

the institutional philanthropy spectrum

the efc's knowledge
framework for
understanding
european
philanthropy

knowledge
insights
philanthropy



EFC KNOWLEDGE HUB

Contents

Foreword – Building a solid evidence base through knowledge and intelligence	1
The Institutional Philanthropy Spectrum – A framework for our knowledge	2
Visualising and unpacking the Spectrum	3
Financial resources	4
Use of assets	5
Governance	6
Practices and behaviours	7
Relevance	8
About the EFC and our Knowledge Hub	9

Foreword – Building a solid evidence base through knowledge and intelligence

By Gerry Salole, EFC Chief Executive

Since its inception, the EFC has been a hub of information, insight and trends on the diverse and ever-evolving European institutional philanthropy sector.

This knowledge gives us a solid evidence base for communicating the value and impact of philanthropy and for representing the sector - to governments, policymakers and the public. For EFC members, our Knowledge Hub serves as a resource for informing strategic decision-making and identifying peers and partners.

The Institutional Philanthropy Spectrum is a flexible framework that we have developed for collecting, analysing and disseminating this knowledge. We have designed the Spectrum to be circular rather than linear, illustrative rather than definitive, and as such, open to continuous evolution. In this way we can better capture the interconnected characteristics of a European philanthropy sector that is in constant flux. This short guide is meant to introduce the concept of the Spectrum, along with some illustrative aspects and characteristics that we have identified so far that can be used to understand the fluid and complex nature of European philanthropy.

The European philanthropy sector has emerged from and operates within the multitude of historical, political, cultural, linguistic and legal contexts of the countries that make up Europe. This complexity means that the knowledge landscape on European philanthropy is varied as well. Legal definitions of foundations and philanthropic organisations vary across the countries of Europe, and each country has its own reporting requirements and methods for data collection.

Therefore, striving for a better picture of philanthropy in Europe must be done by a range of players - from European-level organisations to academic institutions and researchers to national level networks of philanthropic organisations.

All have their role to play in illuminating the complex nature of European philanthropy.

With a belief in the principles of open knowledge, we are committed to doing our part. Our contribution to this picture is a deep, qualitative understanding of our members, who reflect the broad diversity of philanthropy in Europe. These organisations represent a significant proportion of giving by European institutional philanthropy. Gaining knowledge on how they operate, what their characteristics are, what drives them, and how they change and evolve allows us to have a unique perspective on the European sector.

We gather knowledge through multiple channels, including thematic mappings; groups of EFC members convening in Communities of Practice and Thematic Networks; EFC Compass, our online member survey and profile tool; research service for members; as well as active outreach to and engagement with EFC members and other organisations in the sector - to name just a few of the sources that feed into our knowledge base.

The open, transparent and active engagement of EFC members contributes not only to our knowledge base, but improves the overall transparency and accountability of the sector. This is crucial when it comes to representation of the sector as a trusted and transparent partner in tackling the challenges society faces today.

We hope that philanthropic organisations who do not see themselves adequately reflected in the Spectrum will get in touch and help us adapt and grow the framework so that it can indeed capture as much of the diversity of the sector as possible.

The IPS - A framework for our knowledge

Developed by the EFC, the Institutional Philanthropy Spectrum (IPS) serves as a flexible framework for our knowledge base, allowing us to continuously build and adapt a systematic understanding of the field of institutional philanthropy.

We use the Spectrum as a way to capture and explain the diverse and ever-evolving nature of the sector.

Taking a functional rather than legalistic approach to understanding European philanthropy, the IPS is organised around the following key aspects of institutional philanthropy:

- Financial resources
- Use of assets
- Governance
- Practices and behaviours
- Relevance

The Spectrum breaks these aspects down into detailed clusters to identify the unique features and practices of institutional philanthropy actors. The Spectrum allows us to investigate and examine the landscape of philanthropy to understand how philanthropic organisations are operating at multiple levels, and to identify correlations between impact and the diversity in the field, not just at the project level but all the way up the structure and resource chain.

The layers of the Spectrum, and the aspects clustered within these layers, are not meant to be definitive or exclusive, but rather illustrative and inclusive. The flexibility of the Spectrum allows us to continuously incorporate new concepts, terms and characteristics to reflect the ever-evolving nature of both the sector and individual organisations.

Not only is the IPS a useful framework for our knowledge base, the tool also enables philanthropic organisations to envision how they fit into the philanthropy space, and it allows them to find commonalities and explore differences with other organisations.

How we developed the IPS

The IPS started in 2016 as an observatory process taking as a sample the 30 philanthropic organisations that make up the Governing Council of the European Foundation Centre. Parallel to this collection of empirical data, we researched similar efforts that had been done to develop theories or frameworks regarding the philanthropic sector. We then set out to use what we learned from these exercises to come

up with an evolved, flexible framework to describe and eventually predict the behaviour of institutional philanthropy in Europe.

Our aim was to develop a framework that reflects the diversity of the European sector; that uses language that accurately expresses the characteristics of our members; and that can be used to emphasise similarities and common ground. Just as important, we wanted a framework that was flexible and supple enough to adapt to the ever-changing and evolving nature of philanthropy itself.

With additional collection and analysis of data and information on the full EFC membership, we then delineated the different ways in which the distinctive elements of institutional philanthropy are combined and translate into different approaches and behaviours, similar to the theories of personalities that apply to individuals. These elements were then regrouped under several key aspects of the Spectrum.

This first version of the IPS was then presented to various audiences, including EFC members, EFC staff, academic researchers active in the field, practitioners and other EFC stakeholders. Based on feedback from these groups, the original version was further refined and modified.

Next we set about testing the IPS. Additional data on EFC members was collected through annual surveys and thematic mappings, which are studies done on funding by members in a particular thematic area, to test whether the IPS concept and structure held up when used to organise and analyse various data sets. This and other tests showed that the coherence and flexibility of the IPS does indeed help to capture and observe from various angles the diversities and commonalities of the philanthropic sector in Europe.

Using this approach in the development of the IPS allowed us to avoid categorising philanthropic organisations into definitive, rigid boxes of typology, and instead provided different lenses through which to view institutional philanthropic organisations and their shared traits. The framework that has emerged from this initial work is a flexible one that can continuously evolve to reflect changes and development in the sector itself.

Visualising and unpacking the Spectrum

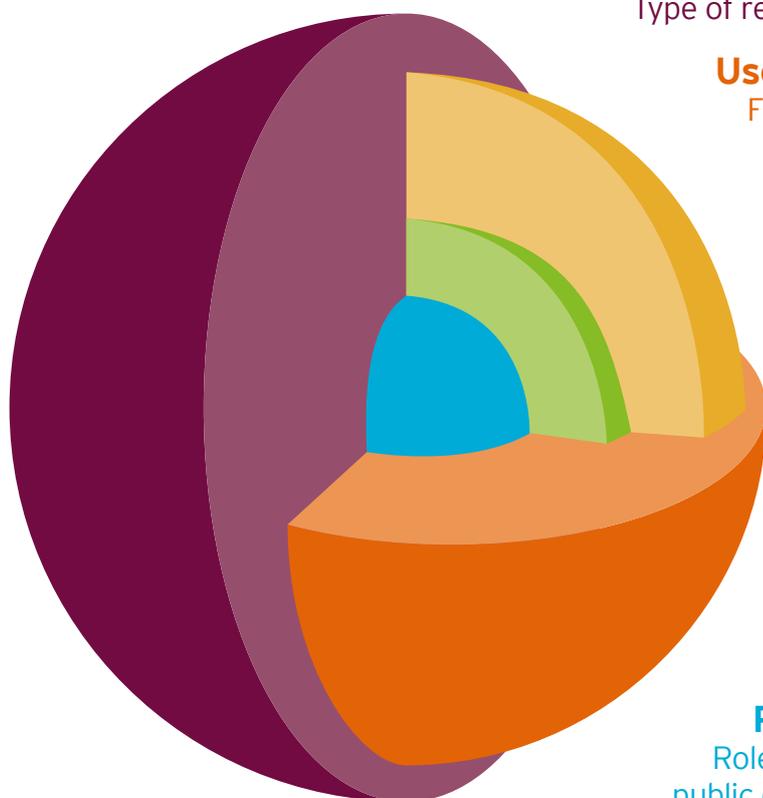
The IPS gives us a way to see where philanthropic organisations fit within the multidimensional sphere of institutional philanthropy.

Each of the five layers can be broken down into several elements, allowing us to dig deeper into understanding the similarities and differences between philanthropic organisations. A philanthropic organisation will have a different positioning for each of these aspects, which will contain multitudes of different structures, practices and ways of working - capturing the diversity of the sector.

A particular organisation's profile across the Spectrum will reflect its position within the five layers, giving it a unique identity, but one which can be grouped and regrouped with other organisations, depending on the lens used. For instance if one looks at the profiles through the lens of assets, organisation A and organisation B would be grouped together.

But looking at the profiles through the lens of governance would put these foundations in different groups. Additionally, as an organisation changes and evolves, its position can move within the interconnected aspects and layers of the Spectrum.

The visual below helps to demonstrate the way we have grouped these dimensions into five major "layers" which illuminate the range of traits in a philanthropic organisation - from the organisation's assets right down to its core purpose. And in the following visuals, illustrative - rather than definitive - aspects within each layer are shown.



Financial resources

Type of resources and size of assets

Use of assets

Financial tools, staffing, non-financial assets and tools, scope and approaches

Governance

Governance arrangements, time horizon and organisational and legal forms

Practices and behaviours

Operations and interactions with peers and stakeholders

Relevance

Roles, functions and public good areas

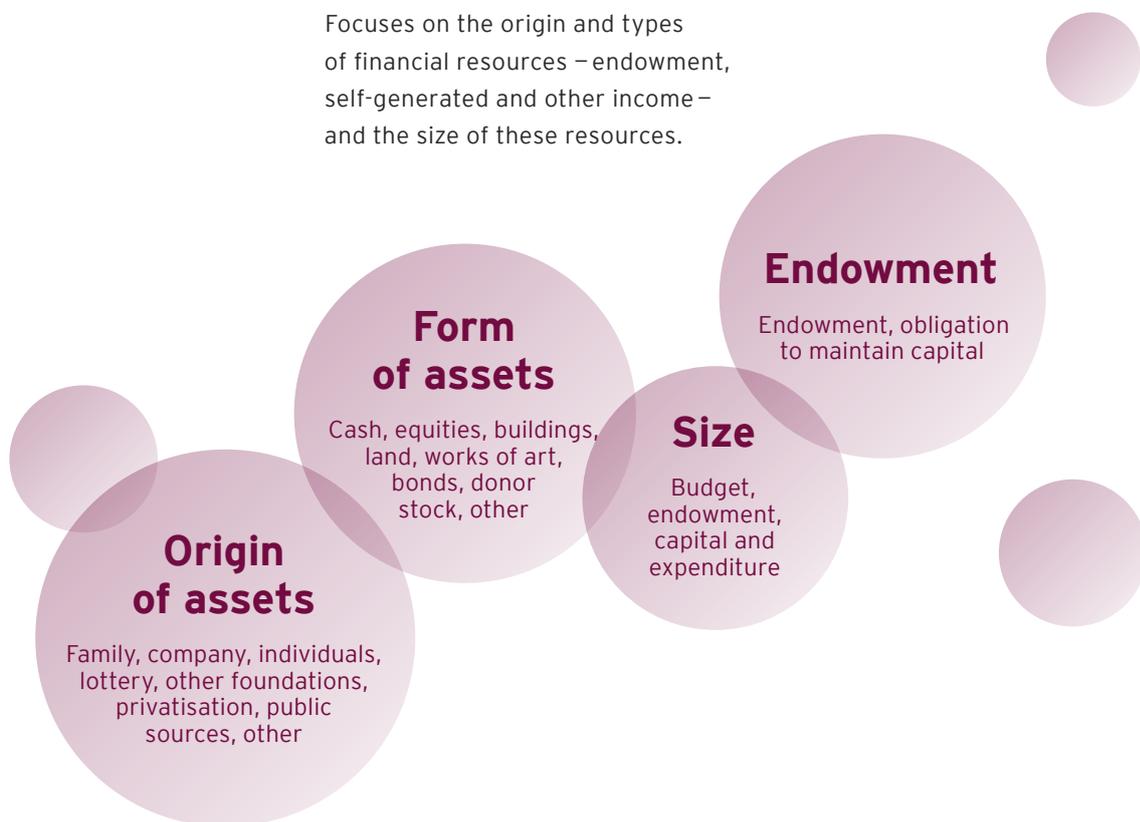


TYPE OF RESOURCES
SIZE OF ASSETS

Financial resources

Income and assets, both size and type

Focuses on the origin and types of financial resources – endowment, self-generated and other income – and the size of these resources.





FINANCIAL ASSETS AND TOOLS

STAFFING

NON-FINANCIAL ASSETS AND TOOLS

SCOPE

APPROACHES

Non-financial assets and tools

Tangible/non-tangible
Intellectual capital, reputation and brand

Access to networks, communications and advocacy support

Access to meeting facilities, skill support

Approaches

Grantmaking, operating and hybrid
Programme duration

Grantmaking strategies

Human assets

Staff, volunteers, employees, external resources

Financial assets and tools

Financial support: Grants, prizes, fellowships, loans, guarantees, long-term support

Investment

Number of grants

Scope

Open/restricted mission

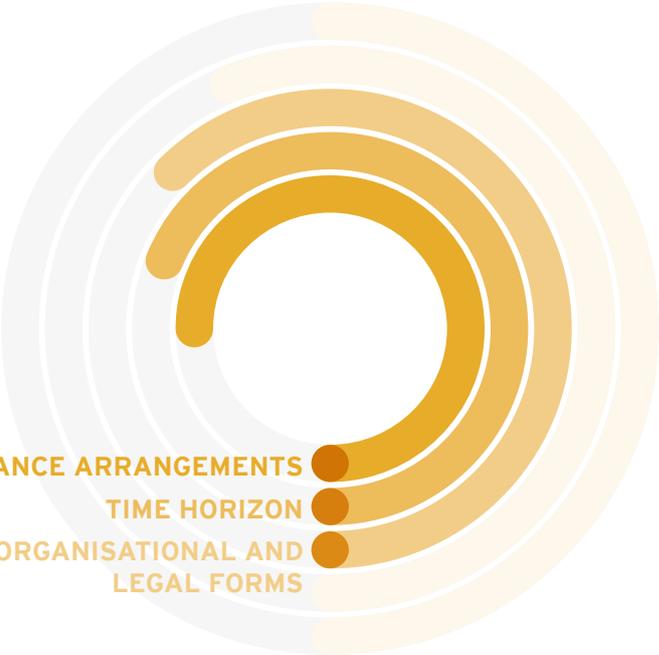
Strategy: Thematic / population segment, specialised / focused, multiple

Geographic strategy: Local, regional, national, cross-border, etc.

Use of assets

Financial tools, staffing, non-financial assets and tools, scope and approaches

Focuses on how institutional philanthropy manages and makes use of its assets. This covers its financial assets, human resources, non-financial tangible and intangible assets; as well as the scope of the organisation (i.e. mandate, issue, population and geographical foci), and the approach(es) it takes (i.e. grantmaking, operating, both grantmaking & operating, creating new entities, investing, investing & engagement / co-management, using a mix of these).



GOVERNANCE ARRANGEMENTS
TIME HORIZON
**ORGANISATIONAL AND
LEGAL FORMS**

Governance

Governance arrangements, time horizon, organisational and legal forms

Governance arrangements

Composition, appointment,
functioning, relations,
process

Organisational form

Independent, community,
corporate funder,
other

Time horizon

Perpetuity,
set duration

Legal form

Foundation, trust,
company, NGO,
independent

Focuses on the governance arrangements of the organisation including the appointment of the governing organ(s), their composition, their functioning, and the relations between the various organs and parties; the time horizon of the organisation (does it have a set duration or does it exist in perpetuity?); and its form (e.g. foundation forms, company forms, NGO forms or others).

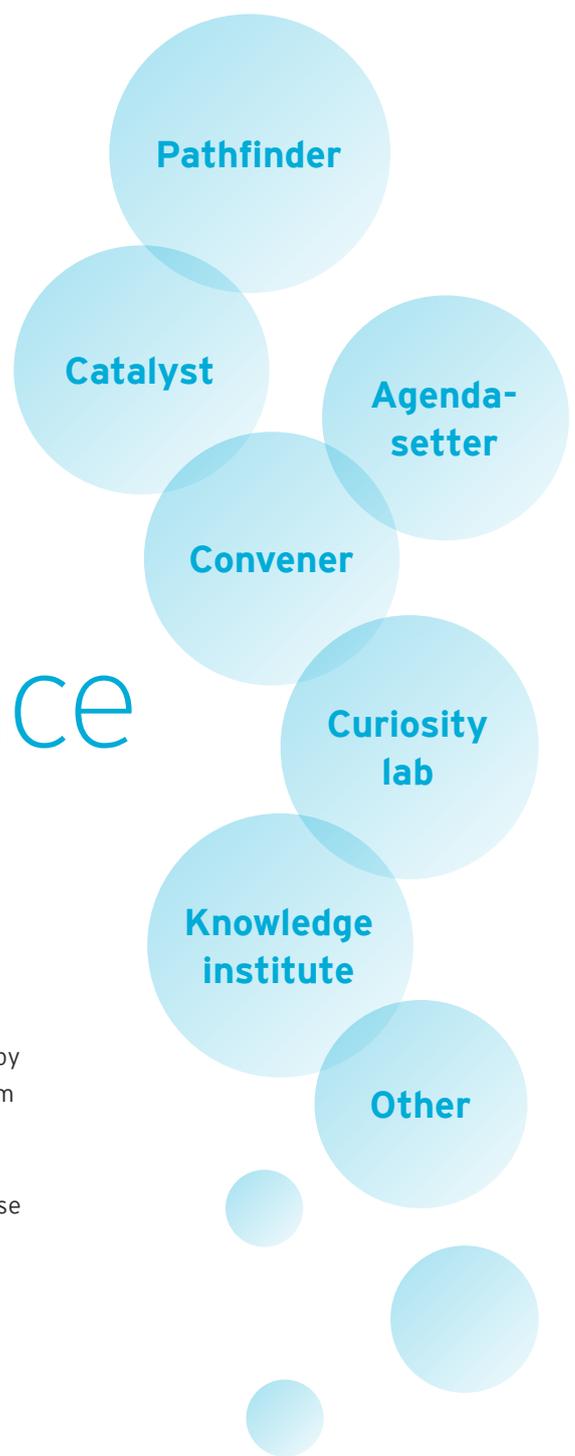
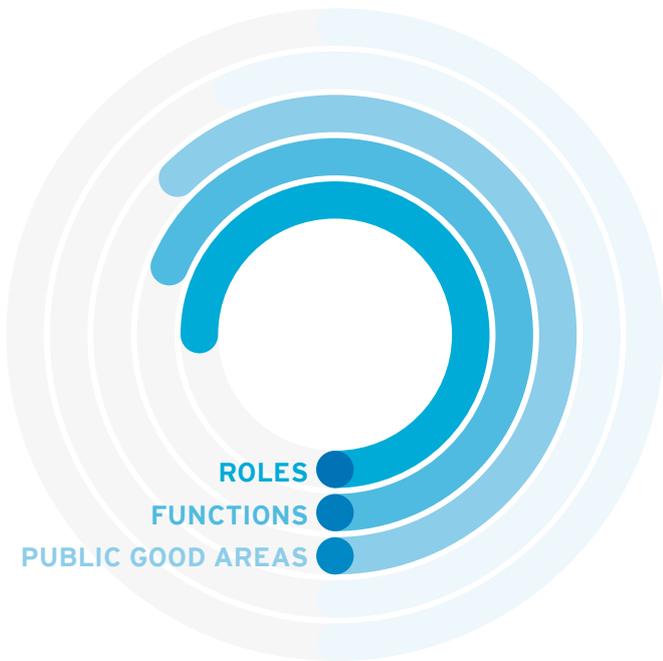


Practices & behaviours

Operations and interactions with peers and stakeholders

Focuses on the practices and behaviours of the organisation as reflected in its operations and relations with peers and stakeholders.

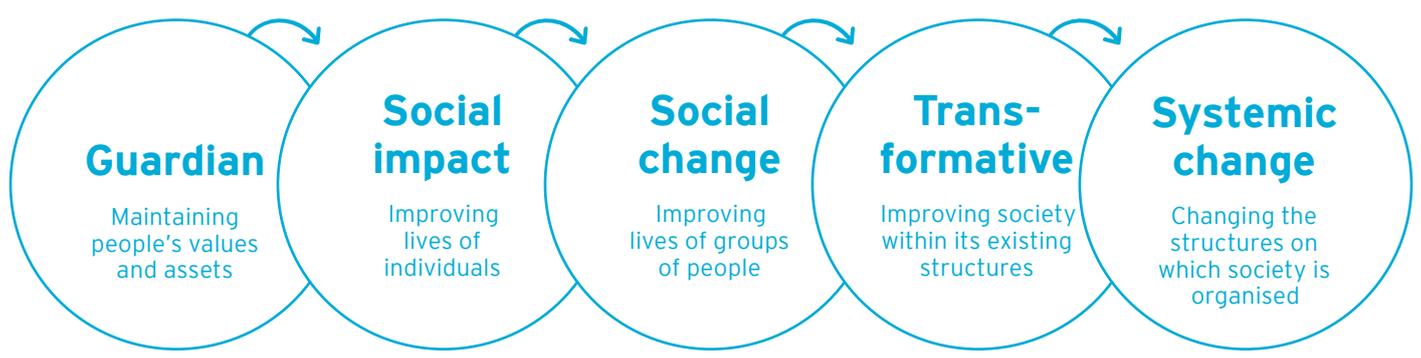




Relevance

Roles, functions and public good areas

Focuses on the areas of expertise and competence of institutional philanthropy and on the role of the organisation from its own viewpoint and perspective, (i.e. its position and what it does in society; and its function, i.e. the purpose for which it is designed and exists).



About the EFC and our Knowledge Hub

About the EFC Knowledge Hub

Through our online Knowledge Hub, members can access insights and intelligence offered by our knowledge base. Our knowledge work helps philanthropic organisations to:

- Learn about and reflect on practices from other organisations
- Establish benchmarks, both programmatic and operational
- Get inspired by ideas and methods discovered
- Connect with peers and identify potential partners
- Gain insights to inform strategy and build evidence for strategic change

What our Knowledge Hub offers

Mappings

The EFC maps the European funding landscape in an array of thematic areas. Recent mappings include “Environmental Funding by European Foundations” and “Arts and Culture at the Core of Philanthropy”. All EFC mappings and publications are available for download from our website.

EFC Compass

This online member survey and profile tool allows members to access instant benchmarking data on a range of characteristics and operational areas for philanthropic organisations.

Research service

The EFC provides answers to members’ research requests on a range of topics - from who is funding in specific thematic or geographic areas, to how other organisations operate, to questions about the sector as a whole.

Virtual Library

The EFC curates this publicly-available, fully-searchable collection of more than 1,000 free-to-download publications on philanthropy and foundations. We continuously add new resources published by our members, as well as resources they suggest for inclusion.

www.efc.be/knowledge-hub

About the EFC

As a leading platform for philanthropy in Europe, the EFC works to strengthen the sector and make the case for institutional philanthropy as a formidable means of effecting change.

We believe institutional philanthropy has a unique, crucial and timely role to play in meeting the critical challenges societies face. More people and causes benefit from institutional philanthropy than ever before, from eradicating deadly diseases and making the world’s populations healthier to combating climate change and fighting for global human rights and equality.

Working closely with our members, a dynamic network of strategically-minded philanthropic organisations from more than 30 countries, we:

- **Foster peer-learning** by surfacing the expertise and experience embedded in the sector
- **Enhance collaboration** by connecting people for inspiration and joint action
- **Represent philanthropy** for favourable policy and regulatory environments
- **Build a solid evidence base** through knowledge and intelligence
- **Raise the visibility** of philanthropy’s value and impact

Visit the EFC website to read more about the EFC Strategic Framework 2016-2022, developed by the EFC membership.

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