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Insights from a Pro

by **admin**, posted February 18th, 2010 at 5:20 pm

If you're interested in learning about global philanthropy, Peter Laugharn should be one of the first people you talk with. Laugharn's knowledge of global philanthropic issues is based on his experience as a former Peace Corps volunteer in Africa, an executive at Save the Children USA for 11 years, and the executive director for the Netherlands-based **Bernard van Leer Foundation** (BvLF) until 2008. (BvLF is a private foundation that funds and shares knowledge about work in early childhood development and children's rights.) Since July 2008, Laugharn has led the California based **Firelight Foundation**, which supports grassroots organizations that help families and communities affected by HIV/AIDS and poverty in Sub-Saharan Africa.

Laugharn has led foundations on both sides of the Atlantic and can offer advice and insights to U.S.-based grantmakers who are interested in global philanthropy.

TAI recently caught up with Laugharn to learn more...

TAI: In your opinion, are there differences between European and American philanthropy?

Peter Laugharn: I would go so far as to say that there are differences between philanthropy in California compared to the rest of the United States. California is the epicentre of social entrepreneurship and venture philanthropy—the hybrid between philanthropic work and for-profit endeavours.

I digress...the biggest difference I see between philanthropy in the U.S. versus in Europe is that American philanthropy is more goal and results oriented and it can sometimes be less long-term focused than European philanthropy.

Let me illustrate my point with an example. My previous employer, the BvLF, has been working on the issue of early childhood since 1965. That persistent, long-term focus has paid off because the foundation has built up its expertise, has supported good fieldwork,

and most importantly, has affected international public policy.

Regardless of whether we're looking at European or American philanthropy, the idea is to think and plan for the long term. The focus in America is on what's happening or going to happen in this project cycle—which maybe a three to five year horizon—but there's often not a longer timeframe.

What I find interesting is that most foundations are designed to exist in perpetuity and, thus, it would make sense to have a longer-term horizon rather than being governed by electoral cycles or markets. That said, since my return to the U.S., I am enjoying the passion among U.S. philanthropic leaders on global issues.

TAI: Regardless of geographic distances and borders, what's unique about foundations?

PL: Foundations are different from other actors—governments or the markets—because we have a way of combining presence, short-term dynamism, and long-term vision. If a foundation is doing its work well, it's setting the groundwork for other actors.

Foundations can also respond faster than government to many issues. The administration has its hands full with domestic issues, and, let's face it, even when the administration tries to focus on global issues, that typically means security and trade before development work. Foundations are in a unique position to respond to needs and, as importantly, to encourage government and other big actors to be creative and think long-term.

For instance, we aren't going to meet the **Millennium Development Goals**, which bring together the various anti-poverty, education, health, and environmental efforts that the UN, civil society, and others have been promoting over the past decades. We know that 2015 will arrive and there will be criticism and finger-pointing. I would say that already now, foundations should be thinking down the road to 25 years—"Where will we go from here? What's the next thing? With all the challenges we're facing, how should the next consensus be crafted?" Foundations won't have all the answers but we're in a position to start that conversation.

TAI: It's interesting that the BvLF funds to U.S.-based organizations.

PL: That's true in some cases. BvLF makes grants in countries where the Van Leer Corporation used to have factories; the United States was one of those places. I was in the unique position of being an American director of a Dutch foundation making grants in Mississippi. One of the interesting things about BvLF is that it works in industrialized and developing countries and therefore covers a range of issues that affect children.

TAI: Describe how foundations have evolved since you started in the field. What's surprised you the most?

PL: I'll start with what's gratified me the most. Foundations are able to catalyze some impressive collaborations by bringing others together—by brokering conversations and convening actors. I've been involved in some of those conversations—for example the Joint Learning Initiative on Children and AIDS, or identifying business champions for early childhood, and it's been powerful.

I think collaborations between foundations is good but what's even better is to have 'biodiverse' collaborations between a multitude of players—foundations with bilateral and multilateral funders, developing country governments, and civil society organizations. The idea being each entity brings to the table things that the others don't have or can't do.

I also wonder about this younger generation and what changes they will bring to the philanthropic arena. I've been really impressed lately by the activism of people in their 20s, their explicit ethic of service, and how advances in technology affect their thinking. I think that will change things quite a bit.

TAI: Do you think the Patriot Act has deterred grantmakers from issuing grants abroad?

PL: Quite possibly. People may decide it's not worth the effort or the risk, but this is hard to quantify. Right now it's a lot of work to make grants, especially small ones, internationally, but if processes were simpler and streamlined then it might be a boon to global giving.

The part of the Patriot Act which foundations have to deal with is focused on preventing charitable funding from falling into terrorist or money-laundering hands. But from our perspective the value add is highly debatable. I'd estimate we've run tens of thousands of names through the Office of Foreign Assets Control database, and the only match was a member of parliament in Zimbabwe, who was on the list because he was an MP in Zimbabwe. Other aspects of the **equivalency determination** (ED) process, which allows us to consider foreign NGOs as equivalent to U.S. 501(c)(3) nonprofits, may be more correlated with positive change for children—say, for example, looking at the NGO's financial resource base or governance structure. But they are very labor intensive to document and monitor.

Today, there are models like **Kiva** on the micro-finance/enterprise side that can very quickly and efficiently transfer resources over borders. I would expect this ease of funds transfer to put pressure on both foundations and the U.S. government to look for simpler ways to grant funds internationally, and that this could encourage streamlining the ED

requirements and processes. Within its own portfolio, the Firelight Foundation is very interested in looking at what elements within ED are most correlated with the benefits for children.

That said, Firelight has also shown that if you're methodical and efficient with your processes, it's possible for a small foundation without field offices abroad to maintain a 200-partner network and get almost all of the funds granted directly to the grassroots. It takes effort and commitment, but it is well worth it.

TAI: What's your advice to foundations that are U.S. focused but want to give internationally?

PL: There are many things, but take time to understand your strengths and where you can add value. To do so, you'll have to understand the local context—particularly local needs, civil society, and government capacity, and laws governing foundations in the country.

I also encourage people to be flexible. For example, at Firelight, we take proposals in local languages, even handwritten proposals at times. We work with these organizations to meet their needs and accommodate their culture.

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