support sustainable development and offers forward-looking recommendations for foundations, governments and the wider donor community. Key recommendations include reinforcing monitoring and evaluation of philanthropic efforts, increasing transparency and collaboration, and using the lessons of the COVID-19 era to strengthen support for health, education and gender equality.

4.1. Further investments in learning, transparency and internal capacities can enhance philanthropy's contribution to development

This report sheds light on key trends in the philanthropic sector. Drawing on data from 205 large organisations providing cross-border and domestic philanthropy in developing countries, it provides a comprehensive perspective on philanthropy's scale, strategies and ambitions to support sustainable development. It unpacks information on philanthropic resource flows for development and on the strategies used by foundations to harness the power of investment capital, advocate and use monitoring and evaluation (M&E) to promote learning. This chapter summarises these trends and proposes recommendations for foundations, governments and the wider donor community.

4.1.1. Key trends

More foundations are providing reliable information on their funding, priorities and behaviour. Yet there is still much room to improve transparency on philanthropic resources allocated for development. This second edition of *Private Philanthropy for Developmen*t, covering 205 foundations over the 2016-19 period, evolved from an initial sample of 143 foundations from 2013-15. This increase can be explained by several developments. First, the number of foundations that report on a regular basis to the *OECD's Creditor Reporting System* (CRS) increased from 15 in 2015 to 45 as of November 2021. OECD's CRS publishes this information on an open and free online database (OECD, n.d.[1]). Second, in some emerging markets, like Colombia and South Africa, domestic foundations are working with associations of foundations to publish more information about their activities to collaborate better among themselves and have shared the information with the OECD Centre on Philanthropy. Finally, foundations' obligations to register and publicly disclose financial data have become more stringent in some countries. Examples are India (on CRS), through the regulation of Corporate Social Responsibility (Ministry of Corporate Affairs of India, 2013[2]), and Colombia, through a 2016 tax reform mandating all non-profits to disclose their activities in order to retain tax-exempt status.

Cross-border private philanthropy remains key in health and education. While private philanthropy for development remains modest compared to official development assistance (ODA), aggregate volumes are particularly important in the health and education sectors. Total cross-border philanthropic funding in health and reproductive health ranked second after giving from the United States. In education, cross-border private philanthropy for development represented the eighth largest source of funding when compared with bilateral and multilateral ODA donors.

Domestic foundations in emerging countries provide substantial support locally. From the sample of 205 philanthropic organisations, a total of 116 are based in emerging markets. Together they provided USD 7.9 billion, or 19% of total philanthropic flows for development identified for this report over 2016-19. In some countries, like India, the People's Republic of China (hereafter "China") and Mexico, domestic philanthropic financing in this sample surpassed the flows from cross-border philanthropy. To fully unpack philanthropy's contribution to development, it is essential to consider the growing domestic philanthropic sector in the Global South by capturing more data and engaging in dialogue with other development stakeholders.

Gender-related giving amounted to 8% of all private philanthropy for development. Funding in support of reproductive health, family planning, women's rights and efforts to end violence against women and girls amounted to 8% of all private philanthropy for development in the sample over 2016-19. Furthermore, a majority of the 103 foundations that responded to the OECD organisational survey for this report (64, or 62%) declare that gender equality is the primary or secondary objective of their grant making. However, more than a third of foundations still does not consider gender equality as an objective.

Foundations are taking climate change into account across their portfolios. More than half of respondents (58 of 103 foundations) include a climate-change lens in their grants or projects. Strategies include minimising the carbon footprint of their operations and grant making, asking partner organisations to account for and mitigate climate-related risks that can affect their work, and targeting grantees in climate-fragile geographies.

Foundations are taking a more strategic approach to philanthropy. Many foundations report an ambition to move beyond narrowly defined charitable projects and use their funding purposefully to mobilise additional resources for development, advocate for broad social and policy change, and produce knowledge that can improve development policy and practice.

- **Many foundations are seeking to mobilise private finance for development**. Of the 71 foundations with endowments in the sample, 77% are practicing responsible investment. Foundations typically disburse a relatively small share of their assets annually in grant making, from a minimum requirement of 5% in the United States, to no minimum requirement across several European countries. With sustainable and responsible investing strategies, foundations are seeking to invest a larger share of their untapped capital to support socially responsible industries, and in some instances to advance their own philanthropic mission. Foundations should hold their asset managers accountable to understand the types of sustainable products they are selecting for investment. Particularly when investing through environment, social and governance (ESG) exchange-traded funds (ETFs), foundations should examine whether the assets included in funds are well aligned and do not contradict the foundation’s values or sustainability objectives.
- **Most foundations engage in advocacy to encourage change in policy and norms.** In the sample, a large majority (84 of 103, or 82%) seek broader change through advocacy. Foundations are supporting new research and its dissemination, and engaging in pilots to test solutions and generate knowledge about policy or programme alternatives that can be implemented at scale.
- **Foundations privilege collaborative advocacy approaches**. They are working via networks, collective advocacy efforts and grantees rather than unilateral advocacy initiatives detached from local ecosystems. To give visibility to different perspectives, increase diversity in political discourse and enhance the legitimacy of advocacy, efforts to give voice to the unheard (future generations, and women and girls in certain contexts) and to support locally rooted organisations will be critical.
- **Foundations are developing fit-for-purpose monitoring and evaluation systems** to assess their efforts and achieve better results. More than half of foundations in the sample (55 of 103, or 53%) have a dedicated evaluation person, unit or department that reports to the CEO or the head of programming, strategy or research. Foundations use a variety of tools to support programme design, monitoring and evaluation. A majority of foundations frequently conduct needs assessments (75 of 103 or 73%), develop theories of change (78%) and deploy process evaluations (82%) to learn from their efforts.

4.1.2. Recommendations for foundations

For the philanthropic sector to fulfil its ambitions, foundations should be ready to invest more time and resources in rigorous learning, enhanced transparency and sustained collaboration. They should also expand their capabilities to mobilise finance and advocate. Foundations investing in health, education and gender equality could use lessons from the COVID-19 pandemic to reinforce their support.

Rigorous learning

Foundations should inform their scale-up decisions with rigorous evidence of effectiveness. Foundations increasingly seek opportunities to “scale impact”, i.e. to extend the benefits of effective interventions to more people than their grant making could reach alone. Through strategic advocacy and

M&E efforts, foundations strive to inform the public policy agenda and build movements to drive changes in social norms. However, foundations will not have a significant impact on pervasive development challenges, such as health inequities, learning poverty and gender disparities, unless they identify effective approaches that can reach a much larger group of people, while being anchored in local or national agendas. Ambitions for scale come with high stakes. If foundations back ineffective or unproven approaches, valuable resources can go to waste and interventions can also do harm.

For foundations and other development stakeholders, monitoring and evaluation efforts provide valuable information on the quality, efficiency and effectiveness of new and promising approaches that could generate impact at scale. Nonetheless, foundations find it challenging to ensure the quality of evaluations and share valuable insights from evaluations with policy makers. Most foundations tend to focus on tracking inputs and processes, while impact evaluations and cost-effectiveness analyses remain the least used evaluation method in the sector. To increase the value of evaluations, the philanthropic sector could:

- **Instil a culture of learning within foundations**. Such a culture can be defined as a set of norms and beliefs that support and encourage staff and partners to learn and act upon robust evidence (from M&E and research). It requires that evaluation efforts be an integral part of the foundation's mission, programming, and theory of change, and be planned ex-ante. It also requires that staff and partners in different roles understand when and how they should engage with evidence. It calls for senior managers and foundation boards to lead by example by using evidence in their decision making about portfolio allocations and investments. Positive incentives are important. Concrete actions that foundations can take to operationalise a culture of learning include rewarding learning and adaptation, and giving teams a well-defined time to pause, reflect and learn from evaluations.
- **Strategically earmark evaluation resources and improve quality of evaluations**. Foundations can increase the quality and usefulness of the evaluations they conduct by using suitable methods and increasing rigour as appropriate. The Quality Standards for Development Evaluation (OECD, 2010[3]) provide a roadmap for evaluation processes that are credible and useful. Foundations should prioritise a limited set of interventions that warrant rigorous impact evaluation. For example, there is no value-added in testing an intervention that already has a strong body of evidence, is too costly or complex to be replicated at scale, or has shown no impact in several previous studies. In contrast, high-risk approaches and innovative interventions with scaling potential should be rigorously evaluated. Other excellent candidates are pilots or demonstration projects whose conclusions can be of high relevance to the broader policy community, and approaches with highly uncertain outcomes.
- **Support incentives and capabilities to learn from evaluations.** A narrow focus on evaluation for accountability can discourage foundations' partners from taking on the most challenging social problems for fear of failing or compel them to understate challenges and present the work in the best possible light. Framing evaluations as an iterative process for learning, where improvement (rather than immediate success) is rewarded, can increase the usefulness of evaluations in the field. Encouraging low-stakes conversations between foundation staff and implementing partners, outside formal reporting channels, can also facilitate transparent sharing of evaluation results and provide a stronger base for learning and adaptation.

  Linking evaluation design with the needs of those who are implementing programmes can also help to ensure the relevance of findings and increase the likelihood that they will be used. Partners and foundation staff are more likely to draw on M&E evidence if they have been involved in the process to ensure that evaluations respond to their own priority questions.

  Adhering to high quality evaluation standards will require foundations to identify more effective ways to equip their partners with the skills and systems needed to produce and report reliable data. Although 75% (77 of 103) of surveyed foundations provide non-financial support to help partners improve their M&E and learning efforts, a majority of foundations describe their partners' inadequate capacity to collect and report reliable M&E data as an important challenge to their own learning, as well as their partners'. These findings suggest that foundations have a role to play in terms of developing local capacities.

- **Further invest in bridging the gap between evidence and practice**. Investing in evaluation is important, and so is investing in bridging evidence and evaluation findings with policy and practice. Indeed, 54% of foundations in the sample (56 of 103) find it challenging to translate evaluation findings for policy makers and partners on the ground in order to share relevant lessons. Foundations can fund organisations that scan and synthesise the available body of robust evaluations and evidence, translate findings into actionable and contextually relevant recommendations and provide implementation support to partners on the ground. Consolidating existing efforts is also key. For instance, while there are a number of repositories scanning the latest available research and evidence across different sectors, these repositories are not always linked to each other (even those working on similar issues) or connected to decision makers in developing countries.
- **Use the right tools to monitor and evaluate advocacy work**. One of the main barriers to foundations' engagement in advocacy is the difficulty of measuring and reporting tangible results. Yet it is possible to adapt evaluation and reporting requirements to account for the complexities of advocacy work. Some specific advocacy projects may be better suited for rigorous impact evaluation, such as interventions that aim to shifting attitudes by providing information on key issues via the mass media. But for the majority of advocacy projects, it is extremely complex to establish causality between funded activity and a policy or social change (Teles and Schmitt, 2012[4]). This is due to the nonlinear character of policy and social transformations, the multiplicity of variables that can influence outcomes and the time horizon for achieving change. To circumvent these difficulties, foundations could focus on measuring intermediary results, such as the advocacy skill development of implementing partners or coalitions they have formed. Indeed, advocacy capacity building is the most promising and potentially uncontroversial way for foundations to build an advocacy culture within civil society. Using these proxies to report on advocacy can help organisations track their progress on advocacy efforts without overburdening implementing partners with heavy and unrealistic reporting requirements. The Harvard Family Research Project's "A User's Guide to Advocacy Evaluation Planning" (Harvard Family Research Project, 2014[5]) and the Innovation Network's "A Practical Guide to Advocacy Evaluation" (Morariu et al., 2009[6]) provide further information, while Korwin Consulting's "Evaluating Policy Advocacy & Movements" lists additional resources that may serve as inspiration (Korwin Consulting, 2018[7]).

Transparency and collaboration

Foundations should improve the transparency on giving and results. Open data on philanthropy's contribution to development are the cornerstone for effective co-ordination and collaboration among development funders. With this information, donors can identify funding gaps and avoid duplication, and recipient organisations can better target their fundraising efforts. With heightened ambitions to mobilise private capital markets in support of social and environmental goals, and to inform the public policy agenda, publicly accessible data on philanthropic assets, giving, advocacy and evaluations can help build trust with grantees and end beneficiaries, and inform the broader public on foundations' role in society. However, relatively few foundations worldwide openly share information about their endowments, grants or evaluations. To make progress in this field, foundations could:

- **Disclose data on responsible investing.** Most endowed foundations in the sample report using one or more strategies to invest their endowment responsibly (77% of endowed foundations). However, data on the impact achieved by responsible investing remain scarce. Investors – foundations, development finance institutions, multilateral development banks and asset managers – do not always collect these data from their investees, and when they do they tend to fear that disclosing data on the impact of their financial investments could affect their competitive advantage.

Foundations can be first-movers when it comes to investment transparency by openly disclosing data on how they manage and measure the social and environmental impact of their assets. This would include disclosing the sources of data used for the ex-ante and ex-post assessment of impact and monitoring, at both the portfolio level and, when possible, the individual operation level. Foundations can also support the creation of data-sharing infrastructure and set up independent data-collection initiatives that provide the responsible investing market with real-time impact data on development finance. While some existing efforts look into impact investment activities, such as the Global Impact Investing Network's annual survey and EVPA's Investing for impact survey in Europe, there is a clear market gap for data on the impact of investments.

- **Share data on philanthropic funding.** Significant uncertainty remains about the scope of the philanthropic sectors in OECD and non-OECD countries alike. This is despite wider availability of information on philanthropic funding in specific countries such as China, Colombia, South Africa, the United Kingdom and the United States. Data are more accessible in these countries due to mandatory disclosure regulations, a culture of sharing or the willingness of some foundations to disclose their grants and projects voluntarily. The information gap has created problems for foundations themselves. They report having trouble identifying partners in areas of interest due to a lack of awareness of each other's grants and project portfolios. The OECD Centre on Philanthropy can help narrow the data gap and work alongside other country and regional organisations (e.g. associations of foundations, national statistical offices) to provide more open and reliable data about philanthropy. The OECD's data-collection efforts on philanthropy ensure data comparability with other development financial flows, such as ODA, and provide free and open access to the data though online databases.
- **Communicate insights from programme evaluations**. Foundations' evaluations are rarely publicly shared, limiting the learning potential within and beyond the philanthropic sector. While certain types of evaluations can be exclusively for internal use, such as a tailored theory of change specific to a given foundation, others, like needs, process or impact evaluations, can benefit the broader development community. Foundations should place communications and meaningful engagement with potential users of knowledge at centre stage of their evaluation efforts, including with the local and government partners who are the primary beneficiaries. A more proactive communication effort can also create incentives for foundations to commit to high methodological standards, as evaluations will be accessible for peer review and scrutiny. Openness can likewise help foundations better co-ordinate their evaluation efforts with other important development players, such as ODA providers and research institutions working on similar issues.

Capabilities

Foundations note that lack of time and limited internal capacities create a common bottleneck to mobilising private finance, advocating and/or producing high-quality evaluations. More than one in four foundations in the sample (29 of 103) describe their lack of internal capacities as a major limitation on use of alternative methods of funding, such as guarantees, equity and loans. Similarly, foundations stress that lack of time, resources and expertise limits their advocacy (31%) and learning efforts (45%). To expand their capabilities, foundations could:

- **Further invest in the financial skills of boards, management and staff**. While all foundations in the sample use grants, 63% do not employ other instruments, such as loans, guarantees or equity, due to lack of capacity or regulatory restrictions on their spending. Interestingly, the first edition of this report, covering 2013-15, found that 99% of private philanthropic funding was deployed through grants and only 1% through loans or equity. Foundations link the restricted use of such mechanisms with limited capacities for deal sourcing, due diligence and management of an investment portfolio. Programmatic or grant-making staff do not always have the needed combination of programme knowledge and financial acumen to oversee investments. Board trustees are not always well acquainted with legal and tax requirements or the due diligence needed to source investment opportunities. To learn from more experienced peers, foundations could take advantage of existing global, regional and national networks, such as the Global Impact Investing Network; venture philanthropy associations in Europe (EVPA), Latin America (LatImpacto), Africa (AVPA) and Asia (AVPN); or national associations of foundations.

- **Commit to high quality standards and co-ordinate with other donors.** Not all foundations have the internal resources to develop a sophisticated M&E strategy or to support large-scale and rigorous data collection efforts on their own. Foundations can work with learning partners (from academia, research consultancies) to receive adequate support for the design and implementation of their M&E and learning activities. Foundations can also co-ordinate part of their evaluative efforts with other foundations working on similar issues and geographies to identify shared priority open questions, and can pool funds to cover the cost of selected evaluations with high quality standards. Finally, the Results Community, supported by the OECD Development Co-operation Directorate (DCD) on behalf of the OECD Development Assistance Committee (DAC), provides guidance and resources for results-based management for effective development co-operation, and can be a platform for foundations and public providers to share experiences.

Supporting health, education and gender equality in the COVID-19 era

The data collected for this report precede the COVID-19 outbreak. But light has been shed on certain patterns via policy dialogue meetings hosted by the OECD Network of Foundations Working for Development (netFWD) and publications produced by the OECD Centre on Philanthropy. From these patterns, specific sectoral recommendations have been developed for foundations investing in health, education and gender equality. In these sectors, foundations' comparative advantage rests on three strategic pillars: i) scouting and testing development innovations that can be scaled with other partners; ii) building the capacity of development partners in the field; and iii) producing and brokering knowledge that can improve development policy and practice. To reinforce their support for health, education and gender equality, foundations could take the following actions.

Health

- **Support global efforts towards equitable access to essential health products and services for developing countries.** Now is a particularly urgent time for foundations to revitalise their engagement with governments and international organisations, and engage further to support larger-scale efforts to ensure that developing countries have equitable access to needed health products and services. Examples include: the Coalition for Epidemic Preparedness Innovations (CEPI), funded by a number of governments; foundations, including the Bill & Melinda Gates Foundation (BMGF) and the Wellcome Trust; and contributions to the World Health Organization (WHO) Solidarity Response Fund and the COVID-19 Therapeutic Accelerator created by BMGF, Wellcome and Mastercard.
- **Invest in digital health solutions that are interoperable and aligned with government strategies**. Digital solutions deployed locally by foundations can support health promotion, prevention, monitoring, training of health professionals and information sharing across the health system. ICTs can simplify collection of essential data to predict and control outbreaks and to manage and plan healthcare delivery. In the context of COVID-19, mobile phone applications can help disseminate preventive messages to the public and track the spread of the virus, and telemedicine can help monitor the health status of quarantined populations. In poorer countries, digital solutions can extend the reach of often small numbers of trained healthcare workers through telemedicine, and provide distance courses and clinical decision support to less skilled personnel. With chronic diseases requiring lifetime management and compliance with treatment, digital health and remote patient monitoring solutions can also facilitate personalised care and empower patients

to manage their own health. Supporting development partners to harness advances in big data, artificial intelligence and predictive analytics can help health systems become more responsive to patient and population needs.

- **Support community health.** Support for frontline health workers constitutes a key investment opportunity for philanthropy to help strengthen health systems. Community health workers deliver essential preventive care even in the most remote areas and to the most vulnerable communities. They can promote critical hygiene and behavioural change (e.g. setting up handwashing stations or distributing buckets and soap in areas with no access to tap water), identify early signs and symptoms, support isolation and refer more severe cases. They thus play a critical role in reducing inequalities in access to primary care. Digital health solutions can also empower community health workers, provided they have the needed tools, skills and support. With access to mobile devices such as smart phones or tablets and AI-powered applications, community health workers can play a critical role in collecting data and tracking the spread of diseases to quickly detect epidemics. In addition, these support tools could empower community health workers in their duties by keeping track of their activities and the needs of different patients, reminding households of preventive visits and health services, improving diagnosis and referrals or providing virtual counselling.

Education

- **Reinforce support to effective social and emotional learning programmes**. Numerous studies show the relevance and importance of helping students develop social and emotional learning skills (OECD, 2021[8]). But in the wake of school closures caused by the pandemic, school systems may place a higher priority on measurable academic and technical skills than on social and emotional learning. In the COVID-19 era, foundations working on education can play an important role in testing the measurement, teaching and certification of social and emotional learning, and in demonstrating the feasibility and effectiveness of these approaches in low-income education systems.
- **Support the development and use of digital resources for teaching and learning, while also ensuring a safe digital environment**. Foundations can also support the development of open and free educational resources as a complement to face-to-face learning for all, and can encourage the EdTech developers they support to apply learning sciences and involve teachers or learning experts in their product design and development. Finally, foundations should invest to learn more about the risks of digital learning environments. Digital platforms have the capacity to capture, analyse and store personal data on take-up and outcomes. While this opens the possibility to provide personalised learning, serious safeguards are essential to guarantee child safety and data protection.
- **Support partners in the use of evidence in education technology**. Foundations can continue to contribute to enhancing learning outcomes by helping education stakeholders understand the potential best use of technology in education. When available, administrative data and international student assessments (e.g. PISA, PISA-D, TALIS, TIMSS and PIRLS) provide a wealth of information on needs, infrastructure and teacher attitudes. Where data are lacking, education foundations can support data-collection efforts to enable a nuanced diagnosis on learning levels, demand and access to technologies in education (Ganimian, Vegas and Hess, 2020[9]). These diagnoses or assessments could look at learner variability, available technologies and infrastructure, and users' appetite and competence for education technology (EdTech) in a given context. Furthermore, foundations should also promote the use of rigorous evidence on the impact of different technology-enabled instruction approaches by decision makers in governments, CSOs and schools, and invest strategically to produce new research where critical evidence is missing.

Gender equality

- **Fund women's organisations**. Prevailing barriers to gender equality are systemic, and any effort to achieve gender equality must fully acknowledge the social and cultural norms that produce and uphold gender inequality. Common barriers include gender-based violence, lack of safety, curtailed reproductive rights and the burden of unpaid care and work, including lack of quality childcare and early childhood development services. Attitudes and beliefs, as well as deeply entrenched power structures that exclude women and girls, present the greatest barriers to progress. Feminist approaches to gender equality seek to change the systems and structures of power, and as such are inherently focused on systems change. Women's rights organisations and feminist movements have played a catalytic role in bringing about systemic change, sparking action and ensuring accountability from leaders and decision makers, yet these movements have been historically underfunded. The funding they receive has been for specific projects rather than for organisational strengthening and core costs. This has created a vicious cycle of absorptive capacity within women's rights organisations and feminist movements. They are often unable to apply for larger grants due to limited, restrictive and inadequate investment in their organisational capabilities. To build resilient organisations, there is an urgent need to invest in the critical capabilities and systems of these organisations.
- **Support the gender equality ecosystem as a whole**. Foundations could provide support not only for individual organisations and implementation of programmes, but also for building solidarity across movements by funding spaces and platforms for partnership and collaboration. This could help ensure a strong, resilient and sustainable ecosystem of organisations. It is also important to recognise that feminist movements should not be understood as exclusively small and grassroots movements: many women's funds operate on a large regional or global scale.
- **Promote integration of gender equality across the work of foundations.** Inadequate consideration of gender in the design, management and measurement of large-scale programmes across all sectors leads to poorer outcomes for women and girls. For more widespread integration of gender equality into programmatic work, foundations could take a gender integration approach. This could include: gender analysis to better understand the gender dynamics of an issue the foundation is seeking to address and to flag possible unintended consequences of the intervention; adequate monitoring and evaluation to receive feedback and learn from those supported by foundations, including women and girls; and self-reflection about foundations' internal practices, procedures, structures and interpersonal relations that contribute to strengthening or undermining equality within their own organisations.

4.1.3. Recommendations for governments

Governments can play a pivotal role in making the philanthropic sector more open and transparent. They can also work to ease tax and other barriers to cross-border philanthropy. In particular, governments could:

- **Mandate the online publication of activities** in countries with existing annual reporting requirements for philanthropic organisations. This has already been done by the United States, India (on CSR) and Colombia. In the absence of mandated reporting requirements, regional or national networks of foundations can play a valuable role in organising and updating data on philanthropic giving. An open philanthropy model in which foundations disclose their grants and projects improves mutual awareness among foundations and increases the transparency of the sector to other development stakeholders, civil society and governments. Examples of open philanthropy are 360Giving in the United Kingdom and Asociación de Fundaciones Empresariales y Familiares (AFE) in Colombia.
- **Strengthen the capacity of national statistical offices to monitor development finance**. Identifying, mobilising and deploying capital in support of the Sustainable Development Goals

(SDGs) is an integral objective of Agenda 2030. Strong national statistical capacities are a precondition for identifying gaps, synergies and alignment with country priorities and for monitoring and evaluating the implementation of national development strategies. Governments and development partners, including foundations, could make a more conscious effort to strengthen capacities to monitor development finance from foundations, ODA and other sources in general, and those related to statistical development projects in particular.

- **Facilitate cross-border philanthropy, particularly from the Global North.** Governments around the world encourage private giving. They recognise that philanthropy can provide targeted resources in ways that respond to community needs, can be agile in the face of changing conditions and can help test innovative approaches that address development needs. Nevertheless, cross-border giving faces obstacles, particularly in high-income countries. These barriers include differential tax exemptions for domestic versus international philanthropy, and differential recognition of such exemptions when the beneficiary is a foreign Public Benefit Organisations (PBO) (OECD, 2020[10]). The COVID-19 pandemic has demonstrated the interconnected nature of our societies, highlighting the importance of philanthropy's cross-border reach. Governments should consider reassessing the specific situations when a more equal tax treatment to domestic and cross-border philanthropic financing could be provided.

4.1.4. Recommendations for the donor community

ODA providers could consider involving foundations in their monitoring and evaluation efforts, and continue investing in evaluation capacities and transparency for evaluation results. In this respect, the donor community could:

- **Involve foundations in monitoring and evaluation efforts.** ODA providers can facilitate targeted dialogue on learning priorities in specific sectors, and involve foundations working on similar issues in their monitoring, evaluation and learning efforts. There are a number of existing venues where ODA providers and philanthropy can explore areas of synergies. In the education sector, for example, the donor working group Building Evidence in Education (BE2), hosted by the World Bank Group, brings together bilateral and multilateral ODA providers and philanthropic organisations to discuss research and evaluation. Similarly, the Global Partnership for Education has a Knowledge and Innovation Exchange (KIX) initiative that connects partners at a regional level to invest in innovation, knowledge generation and scaling proven approaches. The OECD netFWD, hosted at the OECD Development Centre, offers a dedicated space where foundations, OECD experts and selected ODA providers can identify common learning priorities in education, health and gender equality.
- **Continue investing in capacity development and transparent publication of evaluations for development.** ODA providers should continue to support capacity development for monitoring, evaluation and learning, and keep their commitment to transparently share evaluations and results. The Global Evaluation Initiative (GEI) and the international initiative for impact evaluation (3ie) provide interesting examples. GEI receives support from a number of bilateral and multilateral ODA providers. It brings together a coalition of governments, international and national development organisations, and monitoring and evaluation experts to pool financial and technical resources to co-ordinate and expand M&E efforts globally. Similarly, 3ie funds and deploys impact evaluations, and synthesises rigorous evidence on development effectiveness.
- **Credibly monitor and evaluate the results of blended finance strategies, and share lessons with multiple stakeholders, including foundations.** ODA providers could work with philanthropic and other development stakeholders to maximise the sharing of knowledge on blended finance in developing countries and incentivise foundations to contribute to such mechanisms. For instance, in venues that promote international dialogue on blended finance among a variety of stakeholders, such as the Tri Hita Karana (THK) platform, ODA providers could share their expertise on

developing and supporting blended finance solutions, and invite foundations to join forces in developing countries where they are already active. In an ecosystem that is still relatively untransparent, such efforts would be amplified by a more systematic sharing of information from philanthropists, as mentioned throughout this report. Both ODA providers and foundations should credibly monitor and evaluate the results of their blended finance strategies, and more transparently share findings.

References

Ganimian, A., E. Vegas and F. Hess (2020), *Realizing the promise: how can education technology improve learning for all?*, Brookings Institution, https://www.brookings.edu/wp-content/uploads/2020/08/edtech_playbook_full_v2.pdf. [9]

Harvard Family Research Project (2014), *A User's Guide to Advocacy Evaluation Planning*, https://www.indianaafterschool.org/wp-content/uploads/2014/09/UserGuideAdvocacyEvaluationPlanning_1.pdf. [5]

Korwin Consulting (2018), *Evaluating Policy Advocacy & Movements A Resource Guide*, https://korwinconsulting.com/wp/wp-content/uploads/2018/10/Policy-Advocacy-Evaluation-Resources-Guide-10.18-1.pdf. [7]

Ministry of Corporate Affairs of India (2013), *The Companies Act 2013*, https://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf. [2]

Morariu, J. et al. (2009), *Pathfinder - Advocate Edition: A Practical Guide to Advocacy Evaluation*, Innovation Network, Inc., https://innonet.org/media/pathfinder_advocate_web.pdf. [6]

OECD (2021), *Beyond Academic Learning: First Results from the Survey of Social and Emotional Skills*, OECD Publishing, Paris, https://doi.org/10.1787/92a11084-en. [8]

OECD (2020), *Taxation and Philanthropy*, OECD Publishing, Paris, https://doi.org/10.1787/df434a77-en. [10]

OECD (2010), *Quality Standards for Development Evaluation*, DAC Guidelines and Reference Series, OECD Publishing, Paris, https://dx.doi.org/10.1787/9789264083905-en. [3]

OECD (n.d.), *Creditor Reporting System (CRS)*, https://stats.oecd.org/Index.aspx?DataSetCode=crs1. [1]

Teles, S. and M. Schmitt (2012), *The Elusive Craft of Evaluating Advocacy*, The William and Flora Hewlett Foundation, https://hewlett.org/wp-content/uploads/2016/08/Elusive_Craft.pdf. [4]

Annex A. Methodology

Motivation and objectives

The OECD's first edition of *Private Philanthropy for Development*, published in 2018, provided data and a unique perspective on contributions to development financed by 143 large philanthropic donors over the period 2013-15 (OECD, 2018[1]). This second edition goes well beyond the first in both ambition and scope. It notably includes a more comprehensive picture of philanthropy by providing information and analysis on both cross-border financing and domestic philanthropy in developing economies, particularly in India and the People's Republic of China (hereafter "China"). This edition surveys 205 philanthropic organisations and covers the period 2016-19. Geographical coverage is broadened with information from donors in emerging markets. This edition also introduces higher transparency standards for grants and project-level information – standards that are applicable worldwide.

Instruments

The results in this report draw from a global survey conducted by the OECD between October 2020 and September 2021. The survey aimed to measure specific grants, donations and projects, as well as several organisational aspects of large philanthropic donors. To this end, two instruments were used:

- **A financial survey**. This survey collected project- or grant-level data from each participant organisation, including project description, annual financing provided by the organisation, geographical allocation, financial instrument used, channels of delivery and modality of giving. The format and definitions used in the questionnaire were compliant with OECD-DAC statistical standards and classifications, which make the data comparable with official development assistance (ODA). Foundations that did not wish to disclose grantee-level information were able to sign a non-disclosure agreement with the OECD so that only aggregated, anonymised information about their donations would be made public.
- **An organisational survey**. This survey was deployed through an online questionnaire that included eight thematic modules.
  1. **Financial instruments, income and non-financial support**: financial instruments used by the foundation, all sources of income, how the foundation manages its endowment, investment strategies and the type of non-financial support provided to grantees.
  2. **Targeting demographics**: whether the foundation targets its grants and projects according to age, gender and social or economic vulnerabilities.
  3. **Advocacy**: the strategies and barriers faced by foundations when carrying out advocacy to change policies, practices or attitudes.
  4. **Collaboratives and financial sustainability of grantees**: measuring how foundations co-finance initiatives through private donor collaboratives, and how they work on the long-term financial sustainability of their grantees.
  5. **Learning and information practices**: measuring the methods foundations employ to

evaluate their donations, grantees and projects, as well as all information disclosed voluntarily to assess their level of transparency.

6. **Cross-cutting themes (gender equality and climate change)**: measuring whether foundations are including gender equality and climate change as explicit objectives of their donations and projects**.**

7. **COVID-19 response**: measuring qualitatively how foundations adapted in the short term to the COVID-19 pandemic.

8. **Looking ahead to 2030**: measuring expectations concerning the financial contributions that foundations plan to deliver over the next decade, with a focus on different thematic areas, the Sustainable Development Goals (SDGs) and geographies.

Sample

The OECD invited more than 400 organisations worldwide to participate in the survey. The sample targeted the largest organisations according to their annual spending in grant making or project financing, based on previous OECD research and consultations with multiple regional networks of philanthropic organisations. The targeted population consisted of foundations carrying out cross-border operations worth more than USD 5 million per year, and organisations operating domestically with spending above USD 2 million per year, or the equivalent in the local currency based on annual nominal exchange rates (Annex C). The survey was carried out in close collaboration with the Development Co-operation Directorate for the sample of foundations engaging on regular CRS data reporting as of October 2020.

This report summarises data collected for the period 2016-19 from 205 organisations based in 32 countries, including organisational data for 103 of them (Annex B). The resulting database includes over 45 000 distinct activities for the period. It was assembled using several sources of information.

- **OECD Creditor Reporting System**: 45 of the largest foundations that annually report on their individual spending and are included in the *OECD Creditor Reporting System*, as of 30 June 2021, accessible at https://stats.oecd.org/Index.aspx?DataSetCode=DV_DCD_PPFD. Data sourced from the CRS represented 72% of the data pool used for this report in terms of financial volumen (gross disbursements), and 50% in terms of number of activities.
- **OECD financial survey**: 67 foundations replied directly to the project or grant questionnaire. Of these, 9 requested that their grantee or project level data be anonymised.
- **OECD organisational survey**: responses to this survey from 103 foundations are included in the analysis. Additional organisations replied to this survey, but their responses were excluded as they did not submit information from the financial survey.
- **Data collected from secondary sources by the OECD Centre on Philanthropy**: for 99 foundations, the OECD recovered publicly available information from multiple sources, depending on the country where each organisation is based.
    - **Foundations from the United States:** for 19 foundations, Form 990-PF filings were used to estimate all charitable funding, and then to identify grants that correspond to the definition of private philanthropy for development. The forms were retrieved from the website of the Internal Revenue Service (IRS), according to the availability of filings as of 30 June 2021 (https://www.irs.gov/charities-non-profits/form-990-series-downloads).
    - **Foundations from the United Kingdom**: for 4 organisations, data available as of 30 June 2021 were retrieved from the GrantNav platform of 360Giving, a charity that helps organisations publish open, standardised grants data (https://www.threesixtygiving.org/).

- **Corporations and foundations from India**: for 31 organisations, information was retrieved from the Indian Ministry of Corporate Affairs' National Portal of Corporate Social Responsibility (CSR) as of 30 June 2021 (https://csr.gov.in/). Given that CSR provisions are allocated predominately in social sectors and financed by private corporations, they are included alongside more traditional forms of philanthropy from individual donors and foundations (OECD, 2019[2]). In addition, for all organisations that form Tata Trusts, information was collected based on the organisations' published annual reports for the period 2016-19 (https://www.tatatrusts.org/about-tatatrusts/annualreports). Financial years are taken as the period between April and December of every year.
- **Foundations from China:** for 45 organisations, information was compiled from each organisation's publicly available information as of 30 June 2021, or from the People's Republic of China Non-Profit Organisations (NPO) portal (https://cszg.mca.gov.cn/platform/login.html). The consolidated data include donations and project financing that surpassed CNY 1 million (Yuan renminbi). For the purpose of this data collection, information was considered from different types of NPOs, like civil non-enterprise institutions, social service organisations and private foundations.

Definitions

What is private philanthropy for development?

The following definition was used to identify which grants, projects and activities carried out by philanthropic organisations would be included in this report:

> ***Private philanthropy for development*** *refers to transactions from the private or non-profit sector having the promotion of the economic development and welfare of developing countries as their main objective, and which originate from foundations' own sources, notably: endowments; donations from companies or individuals (including crowdfunding); legacies; and income from royalties; investments (including government securities); dividends; lotteries and similar. In addition, private philanthropy for development also includes financing towards basic or applied research that directly benefits developing countries, or indirectly benefits developing countries through global public goods.*

Activities not considered to constitute private philanthropy for development include:

- volunteer activities of company employees that do not represent an explicit accountable expenditure on behalf of the foundation or company;
- activities solely financed by the public sector, through transfers, procurement or other mechanisms;
- charitable giving to religious institutions not aimed at supporting development or improving welfare.

What is official development assistance?

Official development assistance[1] represents flows to countries and territories on the DAC List of ODA Recipients and to multilateral development institutions when the flows are:

- provided by official agencies, including state and local governments, or by their executive agencies, and
- concessional (i.e. grants and soft loans) and administered with the promotion of the economic development and welfare of developing countries as the main objective.

Eligibility criteria for inclusion in the report

The private philanthropy financing included in this report was directed towards developing countries and territories based on the DAC List of ODA Recipients in 2020.

Cross-border vs. domestic financing

This second edition of *Private Philanthropy for Development* has a larger scope than the first. It is more inclusive of global philanthropy and significantly increases the data collected from large foundations and other organisations based in developing countries. These organisations operate for the most part only in the country where they are based; whether the financing corresponds to cross-border financing or domestic giving can nonetheless be determined by the data.

Defining the geographic origin of philanthropic financing

The geographic origin of private philanthropy financing follows the residence principle of an organisation's headquarters.[2] For instance, outflows from a foundation operating from a local office in a developing country, but with the main office in Paris, are considered as originating from France.

Classifying geographic origin at the country and regional levels

Except for data on the OECD CRS, the activities, projects and grants identified for this report were classified in one of three categories:

- **Known region or country-level allocation**: all activities for which the foundation knows where the resources were allocated at a country or regional level.
- **Known countries but unknown distribution**: all activities carried out in multiple countries for which foundations knew the countries but were uncertain about the exact share of funding that went to each individual country. For these activities, the OECD prorated the resources at the grant level in equal proportions among all countries identified by the foundation.
- **Global or non-localisable financing**: activities that do not have a geographical dimension, such as basic research carried out in universities, funding to international organisations, or donations for which the organisation does not know the region or country of disbursement.

Thematic classifications

For all data collected from the financial survey and secondary sources, thematic classifications followed the OECD DAC Purpose Codes on sector classifications.[3] The thematic classifications (sector, purpose, cross-cutting themes, etc.) were carried out using a text-based machine learning algorithm. In order to classify grants, grantees and projects, a supervised machine learning algorithm, Xtreme Gradient Boosting (XGBoost) (Chen and Guestrin, 2016[3]) was used over text included in grant/project descriptions. XGBoost is extensively used for classification tasks, and was implemented using the R interface.[4]

Deflators and currency conversions

Operations denominated in currencies other than the United States dollar (USD) were converted using nominal end-of-year exchange rates; country annual Consumer Price Indexes (CPI) were used to deflate financing from all organisations (Annex C). Unless otherwise stated, all monetary figures in the report are shown in constant 2019 USD.

Notes

[1] See https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/What-is-ODA.pdf.

[2] In this context, "residence" is not based on nationality or legal criteria, but on the transactor's centre of economic interest: an institutional unit has a centre of economic interest and is a resident unit of a country when, from some location (dwelling, place of production or other premises) within the economic territory of the country, the unit engages and intends to continue engaging (indefinitely or for a finite period) in economic activities and transactions on a significant scale (one year or more may be used as a guideline, but not as an inflexible rule).

[3] See https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/purposecodessectorclassification.htm.

[4] The pre-processing step followed a standard Natural Language Processing pipeline. Hyper-Parameter optimisation was done using a random search approach (Bergstra and Bengio, 2012[4]), and in order to validate results, a k-fold cross validation (Fushiki, 2011[5]) approach was used. The metric performance relied on F1-score (Sokolova, Japkowicz and Szpakowicz, 2006[6]).

References

Bergstra, J. and Y. Bengio (2012), "Random search for hyper-parameter optimization", *Journal of machine learning research*, Vol. 13/2, http://dl.acm.org/citation.cfm?id=2188395. [4]

Chen, T. and C. Guestrin (2016), "Xgboost: A scalable tree boosting system", *In Proceedings of the 22nd ACM SIGKDD International Conference on Knowledge Discovery and Data Mining*, pp. 785-794, http://arxiv.org/abs/1603.02754. [3]

Fushiki, T. (2011), "Estimation of prediction error by using K-fold cross-validation", *Statistics and Computing*, Vol. 21/2, pp. 137-146, https://doi.org/10.1007/s11222-009-9153-8. [5]

OECD (2019), *India's Private Giving: Unpacking Domestic Philanthropy and Corporate Social Responsibility*, OECD Development Centre, https://www.oecd.org/development/philanthropy-centre/researchprojects/OECD_India_Private_Giving_2019.pdf. [2]

OECD (2018), *Private Philanthropy for Development, The Development Dimension*, OECD Publishing, Paris, https://doi.org/10.1787/9789264085190-en. [1]

Sokolova, M., N. Japkowicz and S. Szpakowicz (2006), "Beyond accuracy, F-score and ROC: a family of discriminant measures for performance evaluation", *In Australasian joint conference on artificial intelligence*, pp. 1015-1021, https://doi.org/10.1007/11941439_114. [6]

Annex B. Sample

Table A B.1. Sample

A	B	C	D	F	E	G
A.M. Qattan Foundation (AMQF)	West Bank and Gaza Strip	Domestic	No	16 359	Yes	[1]
Adani Foundation / Adani Ports and Special Economic Zone Limited	India	Domestic	No	38 513	No	[2]
ADream Charitable Foundation Limited	China	Domestic	No	45 031	No	[3]
Aiyou Foundation	China	Domestic	No	160 329	No	[3]
Alcoa Foundation	United States	Cross-border	Yes	2 036	No	[4]
Alibaba Foundation	China	Domestic	No	54 077	No	[3]
Ambuja Cement Foundation (ACF)	India	Domestic	No	25 895	No	[2]
Amity Foundation	China	Domestic	No	94 346	No	[3]
Amway Charity Foundation	China	Domestic	No	6 644	No	[3]
Andrew W. Mellon Foundation	United States	Cross-border	Yes	326 707	No	[4]
Arawana Foundation	China	Domestic	No	9 705	No	[3]
Arcadia Fund	United Kingdom	Cross-border	Yes	172 678	No	[5]
Arcor Foundation	Argentina	Domestic	No	930	Yes	[1]
Arcus Foundation	United States	Cross-border	Yes	64 230	Yes	[5]
Associated Cement Companies (ACC) Limited CSR	India	Domestic	No	11 588	No	[2]
Axis Bannk CSR / Axis Bank Foundation (ABF)	India	Domestic	No	82 045	No	[2]
Bajaj Auto Limited CSR	India	Domestic	No	63 816	No	[2]
BBVA Microfinance Foundation	Spain	Cross-border	No	3 621 198	Yes	[1]
Beijing Guixin Charitable Foundation	China	Domestic	No	6 180	No	[3]
Beijing Lianyi Charitable Foundation	China	Domestic	No	11 461	No	[3]
Beijing Xianfeng (K2 Foundation)	China	Domestic	No	1 273	No	[3]
Beijing Laoniu Brother & Sister Philanthropy Foundation	China	Domestic	No	1 975	No	[3]
Bernard van Leer Foundation	Netherlands	Cross-border	Yes	43 128	Yes	[5]
Bertelsmann Foundation	Germany	Cross-border	Yes	6 117	Yes	[1]
Bharti Infratel Limited CSR / Bharti Foundation	India	Domestic	Yes	57 213	Yes	[1]
Bill & Melinda Gates Foundation	United States	Cross-border	Yes	16 106 069	Yes	[5]
Bloomberg Philanthropies	United States	Cross-border	Yes	547 883	No	[5]
Bristol Myers Squibb Foundation	United States	Cross-border	Yes	4 707	No	[1]
C Foundation	China	Domestic	No	1 558	No	[3]
Calouste Gulbenkian Foundation	Portugal	Cross-border	Yes	11 352	Yes	[1]
Carlos Slim Foundation	Mexico	Domestic	Yes	493 797	Yes	[1]
Carnegie Corporation of New York	United States	Cross-border	Yes	67 840	Yes	[5]
Cartier Philanthropy	Switzerland	Cross-border	No	39 686	Yes	[1]
Castrol India Limited CSR	India	Domestic	No	13 943	No	[2]
Charity Projects Ltd (Comic Relief)	United Kingdom	Cross-border	Yes	178 762	No	[5]
CharlesStewartMott / Mott Foundation	United States	Cross-border	Yes	106 940	No	[4]
China COSCO Shipping Charity Foundation	China	Domestic	No	29 693	No	[3]
China Merchants Foundation	China	Domestic	No	31 905	No	[3]
China Poverty Alleviation Foundation	China	Domestic	No	196 408	No	[3]

Chow Tai Fook Charity Foundation	China	Domestic	No	21 085	No	[3]
Christensen Fund	United States	Cross-border	Yes	32 314	No	[4]
CIFF	United Kingdom	Cross-border	Yes	693 417	Yes	[5]
Citi Foundation	United States	Cross-border	Yes	80 979	Yes	[5]
Compagnia di San Paolo Foundation	Italy	Cross-border	No	13 236	Yes	[1]
Conrad N. Hilton Foundation	United States	Cross-border	Yes	189 109	Yes	[5]
Dalio Philanthropies	United States	Cross-border	Yes	53 907	Yes	[4]
David and Lucile Packard Foundation	United States	Cross-border	Yes	368 590	No	[5]
Doris Duke Charitable Foundation	United States	Cross-border	Yes	49 938	No	[4]
Dunhe Foundation	China	Domestic	Yes	64 665	No	[1]
Ecobank	Togo	Domestic	No	798	Yes	[1]
Fondation Botnar	Switzerland	Cross-border	No	98 283	Yes	[1]
Fondation CHANEL	United Kingdom	Cross-border	Yes	10 515	Yes	[1]
Fondation de France	France	Cross-border	Yes	92 936	No	[1]
Fondation de Luxembourg	Luxembourg	Cross-border	No	30 242	Yes	[1]
Fondation L'Oréal	France	Cross-border	No	10 977	Yes	[1]
Ford Foundation	United States	Cross-border	Yes	677 494	No	[5]
Fosun Foundation	China	Domestic	No	39 154	No	[3]
Franks Family Foundation	United Kingdom	Cross-border	No	2 199	Yes	[1]
Fujian Zhengro Foundation	China	Domestic	No	5 875	No	[3]
Fundação Tide Setubal	Brazil	Domestic	No	2 367	Yes	[1]
Fundação FEAC	Brazil	Domestic	No	8 119	Yes	[1]
Fundación BBVA Bancomer, A.C.	Mexico	Domestic	No	114 360	Yes	[1]
Fundación Carvajal	Colombia	Domestic	No	4 895	Yes	[1]
Fundación Éxito	Colombia	Domestic	No	18 831	Yes	[1]
Fundación Grupo Bancolombia	Colombia	Domestic	No	10 244	Yes	[1]
Fundación Grupo Social	Colombia	Domestic	No	24 697	Yes	[1]
Fundación Kaluz, A.C.	Mexico	Domestic	No	8 831	Yes	[1]
Fundación MAPFRE	Spain	Cross-border	No	40 773	Yes	[1]
Fundación Merced, A.C.	Mexico	Domestic	No	3 302	Yes	[1]
Fundación Santo Domingo	Colombia	Domestic	No	48 465	Yes	[1]
Fundación Sertull A.C.	Mexico	Domestic	No	15 342	Yes	[1]
Fundación SURA	Colombia	Domestic	No	19 231	Yes	[1]
Fundación Telefónica España	Spain	Cross-border	Yes	240 497	Yes	[1]
Fundación Televisa A.C.	Mexico	Domestic	No	295 542	Yes	[1]
Gordon and Betty Moore Foundation	United States	Cross-border	Yes	217 144	No	[5]
Grameen Crédit Agricole Foundation	France	Cross-border		119 768	No	[5]
Guangdong Guoqiang Foundation	China	Domestic	No	127 967	No	[3]
H&M Foundation	Sweden	Cross-border	Yes	62 688	Yes	[5]
Haci Omer Sabanci Foundation (Sabanci Foundation)	Turkey	Domestic	Yes	3 870	Yes	[1]
Hanhong Love Charity Foundation	China	Domestic	No	6 952	No	[3]
Harmony Community Foundation (Qianhe)	China	Domestic	No	5 630	No	[3]
He Foundation	China	Domestic	No	151 359	No	[3]
HengShen Foundation	China	Domestic	No	5 348	No	[3]
Heren Charitable Foundation	China	Domestic	No	46 930	No	[3]
Hero Motocorp Limited CSR	India	Domestic	No	63 423	No	[2]
Hindustan Computer Limited (HCL) Technologies Limited CSR	India	Domestic	No	67 610	No	[2]
Hindustan Unilever Limited (candid) / Hindustan Unilever Foundation	India	Domestic	No	77 849	No	[2]
Hindustan Zinc Limited CSR	India	Domestic	No	82 162	No	[2]
Hongru Finanial Education Foundation	China	Domestic	No	3 660	No	[3]

Housing Development Finance Corporation (HDFC) Bank Limited CSR	India	Domestic	No	82 741	No	[2]
Housing Development Finance Corporation (HDFC) Limited CSR	India	Domestic	No	261 570	No	[2]
Howard G. Buffett Foundation	United States	Cross-border	Yes	403 665	No	[5]
Huamin Charity Foundation	China	Domestic	Yes	12 164	No	[3]
IKEA Foundation	Sweden	Cross-border	Yes	192 155	No	[5]
Imperial Tobacco Company (ITC) Limited CSR	India	Domestic	No	193 672	No	[2]
Indiabulls Housing Finance Limited CSR / Indiabulls Foundation	India	Domestic	No	36 015	No	[2]
Indigo Trust	United Kingdom	Cross-border	Yes	3 123	Yes	[6]
IndusInd Bank Limited CSR	India	Domestic	No	33 102	No	[2]
Industrial Credit & Investment Corporation of India (ICICI) Bank Limited CSR	India	Domestic	No	94 206	No	[2]
Infosys Limited CSR	India	Domestic	No	207 668	No	[2]
Infrastructure Development Finance Corporation (IDFC) Limited CSR	India	Domestic	No	606	No	[2]
Instituto Ayrton Senna	Brazil	Domestic	Yes	38 389	Yes	[1]
Instituto Cyrela	Brazil	Domestic	No	4 008	Yes	[1]
Instituto Votorantim	Brazil	Domestic	No	34 666	Yes	[1]
Itaú Social	Brazil	Domestic	Yes	124 644	Yes	[1]
Jack Ma Foundation	China	Domestic	No	70 017	No	[3]
Jacobs Foundation	Switzerland	Cross-border	Yes	63 213	Yes	[1]
Jindal Steels & Power Limited CSR	India	Domestic	No	2 628	No	[2]
John D. & Catherine T. MacArthur Foundation	United States	Cross-border	Yes	278 751	Yes	[4]
Johnson & Johnson Foundation	United States	Cross-border	Yes	174 358	Yes	[4]
JSW Steel Limited (Candid)	India	Domestic	No	46 186	No	[2]
Julius Baer Foundation	Switzerland	Cross-border	No	5 868	Yes	[1]
King Baudouin Foundation	Belgium	Cross-border	Yes	34 180	Yes	[1]
Klitschko Foundation	Ukraine	Domestic	No	1 924	Yes	[1]
Kresge Foundation	United States	Cross-border	Yes	56 225	No	[1]
La Caixa Banking Foundation	Spain	Cross-border	Yes	84 241	Yes	[5]
Laoniu Foundation	China	Domestic	No	40 668	No	[3]
Larsen and Toubro Limited CSR	India	Domestic	No	74 115	No	[2]
Laudes Foundation	Switzerland	Cross-border	Yes	148 073	Yes	[5]
LEGO Foundation	Denmark	Cross-border	Yes	64 540	Yes	[5]
Leping Social Entrepreneur Foundation	China	Domestic	No	1 870	No	[3]
Levi Strauss Foundation	United States	Cross-border	No	9 956	No	[4]
LGT Venture Philanthropy	Liechtenstein	Cross-border	No	27 042	Yes	[1]
Lingshan Charity Foundation	China	Domestic	No	53 478	No	[3]
Lloyd's Register Foundation	United Kingdom	Cross-border	Yes	40 203	No	[6]
Mahindra & Mahindra Limited CSR	India	Domestic	No	40 223	Yes	[1]
Mana Data Foundation	China	Domestic	No	2 062	No	[3]
Margaret A. Cargill Philanthropies (MACP)	United States	Cross-border	Yes	196 438	No	[4]
Maruti Suzuki India Limited CSR	India	Domestic	No	84 800	No	[2]
Mastercard Foundation	Canada	Cross-border	Yes	853 259	Yes	[5]
MAVA Foundation	Switzerland	Cross-border	Yes	180 395	Yes	[5]
McKnight Foundation	United States	Cross-border	Yes	18 202	No	[5]
Medtronic Foundation	United States	Cross-border	No	15 860	Yes	[1]
MetLife Foundation	United States	Cross-border	Yes	61 912	Yes	[5]
Michael & Susan Dell Foundation	United States	Cross-border	Yes	125 216	Yes	[5]
Moshal Scholarship Program	South Africa	Domestic	No	16 056	Yes	[1]
Mphasis Limited CSR	India	Domestic	No	10 078	No	[2]
Minsheng Foundation	China	Domestic	No	14 020	No	[3]

Murtala Muhammed Foundation	Nigeria	Domestic	No	427	Yes	[1]
Nacional Monte de Piedad I.A.P.	Mexico	Domestic	No	79 881	Yes	[1]
Narada Foundation	China	Domestic	No	11 392	No	[3]
Ningxia Yanbao Charity Foundation	China	Domestic	No	44 182	No	[3]
NoVo Foundation	United States	Cross-border	Yes	152 220	No	[4]
Novo Nordisk Foundation	Denmark	Cross-border	No	41 476	Yes	[1]
Novo Nordisk Haemophilia Foundation (NNHF)	Switzerland	Cross-border	No	6 502	Yes	[1]
Oak Foundation	Switzerland	Cross-border	Yes	454 721	Yes	[5]
OceanWide Foundation	China	Domestic	No	353 483	No	[3]
Omidyar Network	United States	Cross-border	Yes	172 165	Yes	[5]
Open Society Foundations	United States	Cross-border	Yes	546 062	Yes	[1]
Piramal Enterprises Limited CSR	India	Domestic	No	12 695	No	[2]
Reliance Industries Limited CSR	India	Domestic	No	500 393	No	[2]
Robert Bosch Stiftung GmbH	Germany	Cross-border	Yes	106 188	Yes	[1]
Rockefeller Brothers Fund	United States	Cross-border	Yes	97 405	No	[4]
Roger Federer Foundation	Switzerland	Cross-border	No	24 610	Yes	[1]
Rohini Nilekani Philanthropies	India	Domestic	No	18 787	No	[1]
Sanofi Espoir Foundation	France	Cross-border	Yes	9 872	Yes	[1]
Sawiris Foundation for Social Development	Egypt	Domestic	Yes	44 491	Yes	[1]
SEE Foundation / SEE (Society of Entrepreneurs and Ecology)	China	Domestic	No	63 187	No	[3]
Segal Family Foundation	United States	Cross-border	Yes	13 383	No	[4]
SF Express Charity Foundation	China	Domestic	No	33 995	No	[3]
Shanghai Rende Charity Foundation	China	Domestic	No	18 307	No	[3]
Shanghai United Foundation	China	Domestic	No	27 388	No	[3]
Sheikh Saud bin Saqr Al Qasimi Foundation for Policy Research	United Arab Emirates	Cross-border	No	594	Yes	[1]
Shenzhen One Foundation	China	Domestic	No	266 806	Yes	[1]
Sishen Iron Ore Company-Community Development Trust (SIOC)	South Africa	Domestic	No	21 653	Yes	[1]
Skoll Foundation	United States	Cross-border	Yes	38 618	Yes	[4]
Susan T. Buffett Foundation	United States	Cross-border	Yes	906 896	No	[5]
Tata Consultancy Services (TCS) Limited CSR	India	Domestic	No	286 655	No	[2]
Tata Power Company Limited CSR	India	Domestic	No	5 162	No	[2]
Tata Steel Limited CSR	India	Domestic	No	113 561	No	[2]
Tata Trusts	India	Domestic	Yes	914 903	No	[7]
Templeton World Charity Foundation Inc	Bahamas	Cross-border	No	71 052	Yes	[1]
Tencent Charity Foundation	China	Domestic	No	368 601	No	[3]
The Atlantic Philanthropies	United States	Cross-border	Yes	488 775	No	[4]
Beijing Sany Foundation	China	Domestic	No	8 464	No	[3]
The DG Murray Trust	South Africa	Domestic	No	44 536	Yes	[1]
The Gatsby Charitable Foundation	United Kingdom	Cross-border	Yes	53 175	Yes	[5]
The Lemelson Foundation	United States	Cross-border	Yes	16 832	Yes	[4]
The Leona M. and Harry B. Helmsley Charitable Trust	United States	Cross-border	Yes	596 640	Yes	[5]
The Mulago Foundation	United States	Cross-border	No	46 759	Yes	[4]
The PepsiCo Foundation, Inc.	United States	Cross-border	Yes	47 867	No	[4]
The Rockefeller Foundation	United States	Cross-border	Yes	219 656	Yes	[5]
The Sanlam Foundation Trust	South Africa	Domestic	No	17 277	Yes	[1]
The Toyota Foundation	Japan	Cross-border	Yes	4 778	Yes	[1]
The David and Elaine Potter Foundation	United Kingdom	Cross-border	Yes	3 604	Yes	[6]
The Rain Tree Foundation	India	Domestic	No	31	Yes	[1]
The Tony Elumelu Foundation	Nigeria	Cross-border	Yes	20 630	Yes	[1]
The W.K. Kellogg Foundation (WKKF)	United States	Cross-border	Yes	153 949	Yes	[4]

Titan Limited CSR	India	Domestic	No	6 860	No	[2]
Tudor Trust	United Kingdom	Cross-border	No	6 257	No	[6]
TY Danjuma Foundation	Nigeria	Domestic	No	3 071	Yes	[1]
UBS Optimus Foundation	Switzerland	Cross-border	Yes	95 414	Yes	[1]
Ultratech Cement Limited CSR	India	Domestic	No	38 354	No	[2]
United Bank of Africa Foundation (UBA)	Nigeria	Domestic	No	468	Yes	[1]
United Postcode Lotteries	Netherlands	Cross-border	Yes	1 326 548	No	[5]
Vanke Foundation	China	Domestic	No	38 710	No	[3]
Veolia Foundation	France	Cross-border	Yes	6 362	Yes	[1]
Walmart Foundation	United States	Cross-border	Yes	38 358	No	[4]
Wellcome Trust	United Kingdom	Cross-border	Yes	858 925	No	[5]
William & Flora Hewlett Foundation	United States	Cross-border	Yes	528 936	No	[5]
Wipro Limited CSR	India	Domestic	No	118 733	No	[2]
World Diabetes Foundation	Denmark	Cross-border	Yes	55 877	Yes	[5]
Yifang Foundation	China	Domestic	No	890	Yes	[3]
Zee entertainment enterprises Limited CSR	India	Domestic	No	9 226	No	[2]
Zenex Foundation	South Africa	Domestic	No	17 852	No	[1]
Zijiang Foundation	China	Domestic	No	1 862	No	[3]

Notes: Organisations are listed in alphabetical order.
Key: **A** = Name of organisation, **B** = Country of organisation, **C** = Type of organisation (cross-border or domestic), **D** = Respondent to the first edition of *Private Philanthropy for Development* (Yes/No), **E** = Total USD thousands (constant 2019), **F** = Respondent to OECD organisational survey (Yes/No), **G** = Data source (all websites as of 30 June 2021).
[1] Source: *OECD Private philanthropy for development* financial survey.
[2] Source: OECD estimates based on Ministry of Corporate Affairs of India Corporate Social Responsibility (CSR) portal, https://www.csr.gov.in/ as of 30 June 2021.
[3] Source: People's Republic of China Non-Profit Organisations (NPO) Portal https://cszg.mca.gov.cn/platform/login.html, accessed on 30 June 2021.
[4] Source: OECD estimates based on Internal Revenue Service (IRS) Form 990PF fillings available at https://www.irs.gov/charities-non-profits/form-990-series-downloads as of 30 June 2021.
[5] Source*: OECD Creditor Reporting System*, https://stats.oecd.org/Index.aspx?DataSetCode=DV_DCD_PPFD as of 30 June 2021.
[6] Source: 360Giving GrantNav portal https://grantnav.threesixtygiving.org/ as of 30 June 2021.
[7] Source: OECD estimates based Tata Trusts annual reports available at https://www.tatatrusts.org/about-tatatrusts/annualreports as of 30 June 2021.

Annex C. Currency conversions

Table A C.1. Currency conversions used for the period 2016-19, by country, year and source

Country	Year	Measure (Consumer Price Index or exchange rate)	ISO currency code	Value	Source of data
Argentina	2016	National currency per US dollar - Exchange rates, end of period	ARS	15.90	[2]
Argentina	2017	National currency per US dollar - Exchange rates, end of period	ARS	18.60	[2]
Argentina	2018	National currency per US dollar - Exchange rates, end of period	ARS	37.60	[2]
Argentina	2019	National currency per US dollar - Exchange rates, end of period	ARS	59.79	[2]
Australia	2016	Consumer Price Index (2019=100)	AUD	0.95	[3]
Australia	2016	National currency per US dollar - Exchange rates, end of period	AUD	1.38	[2]
Australia	2017	Consumer Price Index (2019=100)	AUD	0.97	[3]
Australia	2017	National currency per US dollar - Exchange rates, end of period	AUD	1.28	[2]
Australia	2018	Consumer Price Index (2019=100)	AUD	0.98	[3]
Australia	2018	National currency per US dollar - Exchange rates, end of period	AUD	1.42	[2]
Australia	2019	Consumer Price Index (2019=100)	AUD	1.00	[3]
Australia	2019	National currency per US dollar - Exchange rates, end of period	AUD	1.43	[2]
Brazil	2016	Consumer Price Index (2019=100)	BRL	0.90	[3]
Brazil	2016	National currency per US dollar - Exchange rates, end of period	BRL	3.26	[2]
Brazil	2017	Consumer Price Index (2019=100)	BRL	0.93	[3]
Brazil	2017	National currency per US dollar - Exchange rates, end of period	BRL	3.31	[2]
Brazil	2018	Consumer Price Index (2019=100)	BRL	0.96	[3]
Brazil	2018	National currency per US dollar - Exchange rates, end of period	BRL	3.87	[2]
Brazil	2019	Consumer Price Index (2019=100)	BRL	1.00	[3]
Brazil	2019	National currency per US dollar - Exchange rates, end of period	BRL	4.03	[2]
Canada	2016	Consumer Price Index (2019=100)	CAD	0.94	[3]
Canada	2016	National currency per US dollar - Exchange rates, end of period	CAD	1.34	[2]
Canada	2017	Consumer Price Index (2019=100)	CAD	0.96	[3]
Canada	2017	National currency per US dollar - Exchange rates, end of period	CAD	1.25	[2]
Canada	2018	Consumer Price Index (2019=100)	CAD	0.98	[3]
Canada	2018	National currency per US dollar - Exchange rates, end of period	CAD	1.36	[2]
Canada	2019	Consumer Price Index (2019=100)	CAD	1.00	[3]
Canada	2019	National currency per US dollar - Exchange rates, end of period	CAD	1.31	[2]

China	2016	Consumer Price Index (2019=100)	CNY	0.94	[4]
China	2016	Domestic currency per U.S. Dollar - End of period	CNY	6.95	[1]
China	2017	Consumer Price Index (2019=100)	CNY	0.95	[4]
China	2017	Domestic currency per U.S. Dollar - End of period	CNY	6.51	[1]
China	2018	Consumer Price Index (2019=100)	CNY	0.97	[4]
China	2018	Domestic currency per U.S. Dollar - End of period	CNY	6.85	[1]
China	2019	Consumer Price Index (2019=100)	CNY	1.00	[4]
China	2019	Domestic currency per U.S. Dollar - End of period	CNY	6.99	[1]
Colombia	2016	Consumer Price Index (2019=100)	COP	0.90	[3]
Colombia	2016	National currency per US dollar - Exchange rates, end of period	COP	3,000.71	[2]
Colombia	2017	Consumer Price Index (2019=100)	COP	0.94	[3]
Colombia	2017	National currency per US dollar - Exchange rates, end of period	COP	2,971.63	[2]
Colombia	2018	Consumer Price Index (2019=100)	COP	0.97	[3]
Colombia	2018	National currency per US dollar - Exchange rates, end of period	COP	3,275.01	[2]
Colombia	2019	Consumer Price Index (2019=100)	COP	1.00	[3]
Colombia	2019	National currency per US dollar - Exchange rates, end of period	COP	3,294.05	[2]
Denmark	2016	Consumer Price Index (2019=100)	DKK	0.97	[3]
Denmark	2016	National currency per US dollar - Exchange rates, end of period	DKK	7.05	[2]
Denmark	2017	Consumer Price Index (2019=100)	DKK	0.98	[3]
Denmark	2017	National currency per US dollar - Exchange rates, end of period	DKK	6.21	[2]
Denmark	2018	Consumer Price Index (2019=100)	DKK	0.99	[3]
Denmark	2018	National currency per US dollar - Exchange rates, end of period	DKK	6.52	[2]
Denmark	2019	Consumer Price Index (2019=100)	DKK	1.00	[3]
Denmark	2019	National currency per US dollar - Exchange rates, end of period	DKK	6.68	[2]
Egypt	2016	Consumer Price Index (2019=100)	EGP	0.62	[4]
Egypt	2016	Domestic currency per U.S. Dollar - End of period	EGP	18.12	[1]
Egypt	2017	Consumer Price Index (2019=100)	EGP	0.80	[4]
Egypt	2017	Domestic currency per U.S. Dollar - End of period	EGP	17.68	[1]
Egypt	2018	Consumer Price Index (2019=100)	EGP	0.92	[4]
Egypt	2018	Domestic currency per U.S. Dollar - End of period	EGP	17.87	[1]
Egypt	2019	Consumer Price Index (2019=100)	EGP	1.00	[4]
Egypt	2019	Domestic currency per U.S. Dollar - End of period	EGP	15.99	[1]
Euro area	2016	Consumer Price Index (2019=100)	EUR	0.94	[3]
Euro area	2016	National currency per US dollar - Exchange rates, end of period	EUR	0.95	[2]
Euro area	2017	Consumer Price Index (2019=100)	EUR	0.96	[3]
Euro area	2017	National currency per US dollar - Exchange rates, end of period	EUR	0.83	[2]
Euro area	2018	Consumer Price Index (2019=100)	EUR	0.97	[3]
Euro area	2018	National currency per US dollar - Exchange rates, end of period	EUR	0.87	[2]
Euro area	2019	Consumer Price Index (2019=100)	EUR	1.00	[3]
Euro area	2019	National currency per US dollar - Exchange rates, end of period	EUR	0.89	[2]
India	2016	Consumer Price Index (2019=100)	IND	0.86	[3]
India	2016	Domestic currency per U.S. Dollar - End of period	IND	67.95	[1]
India	2017	Consumer Price Index (2019=100)	IND	0.89	[3]
India	2017	Domestic currency per U.S. Dollar - End of period	IND	63.93	[1]

India	2018	Consumer Price Index (2019=100)	IND	0.93	[3]
India	2018	Domestic currency per U.S. Dollar - End of period	IND	69.79	[1]
India	2019	Consumer Price Index (2019=100)	IND	1.00	[3]
India	2019	Domestic currency per U.S. Dollar - End of period	IND	71.27	[1]
Japan	2016	Consumer Price Index (2019=100)	JPY	0.98	[3]
Japan	2016	National currency per US dollar - Exchange rates, end of period	JPY	116.80	[2]
Japan	2017	Consumer Price Index (2019=100)	JPY	0.99	[3]
Japan	2017	National currency per US dollar - Exchange rates, end of period	JPY	112.90	[2]
Japan	2018	Consumer Price Index (2019=100)	JPY	1.00	[3]
Japan	2018	National currency per US dollar - Exchange rates, end of period	JPY	110.83	[2]
Japan	2019	Consumer Price Index (2019=100)	JPY	1.00	[3]
Japan	2019	National currency per US dollar - Exchange rates, end of period	JPY	109.12	[2]
Korea	2016	Consumer Price Index (2019=100)	KRW	0.96	[3]
Korea	2016	National currency per US dollar - Exchange rates, end of period	KRW	1,208.50	[2]
Korea	2017	Consumer Price Index (2019=100)	KRW	0.98	[3]
Korea	2017	National currency per US dollar - Exchange rates, end of period	KRW	1,071.40	[2]
Korea	2018	Consumer Price Index (2019=100)	KRW	1.00	[3]
Korea	2018	National currency per US dollar - Exchange rates, end of period	KRW	1,118.10	[2]
Korea	2019	Consumer Price Index (2019=100)	KRW	1.00	[3]
Korea	2019	National currency per US dollar - Exchange rates, end of period	KRW	1,157.80	[2]
Mexico	2016	Consumer Price Index (2019=100)	MXN	0.87	[3]
Mexico	2016	National currency per US dollar - Exchange rates, end of period	MXN	20.73	[2]
Mexico	2017	Consumer Price Index (2019=100)	MXN	0.92	[3]
Mexico	2017	National currency per US dollar - Exchange rates, end of period	MXN	19.79	[2]
Mexico	2018	Consumer Price Index (2019=100)	MXN	0.96	[3]
Mexico	2018	National currency per US dollar - Exchange rates, end of period	MXN	19.68	[2]
Mexico	2019	Consumer Price Index (2019=100)	MXN	1.00	[3]
Mexico	2019	National currency per US dollar - Exchange rates, end of period	MXN	18.85	[2]
New Zealand	2016	Consumer Price Index (2019=100)	NZD	0.95	[3]
New Zealand	2016	National currency per US dollar - Exchange rates, end of period	NZD	1.44	[2]
New Zealand	2017	Consumer Price Index (2019=100)	NZD	0.97	[3]
New Zealand	2017	National currency per US dollar - Exchange rates, end of period	NZD	1.41	[2]
New Zealand	2018	Consumer Price Index (2019=100)	NZD	0.98	[3]
New Zealand	2018	National currency per US dollar - Exchange rates, end of period	NZD	1.49	[2]
New Zealand	2019	Consumer Price Index (2019=100)	NZD	1.00	[3]
New Zealand	2019	National currency per US dollar - Exchange rates, end of period	NZD	1.48	[2]
Nigeria	2016	Consumer Price Index (2019=100)	NGN	0.69	[4]
Nigeria	2016	Domestic currency per U.S. Dollar - End of period	NGN	305.00	[1]
Nigeria	2017	Consumer Price Index (2019=100)	NGN	0.80	[4]
Nigeria	2017	Domestic currency per U.S. Dollar - End of period	NGN	306.00	[1]

Nigeria	2018	Consumer Price Index (2019=100)	NGN	0.90	[4]
Nigeria	2018	Domestic currency per U.S. Dollar - End of period	NGN	307.00	[1]
Nigeria	2019	Consumer Price Index (2019=100)	NGN	1.00	[4]
Nigeria	2019	Domestic currency per U.S. Dollar - End of period	NGN	307.00	[1]
Norway	2016	Consumer Price Index (2019=100)	NOK	0.93	[3]
Norway	2016	National currency per US dollar - Exchange rates, end of period	NOK	8.62	[2]
Norway	2017	Consumer Price Index (2019=100)	NOK	0.95	[3]
Norway	2017	National currency per US dollar - Exchange rates, end of period	NOK	8.21	[2]
Norway	2018	Consumer Price Index (2019=100)	NOK	0.98	[3]
Norway	2018	National currency per US dollar - Exchange rates, end of period	NOK	8.69	[2]
Norway	2019	Consumer Price Index (2019=100)	NOK	1.00	[3]
Norway	2019	National currency per US dollar - Exchange rates, end of period	NOK	8.78	[2]
Russia	2016	Consumer Price Index (2019=100)	RUB	0.90	[3]
Russia	2016	National currency per US dollar - Exchange rates, end of period	RUB	60.66	[2]
Russia	2017	Consumer Price Index (2019=100)	RUB	0.93	[3]
Russia	2017	National currency per US dollar - Exchange rates, end of period	RUB	57.60	[2]
Russia	2018	Consumer Price Index (2019=100)	RUB	0.96	[3]
Russia	2018	National currency per US dollar - Exchange rates, end of period	RUB	69.47	[2]
Russia	2019	Consumer Price Index (2019=100)	RUB	1.00	[3]
South Africa	2016	Consumer Price Index (2019=100)	ZAR	0.87	[3]
South Africa	2016	National currency per US dollar - Exchange rates, end of period	ZAR	13.68	[2]
South Africa	2017	Consumer Price Index (2019=100)	ZAR	0.92	[3]
South Africa	2017	National currency per US dollar - Exchange rates, end of period	ZAR	12.32	[2]
South Africa	2018	Consumer Price Index (2019=100)	ZAR	0.96	[3]
South Africa	2018	National currency per US dollar - Exchange rates, end of period	ZAR	14.38	[2]
South Africa	2019	Consumer Price Index (2019=100)	ZAR	1.00	[3]
South Africa	2019	National currency per US dollar - Exchange rates, end of period	ZAR	14.03	[2]
Sweden	2016	Consumer Price Index (2019=100)	SEK	0.95	[3]
Sweden	2016	National currency per US dollar - Exchange rates, end of period	SEK	9.06	[2]
Sweden	2017	Consumer Price Index (2019=100)	SEK	0.96	[3]
Sweden	2017	National currency per US dollar - Exchange rates, end of period	SEK	8.21	[2]
Sweden	2018	Consumer Price Index (2019=100)	SEK	0.98	[3]
Sweden	2018	National currency per US dollar - Exchange rates, end of period	SEK	8.96	[2]
Sweden	2019	Consumer Price Index (2019=100)	SEK	1.00	[3]
Sweden	2019	National currency per US dollar - Exchange rates, end of period	SEK	9.30	[2]
Switzerland	2016	Consumer Price Index (2019=100)	CHF	0.98	[3]
Switzerland	2016	National currency per US dollar - Exchange rates, end of period	CHF	1.02	[2]
Switzerland	2017	Consumer Price Index (2019=100)	CHF	0.99	[3]
Switzerland	2017	National currency per US dollar - Exchange rates, end of period	CHF	0.98	[2]
Switzerland	2018	Consumer Price Index (2019=100)	CHF	1.00	[3]

Switzerland	2018	National currency per US dollar - Exchange rates, end of period	CHF	0.98	[2]
Switzerland	2019	Consumer Price Index (2019=100)	CHF	1.00	[3]
Switzerland	2019	National currency per US dollar - Exchange rates, end of period	CHF	0.97	[2]
Ukraine	2016	Consumer Price Index (2019=100)	UAH	0.73	[4]
Ukraine	2016	Domestic currency per U.S. Dollar - End of period	UAH	27.19	[1]
Ukraine	2017	Consumer Price Index (2019=100)	UAH	0.84	[4]
Ukraine	2017	Domestic currency per U.S. Dollar - End of period	UAH	28.07	[1]
Ukraine	2018	Consumer Price Index (2019=100)	UAH	0.93	[4]
Ukraine	2018	Domestic currency per U.S. Dollar - End of period	UAH	27.69	[1]
Ukraine	2019	Consumer Price Index (2019=100)	UAH	1.00	[4]
Ukraine	2019	Domestic currency per U.S. Dollar - End of period	UAH	23.69	[1]
United Kingdom	2016	Consumer Price Index (2019=100)	GBP	0.94	[3]
United Kingdom	2016	National currency per US dollar - Exchange rates, end of period	GBP	0.81	[2]
United Kingdom	2017	Consumer Price Index (2019=100)	GBP	0.96	[3]
United Kingdom	2017	National currency per US dollar - Exchange rates, end of period	GBP	0.74	[2]
United Kingdom	2018	Consumer Price Index (2019=100)	GBP	0.98	[3]
United Kingdom	2018	National currency per US dollar - Exchange rates, end of period	GBP	0.79	[2]
United Kingdom	2019	Consumer Price Index (2019=100)	GBP	1.00	[3]
United Kingdom	2019	National currency per US dollar - Exchange rates, end of period	GBP	0.76	[2]
United States	2016	Consumer Price Index (2019=100)	USD	0.94	[3]
United States	2016	National currency per US dollar - Exchange rates, end of period	USD	1.00	[2]
United States	2017	Consumer Price Index (2019=100)	USD	0.96	[3]
United States	2017	National currency per US dollar - Exchange rates, end of period	USD	1.00	[2]
United States	2018	Consumer Price Index (2019=100)	USD	0.98	[3]
United States	2018	National currency per US dollar - Exchange rates, end of period	USD	1.00	[2]
United States	2019	Consumer Price Index (2019=100)	USD	1.00	[3]
United States	2019	National currency per US dollar - Exchange rates, end of period	USD	1.00	[2]

Sources:
[1] International Monetary Fund (2021), IMF Data Access to Macroeconomic & Financial Data, International Financial Statistics (database), https://data.imf.org/?sk=4c514d48-b6ba-49ed-8ab9-52b0c1a0179b (accessed on 30 June 2021).
[2] OECD (2021), Exchange rates (indicator). doi.org/10.1787/037ed317-en (accessed on 30 June 2021).
[3] OECD (2021), Inflation (CPI) (indicator). doi.org/10.1787/067eb6ec-en (accessed on 30 June 2021).
[4] World Bank (2021), *World Development Indicators*, The World Bank Group, https://databank.worldbank.org/source/world-development-indicators (accessed on 30 June 2021).

Annex D. Experts and external contributors

Table A D.1. List of experts and external contributors

Last name	First name	Job title	Organisation
Aerts	Ann	Head	Novartis Foundation
Alemanno	Alberto	Founder	The Good Lobby
Basile	Irene	Policy Analyst, CFE/LESI	OECD
Bastante de Unverhau	Silvia	Senior Advisor	Co-Impact
Bellegy	Benjamin	Executive Director	Worldwide Initiatives for Grantmaker Support (WINGS)
Bikmen	Filiz	Founding Director and Social Investment Adviser	Esas Sosyal
Boiardi	Priscilla	Policy Analyst, DCD/FSD	OECD
Cafferkey	Peter	Representative for the UK and Ireland	European Venture Philanthropy Association (EVPA)
Campbell	Neil	Acting Co-director, Advocacy	Open Society Foundations
Capobianco	Emanuele	Director of Programming	WHO Foundation
Castle	Paul	Head of Communication	Syngenta Foundation for Sustainable Agriculture
Cohen	Tania	Chief Executive	360Giving
Cossy-Gantner	Aline	Chief Learning Officer	Fondation BOTNAR
Cunningham	Andrew	Global Lead, Education	Aga Khan Foundation
Dimovska	Donika	Chief Knowledge Officer	Jacobs Foundation
El-Gueretly	Farida	Learning and Innovation Manager	Sawiris Foundation for Social Development
Gaggiotti	Gianluca	Research Manager	European Venture Philanthropy Association (EVPA)
Gianoncelli	Alessia	Head of Knowledge Community and Market Development	European Venture Philanthropy Association (EVPA)
Gill	Laetitia	Executive Director	University of Geneva, Centre for Philanthropy
Henry	Sarah	Executive Director	Global Centre for Gender Equality at Stanford University
Johnston	Leslie	CEO	Laudes Foundation
Juech	Claudia	Vice President Data and Society	Patrick J. McGovern Foundation
Kennedy-Chouane	Megan G.	Head of Evaluation Unit, Development Co-operation Directorate	OECD
Khanna	Deepali	Managing Director, Asia	Rockefeller Foundation
Lautrup-Nielsen	Bent	Head of Global Development and Advocacy	World Diabetes Foundation
Lloreda	Aura Lucia	Executive Director	AFE Colombia
Manlan	Carl	Vice President, Social Impact, CEMEA; Former Chief Operating Officer	Visa; Ecobank Foundation
Mapstone	Michael	Member Board of Trustees	Worldwide Initiatives for Grantmaker Support (WINGS)
Meunier	Valérie	Managing Director, United Kingdom	Fondation CHANEL

Moyo	Bhekinkosi	Adjunct Professor and Director of the African Centre on Philanthropy and Social Investment	Wits Business School
Mundol	Hisham	Chief Advisor, India	Environmental Defense Fund
Munir	Kamal	Academic Director of the Centre for Strategic Philanthropy	Cambridge University Judge Business School
Nair	Pradeep	Advisor	Ford Foundation
Naylor	Nicolette	International Program Director: Gender, Racial and Ethnic Justice	Ford Foundation
Oldenburg	Felix	Former Secretary General	Association of German Foundations
Olende	Renee	Director, Strategic Advocacy and Communications	Co-Impact
Orejas-Chantelot	Maria	Director of Policy and Programmes	European Foundation Centre (EFC)
Osili	Una	Associate Dean for Research and International Programs	Indiana University Lilly Family School of Philanthropy
Pickering	Adam	Senior Policy Adviser (Civil Society and Civil Space)	Foreign, Commonwealth, and Development Office (FCDO)
Rehse	Eva	Executive Director UK	Global Greengrants Fund
Reid	James	Associate Program Officer, Type 1 Diabetes (T1D) Program	Helmsley Charitable Trust
Renaud	Thierry	Director, Impact and Sustainability	MAVA Foundation
Ridge	Natasha	Executive Director	Sheikh Saud bin Saqr Al Qasimi Foundation for Policy Research
Risby	Lee Alexander	Director of Effective Philanthropy	Laudes Foundation
Segura	Fabio	Co-CEO	Jacobs Foundation
Seitz	Karolin	Director of Business & Human Rights Program	Global Policy Forum
Shellaby	Jason	Director of Global Health Policy	Novartis Foundation
Sidzumo	Vuyiswa	Acting Regional Director and Senior Program Officer, Southern Africa	Ford Foundation
Suárez Visbal	María Carolina	CEO	Latimpacto
Swan	Roy	Head of Mission Investments	Ford Foundation
van Gendt	Rien	Chair Board European Cultural Foundation; Member Board Rockefeller Philanthropy Advisors	European Cultural Foundation; Rockefeller Philanthropy Advisors
Wiepking	Pamala	Visiting Stead Family Chair in International Philanthropy; Professor Societal Significance of Charity Lotteries	Lilly Family School of Philanthropy; Vrije Universiteit Amsterdam / VU
Woodcraft	Clare	Executive Director of the Centre for Strategic Philanthropy	Cambridge University Judge Business School

The Development Dimension

Private Philanthropy for Development – Second Edition

DATA FOR ACTION

This second edition of *Private Philanthropy for Development* aims to meet the growing demand for open, reliable and comparable data on philanthropic giving. Compared to the first edition, it collected more data from large foundations and other organisations based in developing countries to have a more comprehensive understanding of cross-border financing and domestic giving.

The report analyses philanthropic flows by geography, sector and thematic area, explores how these flows are implemented and compares their scope to official development assistance (ODA). It dives deeper into foundations' strategies for mobilising additional resources through their assets and philanthropic capital; looks at their engagement in advocacy to amplify and sustain their impact; and studies their approaches to learning and knowledge production through monitoring and evaluation.

The report unpacks unprecedented data on philanthropy's contribution to developing countries, which will be critical for development actors, including governments, ODA providers and foundations, to better co-ordinate their actions, exploit synergies and play to their best comparative advantage en route to a sustainable recovery.

PRINT ISBN 978-92-64-48514-3
PDF ISBN 978-92-64-33464-9

9 789264 485143